7033. By Mr. MARTIN J. KENNEDY: Petition of Rev. William R. Kelly, of New York City, urging continuation of the National Youth Administration program; to the Committee on Appropriations.

7034. Also, petition of the Council of American Master Mariners, urging that no legislation be enacted by the Congress of the United States which will tend to abolish or compromise the traditional rights of our American merchant marine to enjoy the freedom of the seas and subject to international law; to the Committee on Merchant Marine and Fisheries.

7035. Also, petition of the New York State Retail Hardware Association, Syracuse, N. Y., concerning the Norris bill (S. 2605); to the Committee on Agriculture.

7036. Also, petition of the Merchants Association of New York, New York City, concerning the Walter-Logan bill (H. R. 6324, S. 915); to the Committee on the Judiciary.

7037. Also, petition of the United Neighborhood Houses of New York, Inc., New York City, urging the continuation and expansion of the National Youth Administration program; to the Committee on Appropriations.

7038. Also, petition of the Wood, Wire, and Metal Lathers' International Union, Local No. 46, New York City, favoring passage of the Wagner-Steagall housing bill (S. 591); to the Committee on Banking and Currency.

7039. Also, petition of the International Association of Bridge, Structural, and Ornamental Iron Workers, Local Union No. 361, Brooklyn, N. Y., urging support of the Wagner-Steagall housing bill (S. 591); to the Committee on Banking and Currency.

7040. By Mr. MICHAEL J. KENNEDY: Petition of the Merchants Association of New York, supporting the Walter-Logan bill (H. R. 6324), which provides for the more expeditious settlement of disputes with the United States, and for other purposes; to the Committee on the Judiciary.

7041. Also, petition of the Chelsea Association for Planning and Action, New York City, endorsing the Wagner-Steagall housing bill, providing additional funds for the Federal Housing Administration; to the Committee on Banking and Currency.

7042. Also, petition of the Chelsea Association for Planning and Action, New York City, endorsing the Wagner-Steagall housing bill, providing additional funds for the Federal Housing Administration; to the Committee on Banking and Currency.

7043. Also, petition of the Congress of Industrial Organizations Maritime Committee, urging that the Maritime Commission be requested to hold hearings to obtain data to fix minimum wage and manning scales on its own and subsidized vessels; to the Committee on Merchant Marine and Fisheries.

7044. By Mr. LECOMPTE: Petition of Branch No. 447 of the National Association of Letter Carriers, Ottumwa, Iowa, in the interest of the Rogers court of appeals bill (H. R. 2569); to the Committee on the Civil Service.

7045. Also, petition of sundry citizens of Corydon, Iowa, in the interest of the chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

7046. Also petition of sundry citizens of Ottumwa, Iowa, in the interest of House bill 5237, which provides that Government employees after having served 30 years may apply for voluntary retirement; to the Committee on the Civil Service.

7047. By Mr. LUDLOW: Petitions of sundry citizens of Indianapolis, Ind., protesting against the levying of excise or any other form of processing taxes on bread and other everyday indispensable necessities of life; to the Committee on Ways and Means.

7048. Also, petition of sundry citizens of Indianapolis, Ind., requesting the enactment of the General Welfare Act (H. R. 5620); to the Committee on Ways and Means.

7049. By Mr. PFEIFER: Petition of the Chiropean Club of Brooklyn, N. Y., protesting against any increase in the quota of sugar imported from the Tropics; to the Committee on Foreign Affairs.

7050. Also, petition of the Merchants Association of New York, supporting the Walter-Logan bills (H. R. 6324 and S. 915); to the Committee on the Judiciary.

7051. Also, petition of the Community Councils of the City of New York, Inc., opposing any sugar legislation not fair and equitable to New York City workers in sugar refineries; to the Committee on Foreign Affairs.

7052. Also, petition of the National Association of Women Lawyers, Adele I. Springer, chairman, committee on administrative law, New York City, urging support of the Logan-Walter administrative law bill (H. R. 6324 and S. 915); to the Committee on the Judiciary.

7053. Also, petition of the Illuminati, of Brooklyn, N. Y., opposing the Cummings bill (H. R. 8746) and favoring legislation that would protect the workers in the New York City sugar refineries; to the Committee on Foreign Affairs.

7054. By Mr. REES of Kansas: Resolutions adopted by the Geary County Farm Boosters Club, March 8, 1940; to the Committee on Agriculture.

7055. By Mr. SANDAGER: Memorial of the Town Council of Westerly, R. I., favoring the improvement of Watch Hill Cove, Westerly, R. I.; to the Commitee on Rivers and Harbors.

7056. By Mr. WALTER: Petition of the State Camp of Pennsylvania Patriotic Order of Sons of America, petitioning consideration of their resolution with reference to diplomatic relations with Soviet Russia; to the Committee on Foreign Affairs.

7057. By the SPEAKER: Petition of the California State Board of Agriculture, Sacramento, Calif., petitioning consideration of their resolution with reference to migratory labor in agriculture; to the Committee on Agriculture.

7058. Also, petition of North Dakota Woman's Christian Temperance Union, Fargo, N. Dak., petitioning consideration of their resolution with reference to international trade; to the Committee on Foreign Affairs.

7059. Also, petition of Tacoma Local, No. 71, Operative Plasterers and Cement Finishers International Association of the United States and Canada, petitioning consideration of their resolution with reference to United States Housing Authority; to the Committee on Banking and Currency.

7060. Also, petition of the Tacoma Building Trades Council, Tacoma, Wash., petitioning consideration of their resolution with reference to United States Housing Authority; to the Committee on Banking and Currency.

7061. Also, petition of the International Brotherhood of Electrical Workers, Tacoma, Wash., petitioning consideration of their resolution with reference to United States Housing Authority; to the Committee on Banking and Currency.

7062. Also, petition of Local Union No. 82, United Association of Journeymen Plumbers and Steam Fitters of the United States and Canada, petitioning consideration of their resolution with reference to United States Housing Authority; to the Committee on Banking and Currency.

7063. Also, petition of the Maryland State Society, Daughters of the American Revolution, Annapolis, Md., petitioning consideration of their resolution with reference to the Committee on Un-American Activities; to the Committee on Rules.

7064. Also, petition of the League of Polish Organizations, and Polish Relief Committee, of Paterson, N. J., petitioning consideration of their resolution with reference to relief of Poland; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, MARCH 20, 1940

(Legislative day of Monday, March 4, 1940)

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

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, the Father of our Lord Jesus Christ, the Great Shepherd of the sheep, who came to seek and to save the lost: We beseech Thee that Thy spirit may strive with those who, having strayed from Thy fold, are wandering in the wilderness of worldliness and sin. Let Thy love constrain them

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and Thy grace abound toward them, that so they may return to Thee in penitence and fresh consecration of their lives.

Grant to us at this moment, O righteous Father, the spirit of worship and true godliness. Bind us together with cords of sympathy and friendliness, and give us the vision of our common duty, making us glad and strong in doing it. By the memories of our Nation's glorious past, make us alert to the call of the present, that, inspired by the spirit of wisdom, courage, and patience, we may respond with signal devotion to its just claims upon us.

We ask it in the name of Him who at this very hour hung upon the cross, stretching forth His loving arms to draw all men unto Himself, Jesus Christ Thy Son our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 19, 1940, 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 bills, in which it requested the concurrence of the Senate:

H. R. 554. An act for the relief of Meta De Rene McLoskey;

H. R. 2014. An act for the relief of Margaret Redmond;

H. R. 2853. An act for the relief of Frank Burgess Bruce; and

H. R. 5719. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2739) to amend section 45 of the United States Criminal Code to make it applicable to the outlying possessions of the United States, and it was signed by the Vice President.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Donahey	La Follette	Schwellenbach
Ashurst	Downey	Lee	Sheppard
Austin	Ellender	Lodge	Shipstead
Bailey	Frazier	Lucas	Smathers
Bankhead	George	Lundeen	Smith
Barbour	Gerry	McCarran	Stewart
Barkley	Gibson	McKellar	Taft
Bilbo	Gillette	McNary	Thomas, Idaho
Bone	Glass	Maloney	Thomas, Okla.
Bridges	Green	Mead	Thomas, Utah
Brown	Guffey	Miller	Tobey
Bulow	Gurney	Minton	Townsend
Byrd	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hatch	Norris	Van Nuys
Caraway	Hayden	Nye	Wagner
Chandler	Herring	O'Mahoney	Walsh
Chavez	Hill	Pepper	Wheeler
Clark, Idaho	Holman	Pittman	White
Clark, Mo.	Holt	Reed	Wiley
Connally	Hughes	Reynolds	
Danaher	Johnson, Calif.	Russell	
Davis	Johnson, Colo.	Schwartz	

Mr. MINTON. I announce that the Senator from Utah [Mr. KING] and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Illinois [Mr. SLATTERY], and the Senator from Missouri [Mr. TRUMAN], are detained on important public business.

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present.

FREEDOM OF ELECTIONS

Mr. HATCH. Mr. President, in today's Washington News appears an editorial speaking in high favor of the speech delivered on the floor of the Senate last week by the senior Senator from Georgia [Mr. GEORGE]. It gives me pleasure at this time to ask that the editorial be printed in full in the body of the RECORD as part of my remarks.

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

The editorial is as follows:

[From the Washington Daily News]

FREEDOM OF ELECTIONS

One of the finest speeches in the 2 weeks of Senate debate on the Hatch bil was made by Senator George of Georgia. For reasons of space we can quote here only a small portion of it:

"The bill does not invade States' rights, and it is not intended to invade States' rights. It is intended to protect the States, it is intended to protect both the State governments and the General Government, because it is intended to preserve freedom in elections; and without the free election there is no democratic process as we know it, whether in the State or in the Federal Government.

"Within the past seven and a fraction years, under our party, there has been the most rapid concentration of power that has taken place at any given period of time in our whole history. In order to relieve many of the conditions which we found in 1933 to be intolerable, in order to relieve conditions which we as Democrats knew should be relieved, we found it necessary to appropriate the largest sums of money that have ever been appropriated by our Government in peacetimes.

"We found it necessary to create in the country the vastest army of Federal officials that we have ever had in peace or in war; and included in that army are also those State officials and employees who are really and in truth engaged in administering Federal funds * * *.

"We are not going to discontinue that practice altogether. Some of us may desire to see it discontinued, but it will not be discontinued * * *.

"What does it mean? It means that the State must assent to the conditions under which it receives appropriations. What does the bill propose to do? To give to the Federal Government power to impose conditions upon the States? Not at all. It is a simple and feeble attempt to write one prohibition against further Federal imposition of power upon the States. We say that whatever the Federal Government may do about funds that are going to be sent into Virginia or into Georgia, funds shall not be sent down there to be used for political purposes; that we will not permit the political use of those funds in the States to corrupt the election in those States."

C. Z. BUSH AND W. D. KENNEDY

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 3481) for the relief of C. Z. Bush and W. D. Kennedy, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

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

The motion was agreed to; and the Presiding Officer appointed Mr. BROWN, Mr. SCHWARTZ, and Mr. CAPPER conferees on the part of the Senate.

WARREN ZIMMERMAN

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 4126) for the relief of Warren Zimmerman, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

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

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. SCHWARTZ, and Mr. CAPPER conferees on the part of the Senate.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION, LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 168)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting a supplemental estimate of appropriation for the fiscal year 1941 in the amount of $4,000, together with draft of a proposed provision to amend an existing appropriation for the

fiscal year 1940, pertaining to the Legislative Establishment under the Architect of the Capitol, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the California State Board of Agriculture, in session at Sacramento, Calif., favoring a national investigation of the problem of migratory agricultural labor, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate memorials of several citizens of the State of Washington, remonstrating against the sending of American boys to war for any cause except a direct and unprovoked invasion of the Nation, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Fifteenth Annual Women's Patriotic Conference on National Defense, protesting against the enactment of pending American-youth legislation entailing an appropriation of $500,000,000 annually, with related resolutions, which were referred to the Committee on Military Affairs.

He also laid before the Senate a resolution of West Coast Local No. 90, National Organization of Masters, Mates, and Pilots of America, San Francisco, Calif., favoring the enactment of legislation to authorize the Secretary of War, in the interest of the national defense, to make a survey of the proposed T-tunnel as a means of communication between San Pedro, Wilmington, Terminal Island, and Long Beach, Calif., which was referred to the Committee on Military Affairs.

He also laid before the Senate the petition of Mrs. Philip Terry, of Hingham, Mass., praying that personal questions be eliminated from the 1940 census questionnaire, which was ordered to lie on the table.

Mr. HOLT presented a paper in the nature of a petition from the Flood Control Committee of the Board of Commerce of Parkersburg, W. Va., praying for a flood-control appropriation so that Parkersburg may have the benefit of a wall and levee, which was referred to the Committee on Appropriations.

REPORTS OF COMMITTEES

Mr. CONNALLY, from the Committee on Foreign Relations, to which was referred the bill (H. R. 7809) authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose, reported it without amendment and submitted a report (No. 1330) thereon.

Mr. SCHWELLENBACH, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 3406) for forest protection against the white-pine blister rust, and for other purposes, reported it without amendment and submitted a report (No. 1331) thereon.

Mr. TOWNSEND, from the Committee on Banking and Currency, to which was referred the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes, reported it with amendments and submitted a report (No. 1332) thereon.

Mr. BILBO, from the Committee on Commerce, to which was referred the bill (H. R. 6884) to encourage travel in the United States, and for other purposes, reported it with an amendment and submitted a report (No. 1333) thereon.

Mr. PEPPER, from the Committee on Interoceanic Canals, to which was recommitted the bill (S. 1162) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal, reported it with amendments and submitted a report (No. 1334) thereon.

INVESTIGATION RELATIVE TO WIRE TAPPING AND LISTENING DEVICES

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back Senate Resolution 224, without further amendment, and with the recommendation that the amendment of the Committee on Interstate Commerce be disagreed to. I ask unanimous consent for the present consideration of the resolution.

There being no objection, the Senate proceeded to consider the resolution, submitted by Mr. GREEN on February 1, 1940.

The amendment of the Committee on Interstate Commerce was, on page 2, line 16, after the word "exceed", to strike out "$15,000" and insert "$25,000."

The amendment was rejected.

The resolution was agreed to, as follows:

Resolved, That the Committee on Interstate Commerce is authorized and directed to make a full and complete investigation of alleged instances of (1) interception, by means of wire tapping or otherwise, of wire communications to or from officials and employees of the Federal, State, and local governments, and (2) installation of dictographs or similar devices for the purpose of listening to or recording conversations participated in by such officials and employees. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendation for the enactment of any remedial legislation it may deem necessary.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-sixth and succeeding Congresses, to employ and to call upon the executive departments for clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. DONAHEY:

S. 3635. A bill to provide for the establishment of a national wildlife refuge at Indian Lake, Ohio, and to provide regulation and protection pursuant to the Migratory Bird Conservation Act (45 Stat. 1222) and the Migratory Bird Treaty Act (40 Stat. 755); to the Special Committee on Conservation of Wildlife Resources.

By Mr. SHEPPARD:

S. 3636. A bill to amend the National Defense Act, as amended, so as to provide for retirement of assistant chiefs of branches and of wing commanders of the Air Corps with the rank and pay of the highest grade held by such officers as assistant chiefs and wing commanders, and for other purposes; to the Committee on Military Affairs.

By Mr. TYDINGS:

S. 3637. A bill to provide for refund of processing taxes which were paid by processors on behalf of planters of sugarcane and sugar beets; to the Committee on Claims.

By Mr. WALSH:

S. 3638. A bill to permit the Smithsonian Gallery of Art Commission to purchase a model of the winning design for the proposed Smithsonian Gallery of Art, and for other purposes; to the Committee on Appropriations.

By Mr. NEELY:

S. 3639. A bill for the relief of Clark Wiley; to the Committee on Claims.

S. 3640. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended; to the Committee on Civil Service.

By Mr. PEPPER:

S. 3641. A bill to provide for employment, for cooperation by the Federal Government with the several States in relieving the hardships and suffering caused by unemployment and for other purposes; to the Committee on Education and Labor.

By Mr. MEAD:

S. J. Res. 233. Joint resolution authorizing and requesting the President of the United States of America to proclaim the third Sunday in May of each year as New Citizens Day; to the Committee on the Judiciary.

By Mr. WHEELER:

S. J. Res. 234 (by request). Joint resolution providing for more uniform coverage under the Railroad Retirement Acts of 1935 and 1937, the Carriers Taxing Act of 1937, and subchapter B of chapter 9 of the Internal Revenue Code; to the Committee on Interstate Commerce.

HOUSE BILLS REFERRED

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

H. R. 554. An act for the relief of Meta De Rene McLoskey; and

H. R. 2853. An act for the relief of Frank Burgess Bruce; to the Committee on Finance.

H. R. 2014. An act for the relief of Margaret Redmond; and

H. R. 5719. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War; to the Committee on Claims.

INVESTIGATION OF LOSSES INCIDENT TO FLORIDA CAMPAIGN AGAINST MEDITERRANEAN FRUITFLY

Mr. SCHWARTZ submitted the following concurrent resolution (S. Con. Res. 40), which was referred to the Committee on Claims:

Whereas pursuant to Senate Joint Resolution 177, Seventy-sixth Congress, first session, a subcommittee of the Committee on Claims of the Senate has held a hearing with respect to the losses sustained by certain persons in the State of Florida as a result of the Mediterranean fruitfly eradication and quarantine campaign conducted in the State of Florida by the United States Government; and

Whereas in the opinion of such subcommittee a satisfactory showing has been made to justify and require an accurate and dependable determination of the actual losses sustained as a result of such campaign, the nature and character of such losses, and the persons by whom such losses were sustained: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That there is hereby created a special joint congressional committee to be composed of three members of the Committee on Claims of the Senate, to be appointed by the chairman thereof, and three members of the Committee on Claims of the House of Representatives, to be appointed by the chairman of such committee. It shall be the duty of such special committee to make a full and complete investigation with respect to the losses sustained as a result of the Mediterranean fruitfly eradication and quarantine campaign conducted in the State of Florida in 1929 and 1930 by the United States Government, with a view to determining, among other things, the nature, character, and amount of such losses, the circumstances under which such losses occurred, and the persons by whom such losses were sustained. The committee shall report to the Congress at the earliest practicable date the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses and adjourned periods of the Seventy-sixth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, 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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, anounced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to each of the following bills of the Senate:

S. 186. An act to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree; and

S. 1955. An act to authorize the Secretary of Agriculture to delegate certain regulatory functions, and to create the position of Second Assistant Secretary of Agriculture.

ADDRESS BY SENATOR MEAD ON PENDING LEGISLATION BEFORE CONGRESS

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD a radio address delivered by Senator MEAD on March 17, 1940, on the subject of legislation pending before Congress, which appears in the Appendix.]

AGRICULTURE AND THE TRADE-AGREEMENTS PROGRAM

[Mr. HILL asked and obtained leave to have printed in the RECORD a statement made by Secretary of Agriculture Wallace on the subject of agriculture and the trade-agreements program in the hearings of the House Ways and Means Committee, January 12, 1940, which appears in the Appendix.]

ADDRESS BY COL. F. C. HARRINGTON ON WORK OF W. P. A.

[Mr. SCHWARTZ asked and obtained leave to have printed in the RECORD a radio address delivered by Col. F. C. Harrington, Commissioner of the Work Projects Administration of the Federal Works Agency, on Saturday, March 16, 1940, on the subject of the work of the W. P. A., which appears in the Appendix.]

TWO X'S OF HOUSING—ARTICLE BY MRS. DOROTHY ROSENMAN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an analysis of the low-cost housing problem, entitled "Two X's of Housing," by Mrs. Dorothy Rosenman, published in the New York Times magazine of February 11, 1940, which appears in the Appendix.]

EDITORIAL FROM NEW YORK TIMES ON CREDIT FOR BUSINESSMEN

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial published in the New York Times of March 18, 1940, entitled "Credit for Businessmen," which appears in the Appendix.]

PREVENTION AND PUNISHMENT FOR LYNCHING

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial from the New York Post of March 18, 1940, entitled "New Style in Lynching," which appears in the Appendix.]

AN OPPORTUNITY FOR AMERICANS

[Mr. WALSH asked and obtained leave to have printed in the RECORD an article by Dr. Joseph F. Thorning, of Mount St. Marys College, entitled "An Opportunity for Americans," published in the magazine Spain, which appears in the Appendix.]

AGRICULTURAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess yesterday, the first amendment on page 12, line 5, was the pending business before the Senate.

Mr. AUSTIN. Mr. President, the pending amendment comprehends several items relating to research, and, although I intend to support the amendment, I address the Senate because I am greatly interested in the subject of agricultural research, and I know that nearly all other Senators are likewise interested. Many of them have already spoken to me about two amendments which I thought at one time I would offer to the committee amendment. I feel bound to have my colleagues know why I do not offer those amendments, and, so far as the public is concerned, I would answer by this method many letters and telegrams which have come to me urging these amendments. That is, my desire to avoid some letter writing is one of my reasons for addressing the Senate on this subject.

The two amendments relating to research appear very near together, one on page 12 and one on page 14, and both relate to Public, No. 182, Seventy-fourth Congress, parts 1 and 2 thereof, an act approved June 29, 1935, "to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges."

Mr. President, that act provided a program of great importance to the public welfare, involving research in which both the Federal and the State Governments were intended to cooperate with funds and with service. The plan provided for a continuing appropriation, with an increment each year for 5 years, which I believe it is a duty of Congress to provide in order that there may not be suffered the dislocation of

plans made by the States to conform to projects provided by the Federal Government.

Mr. President, it seems to me that functions in which the two Governments jointly undertake obligations differ entirely, when we come to consider what our duty is with respect to appropriations, from functions which are committed to the Federal Government alone. I can conform to the demands of economy very readily when I do not break an obligation into which I have entered with the State governments respecting such a function as research.

Our State legislatures meet uniformly once in 2 years, except as to one State. They have to make their appropriations and plans, therefore, to cover a biennial period, and I think that the President of the United States and the Bureau of the Budget should take that factor into account when they undertake to make up the Budget relating to such projects.

Mr. President, I have great sympathy with the President of the United States in his effort to make the income of the Government take care, so far as possible, of the routine expenditures of the Government, and therefore I feel a certain responsibility to support the efforts of any Chief Executive in making the funds fit the demands upon them, and vice versa. Yet the Budget is not sacrosanct. Perhaps it would not be sacrosanct even if the Chief Executive should take into consideration such obligations as this, when he makes up the Budget, and not make cuts there but make them where the function is purely a Federal one.

I speak not in criticism of the present President for cutting off this increment, which is absolutely necessary in order to enable the States to carry on the part of the program which they have assumed and started out upon. I raise my voice for a principle, in the hope that future Presidents of the United States, particularly the one to succeed the present President, will give proper regard to these obligations of the Federal Government and the States in making up the Budget, and that when the President makes a cut he will make it upon the Federal function alone, and not dislocate the arrangements made with the several States.

Mr. President, that statement goes also for the committees of Congress. The Budget is not solely in the hands of the President of the United States. The standing committees of Congress and special committees have enough authority over appropriations so that they may, in practical effect, change the amounts required for a certain function or activity. Rule XVI contains a prohibition relating to appropriations which I wish to have in the RECORD in order that those who are interested and who have urged me to offer these amendments may understand why I do not propose them.

The part of rule XVI which causes me to withhold the amendments is the following:

> All general appropriation bills shall be referred to the Committee on Appropriations—

Now comes the prohibition—

> and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill * * * unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

It happens that the Bureau of the Budget submitted the estimate without the increment for research for this year. A year ago the standing committees of the Congress, and afterward the Congress, following their advice, granted one-half of the increment and withheld the other half. This year the committees of the Congress have not seen fit to give even one-half the increment. Therefore this appropriation for research is affected injuriously to the extent of $600,000 in the item which appears on page 12, line 3, which is, as recommended by the committee, $2,400,000. In other words, the committee brought to the Senate a bill which carried $2,400,000 for research in the experiment stations in all the several States of the Union and omitted the increment for the year.

Whether one views this matter as being solely a moral one or views it as one carrying some element of a legal obligation makes very little difference. The object of my saying anything about it is that we may interest those who have to do with the making of the Budget and the bringing in of the appropriations another year, to regard this duty of the Federal Government to meet the States half way after having induced the States to make appropriations for this subject. Perhaps there may soon be brought to the attention of the President facts justifying an estimate in the Budget for a deficiency bill to supply the increment.

Mr. President, on the general subject of research I call attention to the fact that the committee have an amendment which appears on page 48 in which there is carried an appropriation of $45,100. That is also for research.

As a practical thing, I call attention to what has occurred during the past year relating to dairy products as an illustration of the need for this research service.

During the 12 months ending December 31, 1938, there were imported into the United States from foreign countries 417,366 pounds of casein—casein being a byproduct of skimmed milk. In the 12 months ending December 31, 1939, there were imported into the United States 15,832,462 pounds of casein.

Mr. President, that is a very significant item. We have been struggling for years in the United States to solve the problem of surplus fluid milk, and here we are, pursuing such policies as a Federal Government and such practices as a people that with this supply of surplus skimmed milk we cannot respond to the demands right in our own country for casein. Why is that? Because we have not so far conducted our own research relating to this subject as to be able to answer the demand. This was brought to my notice very vividly by the chairman of the Industrial Agricultural Products Commission of the State of Vermont, Mr. Joseph Winterbotham, who received a letter from Edward F. Maloney, vice president of Atlantic Research Associates, Inc., dated February 7, 1940, and reading as follows:

> We received in this morning's mail the report on imports put out by the United States Department of Agriculture—Agricultural Marketing Service. This indicated that imports of casein for 1939 were 15,832,462 pounds (as against 417,366 pounds in 1938). The writer cannot help feel but what the people of this country missed the boat on this one when it is realized that the fifteen-million-odd pounds came into this country in the face of a 5½-cent-per-pound tariff. Along the line consumers paid $2,250,000,000 for this imported casein.

Think of that! Think of what was lost to the producers of milk in this country! I continue reading the letter:

> This quantity of imported casein represents 527,000,000 pounds of skim, which is the annual skim-milk production of some 136,000 cows. Too bad the dairy industry, manufacturing casein, is not keyed up to the ability of quick response to sudden increased demand for its product—casein.
>
> Just felt rather slide rulish this morning and thought you and Dr. Barnard would be interested in these figures.

Dr. Harry E. Barnard is the chairman of the National Farm Chemurgic Council, and to him was appended this note:

> The above indicated the possibility of combining the milk-control ideas of the Government with the processing of a portion of our milk production. This might facilitate a better fluid-price situation for both producer and consumer.

In other words, this small item of agricultural research has ramifications into our economy that are very broad, and when considered in connection with other economic helps which we believe are readily available to us and ought to be encouraged by the Federal Government, I say that when we put the knife into the appropriation it makes us bleed, and does us more harm than good. It is not true economy, but false economy.

Mr. President, there is a principle involved here in addition to the practical question of finding industrial uses for agricultural products, and that is the question that relates to the Budget. I have already spoken of that as being the primary cause for my rising at this point and accounting for my failure to offer these amendments.

For some time there has been a trend on the part of the Bureau of the Budget to break down the annual appropriations which are made with a view to a long-time program. We have had to fight it before. We have been successful heretofore. This is the first time, so far as I know, that the Bureau of the Budget has been successful in the

effort to break up these continuing appropriations upon which education of various kinds necessarily must rely. Any educational program, whether it is within the walls of a university or whether it is in the extension courses that take teachers and leaders out into the fields, must be a continuing one, and it must have money. It is not possible to carry forward such projects as education in agriculture and production and research in basic laws of economy and of agriculture without money.

And so, Mr. President, the camel is at last getting his head under the tent. I want my colleagues to understand that something is occurring that they may not realize, and that is the introduction into the Congress of the principle, or lack of principle, of breaking up and destroying a plan or a program by means of the use of an appropriation. Instead of meeting this thing face on and saying, "Now we no longer believe in the program; we want to amend it or repeal it," and coming in with a repealer of the program, and giving everyone an understanding of what is going on, they come in through the back door and kill it by stopping the appropriation.

Of course, this program is dead if the increment of the appropriation is refused.

All that I have said is but a continuation of the attack made some time ago on this same issue. I want to call attention to it. It will be found in the hearings before the subcommittee of the Committee on Appropriations of the Senate, Seventy-fifth Congress, third session, on H. R. 10238, and my views are stated beginning at page 483. There I reviewed the experience which we had had up to that time, preserving the authorization and the obligation of performing our duty as a Congress under laws that reach back to 1856, to 1860, to 1862, and coming up through the years with reference to agricultural education and research.

Mr. President, I have no remedy for this immediate situation, but I sincerely hope that the people of this country who are interested in this basic and fundamental project will make their opinion felt in the White House, where it must be felt if we are to continue such programs.

Mr. BARBOUR. Mr. President, I rise with a good deal of temerity even to attempt to say anything following the very constructive and informing and able address of my dear friend and very distinguished colleague the Senator from Vermont. While I am certainly not going to delay the Senate more than a moment, I cannot resist the compelling impulse at least to add a word to what he has just said.

These very important and far-reaching matters referred to by the distinguished Senator from Vermont, who is such a recognized student of this whole broad problem in all its aspects, are activities that I myself have been very much interested in and have very closely studied. Undoubtedly the Senator will agree that, if not the first, I was one of the very first Senators who spoke to him about this particular matter to which he has addressed himself so ably, for I am one of those Senators who admit gladly that I turn unhesitatingly and very properly to him, who knows this whole subject so well, having in mind myself, if he did not have in mind introducing the amendments he spoke of, that I myself would do so. Undoubtedly there are other Senators, too, who may have had the same thing in mind.

The study and experimental work that he referred to I know about personally. I regret very much that it is apparently impossible at this time for us to do anything other than to draw attention, as he has drawn so vividly, so accurately, and so fairly, to this terrific blow to the experimentation and study in the field of development and constructive advancement of agriculture. This is, as I see it, the most economical and effective field in which public funds can be spent, as far as agriculture is concerned.

I suffered a great and keen disappointment and shock, together with those with whom I am in contact back home in my State in this field of work and study, in the land-grant colleges and agricultural extension work. None of us can understand why this was done. I certainly hope we will not again have to face an experience of this kind. It was not fair to cut out these increments in these appropriations. And this seems the more so because of the rule of the Senate which the distinguished Senator from Vermont refers to, which apparently leaves no avenue of redress open.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). The question is on agreeing to the committee amendment on page 12, line 5.

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and expenses", on page 13, line 19, after the word "Stations", to strike out "$7,104,735" and insert "$7,109,735", so as to read:

Total, Office of Experiment Stations, $7,109,735, of which amount not to exceed $150,105 may be expended for personal services in the District of Columbia, and not to exceed $750 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Extension service—Payments to States, Hawaii, Alaska, and Puerto Rico," on page 15, after line 10, to insert:

Extension work, act of April 24, 1939: To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to provide for the further development of cooperative agricultural extension work," approved April 24, 1939 (53 Stat. 589), $203,000.

The amendment was agreed to.

The next amendment was, on page 16, line 13, after "343f–343g)", to strike out "$75,000" and insert "$128,000", so as to read:

Puerto Rico: To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico," approved August 28, 1937 (7 U. S. C. 343f–343g), $128,000.

The amendment was agreed to.

The next amendment was, on page 16, line 15, after the word "work", to strike out "$13,578,918" and insert "$13,834,918", so as to read:

In all, payments to States, Hawaii, Alaska, and Puerto Rico for agricultural extension work, $13,834,918.

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and expenses", on page 17, line 15, after the word "material", to strike out "$225,000" and insert "$250,000", so as to read:

Extension information: For the employment of persons and means in the District of Columbia and elsewhere for the development, preparation, distribution, and display by the Extension Service of exhibits, motion pictures, sound recordings, and other educational and informational media and for the dissemination of information, designed to increase the effectiveness of the cooperative extension work of the Department and the land-grant colleges in agriculture and home economics; and to cooperate with other bureaus and offices of the Department of Agriculture and with Federal, State, county, municipal, and other agencies, including State, interstate, international, and other fairs held within the United States, in such development, preparation, distribution, and display of such educational and informational material, $250,000.

The amendment was agreed to.

The next amendment was, on page 17, line 16, after the word "expenses", to strike out "$775,000" and insert "$800,000"; and in line 17, after the word "exceed", to strike out "$661,756" and insert "$671,916", so as to read:

In all, salaries and expenses, $800,000, of which amount not to exceed $671,916 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 17, line 19, after the word "Service", to strike out "$14,353,918" and insert "$14,634,918", so as to read:

Total, Extension Service, $14,634,918.

The amendment was agreed to.

The next amendment was, on page 18, line 12, to strike out "$26,236,451" and insert "$26,617,321", so as to read:

Grand total, Office of the Secretary of Agriculture, $26,617,321.

The amendment was agreed to.

The next amendment was, under the heading "Weather Bureau—Salaries and expenses," on page 20, line 6, after the word "elsewhere", to strike out "$6,127,870" and insert "$6,243,870", so as to read:

Observations, warnings, and general weather service: For necessary expenses incident to collecting and disseminating meteorological, aerological, climatological, and marine information, and for investigations in meteorology, climatology, seismology, evaporation, and aerology in the District of Columbia and elsewhere, $6,243,870, of which not to exceed $1,500 may be expended for the contribution of the United States to the cost of the office of the secretariat of the International Meteorological Committee, and not to exceed $10,000 may be expended for the maintenance of a printing office in the city of Washington for the printing of weather maps, bulletins, circulars, forms, and other publications.

The amendment was agreed to.

The next amendment was, on page 20, line 16, after the name "Weather Bureau", to strike out "$6,272,870" and insert "$6,388,870", and in line 17, after the word "exceed", to strike out "$730,902" and insert "$742,427", so as to read:

Total salaries and expenses, Weather Bureau, $6,388,870, of which amount not to exceed $742,427 may be expended for departmental personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Animal Industry—Salaries and expenses", on page 22, line 14, after the word "experiments", to strike out "$814,380" and insert "$824,380", so as to read:

Animal husbandry: For investigations and experiments in animal husbandry; for experiments in animal feeding and breeding, including cooperation with the State agricultural experiment stations and other agencies, including repairs and additions to and erection of buildings absolutely necessary to carry on the experiments, $824,380, including $12,500 for livestock experiments and demonstrations at Big Spring or elsewhere in Texas to be available only when the State of Texas or other cooperating agency in Texas, shall have appropriated an equal amount or, in the opinion of the Secretary of Agriculture, shall have furnished its equivalent in value in cooperation for the same purpose during the fiscal year for which appropriations are herein made.

The amendment was agreed to.

The next amendment was, on page 25, line 5, after the word "ticks", to strike out "$300,000" and insert "$340,000", so as to read:

Eradicating cattle ticks: For the eradication of southern cattle ticks, $340,000.

The amendment was agreed to.

The next amendment was, on page 27, at the end of line 10, to strike out "$12,414,440" and insert "$12,464,440", so as to read:

In all, salaries and expenses, Bureau of Animal Industry, $12,464,440.

The amendment was agreed to.

The next amendment was, on page 28, line 20, after the word "Industry", to strike out "$12,414,440" and insert "$12,464,440", so as to read:

Total, Bureau of Animal Industry, $12,464,440, of which amount not to exceed $685,702 may be expended for departmental personal services in the District of Columbia, and not to exceed $100,000 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Dairy Industry—Salaries and expenses", on page 29, line 16, after the word "buildings", to strike out "$645,905" and insert "$655,905", so as to read:

Dairy investigations: For conducting investigations, experiments, and demonstrations in dairy industry, cooperative investigations of the dairy industry in the various States, and inspection of renovated-butter factories, including repairs to buildings, not to exceed $5,000 for the construction of buildings, $655,905.

The amendment was agreed to.

The next amendment was, on page 29, line 18, before the word "of", to strike out "$721,405" and insert "$731,405", and in the same line, after the word "exceed", to strike out "$343,580" and insert "$353,580", so as to read:

Total, salaries and expenses, Bureau of Dairy Industry, $731,405, of which amount not to exceed $353,580 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Plant Industry—Salaries and expenses", on page 32, line 4, after the word "use", to strike out "$225,000" and insert "$240,000", so as to read:

Fertilizer investigations: For investigations within the United States of fertilizers, fertilizer ingredients, including phosphoric acid and potash, and other soil amendments and their suitability for agricultural use, $240,000.

The amendment was agreed to.

The next amendment was, on page 32, line 21, after "581b)", to strike out "$200,000" and insert "$255,000", so as to read:

Forest pathology: For the investigation of diseases of forest and ornamental trees and shrubs, including a study of the nature and habits of the parasitic fungi causing the chestnut-tree bark disease, the white-pine blister rust, and other epidemic tree diseases, for the purpose of discovering new methods of control and applying methods of eradication or control already discovered, and including $110,969 for investigations of diseases of forest trees and forest products, under section 3 of the act approved May 22, 1928 (16 U. S. C. 581b), $255,000.

The amendment was agreed to.

The next amendment was, on page 33, line 5, after the word "storage", to strike out "$1,250,000" and insert "$1,350,000", so as to read:

Fruit and vegetable crops and diseases: For investigation and control of diseases, for improvement of methods of culture, propagation, breeding, selection, and related activities concerned with the production of fruits, nuts, vegetables, ornamentals, and related plants, for investigation of methods of harvesting, packing, shipping, storing, and utilizing these products, and for studies of the physiological and related changes of such products during processes of marketing and while in commercial storage, $1,350,000.

The amendment was agreed to.

The next amendment was, on page 33, line 12, after the word "soils", to strike out "$125,000" and insert "$152,674", so as to read:

Irrigation agriculture: For investigations of crop production on irrigable lands, the quality of irrigation water and its use by crops, and methods for improving and maintaining the productivity of irrigated soils, $152,674.

The amendment was agreed to.

The next amendment was, on page 34, line 12, after the word "diseases", to strike out "$200,000" and insert "$246,749", so as to read:

Plant exploration and introduction: For investigations in seed and plant introduction, including the study, collection, purchase, testing, propagation, and distribution of rare and valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants from foreign countries and from our possessions, for experiments with reference to their introduction and cultivation in this country, and for investigation of their diseases, $246,749.

The amendment was agreed to.

The next amendment was, on page 35, line 14, after the word "seed", to strike out "$300,000" and insert "$315,000", so as to read:

Sugar-plant investigations: For sugar-plant investigations, including studies of diseases and the improvement of sugar beets and sugar-beet seed, $315,000.

The amendment was agreed to.

The next amendment was, on page 35, line 19, before the word "of", to strike out "$5,005,077" and insert "$5,264,500", and in line 20, before the word "may", to strike out "$1,641,147" and insert "$1,664,291", so as to read:

Total, salaries and expenses, Bureau of Plant Industry, $5,264,500, of which amount not to exceed $1,664,291 may be expended for departmental personal services in the District of Columbia and not to exceed $12,520 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Forest Service—Salaries and expenses", on page 36, line 15, after the word "the", to strike out "cost of" and insert "expenditure out of this appropriation for", so as to read:

For the employment of persons and means in the District of Columbia and elsewhere to enable the Secretary of Agriculture to experiment and to make and continue investigations and report on forestry, national forests, forest fires, and lumbering, but no part of this appropriation shall be used for any experiment or test made outside the jurisdiction of the United States; to advise the owners of woodlands as to the proper care of the same; to investigate and test American timber and timber trees and their uses, and methods for the preservative treatment of timber; to seek, through investigations and the planting of native and foreign species, suitable trees for the treeless regions; to erect necessary buildings: *Provided,* That the expenditure out of this appropriation for any building purchased, erected, or as improved, exclusive of the cost of constructing a water-supply or sanitary system and of connecting the same with any such building, and exclusive of the cost of any tower upon which a lookout house may be erected, shall not exceed $7,500, with the exception that any building erected, purchased, or acquired, the cost of which was $7,500 or more, may be improved out of the appropriations made under this act for the Forest Service by an amount not to exceed 2 percent of the cost of such building as certified by the Secretary of Agriculture; to protect, administer, and improve the national forests, including tree planting and other measures to prevent erosion, drift, surface wash, soil waste, and the formation of floods, and to conserve water and including the payment of rewards under regulations of the Secretary of Agriculture for information leading to the arrest and conviction for violation of the laws and regulations relating to fires in or near national forests, or for the unlawful taking of, or injury to, Government property; to ascertain the natural conditions upon and utilize the national forests, to transport and care for fish and game supplied to stock the national forests or the waters therein; to collate, digest, report, and illustrate the results of experiments and investigations made by the Forest Service; to purchase lawbooks, reference and technical books, and technical journals for officers of the Forest Service stationed outside of Washington, and for medical supplies and services and other assistance necessary for the immediate relief of artisans, laborers, and other employees engaged in any hazardous work under the Forest Service.

The amendment was agreed to.

The next amendment was, on page 40, line 10, after the word "Act", to strike out "$10,000,000" and insert "$12,005,785", so as to read:

National forest protection and management: For the administration, protection, use, maintenance, improvement, and development of the national forests, including the establishment and maintenance of forest tree nurseries, including the procurement of tree seed and nursery stock by purchase, production, or otherwise, seeding and tree planting and the care of plantations and young growth; the maintenance and operation of aerial fire control by contract or otherwise; the maintenance of roads and trails and the construction and maintenance of all other improvements necessary for the proper and economical administration, protection, development, and use of the national forests, including experimental areas under Forest Service administration: *Provided,* That where, in the opinion of the Secretary of Agriculture, direct purchases will be more economical than construction, improvements may be purchased; the construction, equipment, and maintenance of sanitary, fire preventive, and recreational facilities; control of destructive forest tree diseases and insects; timber cultural operations; development and application of fish and game management plans; propagation and transplanting of plants suitable for planting on semiarid portions of the national forests; estimating and appraising of timber and other resources and development and application of plans for their effective management, sale, and use; examination, classification, surveying, and appraisal of land incident to effecting exchanges authorized by law and of lands within the boundaries of the national forests that may be opened to homestead settlement and entry under the act of June 11, 1906, and the act of August 10, 1912 (16 U. S. C. 506–509), as provided by the act of March 4, 1913 (16 U. S. C. 512); and all expenses necessary for the use, maintenance, improvement, protection, and general administration of the national forests, including lands under contract for purchase or for the acquisition of which condemnation proceedings have been instituted under the act of March 1, 1911 (16 U. S. C. 521), and the act of June 7, 1924 (16 U. S. C. 471, 499, 505, 564–570), lands transferred by authority of the Secretary of Agriculture from the Resettlement Administration to the Forest Service, and lands transferred to the Forest Service under authority of the Bankhead-Jones Farm Tenant Act, $12,005,785.

The amendment was agreed to.

The next amendment was, on page 42, line 9, after the word "elsewhere", to strike out "$245,000" and insert "$270,935", so as to read:

Range investigations: Investigations and experiments to develop improved methods of management of forest and other ranges under section 7, at forest or range experiment stations or elsewhere, $270,935.

The amendment was agreed to.

The next amendment was, on page 42, line 12, after the word "elsewhere", to strike out "$600,000" and insert "$665,000", so as to read:

Forest products: Experiments, investigations, and tests of forest products under section 8, at the Forest Products Laboratory or elsewhere, $665,000.

Mr. McCARRAN. Mr. President, I think the clerk is now reading from line 9, page 42.

The PRESIDING OFFICER. That is correct.

Mr. McCARRAN. In that connection, may it be understood at this time that the sum of $15,000 was added to apply specifically to what is known as the San Joaquin Range Experiment Station?

Mr. RUSSELL. That is my understanding.

Mr. McCARRAN. I thank the Senator.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment reported by the committee will be stated.

The next amendment was, on page 42, line 24, after the word "expenses", to strike out "$12,795,000" and insert "$14,891,720", so as to read:

In all, salaries and expenses, $14,891,720; and in addition thereto there are hereby appropriated all moneys received as contributions toward cooperative work under the provisions of section 1 of the act approved March 3, 1925 (16 U. S. C. 572), which funds shall be covered into the Treasury and constitute a part of the special funds provided by the act of June 30, 1914 (16 U. S. C. 498).

The next amendment was, under the subhead "New England hurricane damage," on page 45, line 2, after the word "amount", to insert "heretofore or hereafter", so as to read:

For completion of the Federal undertaking: For reduction of the extreme forest-fire hazard, for intensification of forest-fire patrol and forest-fire suppression on State, county, municipal, and private forest lands in the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, resulting from or made necessary by the New England hurricane of September 1938, including the employment of persons and means in the District of Columbia and elsewhere, printing and binding, purchase, exchange, operation, and maintenance of passenger-carrying vehicles, and other necessary expenses, $300,000, together with any balance of the appropriation "New England hurricane damage" contained in the First Deficiency Appropriation Act, fiscal year 1939 (Public, No. 7, 76th Cong.), which remains unobligated on June 30, 1940: *Provided,* That section 3709, Revised Statutes (41 U. S. C. 5), shall not apply in the case of any expenditure hereunder where the aggregate amount involved does not exceed $300: *Provided further,* That of the amount herein appropriated the Federal Government shall not expend in any State an amount in excess of the amount heretofore or hereafter made available by said State, or the political subdivisions thereof, for the purposes contained in this paragraph.

The amendment was agreed to.

The next amendment was, under the subhead "Acquisition of lands for national forests", on page 45, line 13, after the word "lands", to strike out "$1,000,000" and insert "$2,000,000", and on the same page, line 14, after the word "exceed", to strike out "$80,000" and insert "$90,000", so as to read:

For the acquisition of forest lands under the provisions of the act approved March 1, 1911, as amended (16 U. S. C. 513–519, 521), under sound commercial title satisfactory to the Attorney General as provided in said act, including the transfer to the Office of the Solicitor of such funds for the employment by that office of persons and means in the District of Columbia and elsewhere as may be necessary in connection with the acquisition of such lands, $2,000,000: *Provided,* That not to exceed $90,000 of the sum appropriated in this paragraph may be expended for departmental personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 46, line 5, before the word "of", to strike out "$16,366,000" and insert "$19,462,720", so as to read:

Total, Forest Service, $19,462,720, of which amount not to exceed $61,628 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of

field work outside the District of Columbia, and in addition thereto there is authorized for expenditure from funds provided for carrying out the provisions of the Federal Highway Act of November 9, 1921 (23 U. S. C. 21, 23), not to exceed $9,755 for the purchase of motor-propelled passenger-carrying vehicles for use by the Forest Service in the construction and maintenance of national-forest roads.

The amendment was agreed to.

The next amendment was, under the heading "Forest roads and trails", on page 46, line 20, after the name "District of Columbia", to strike out "$7,500,000" and insert "$10,000,000", and in line 23, after the word "and", to strike out "$500,000" and insert "$3,000,000", so as to read:

For carrying out the provisions of section 23 of the Federal Highway Act approved November 9, 1921 (23 U. S. C. 23), including not to exceed $59,500 for departmental personal services in the District of Columbia, $10,000,000, which sum consists of the balance of the amount authorized to be appropriated for the fiscal year 1940 and $3,000,000 of the amount authorized to be appropriated for the fiscal year 1941 by the act approved June 8, 1938 (52 Stat. 635), to be immediately available and to remain available until expended: *Provided*, That this appropriation shall be available for the rental, purchase, or construction of buildings necessary for the storage of equipment and supplies used for road and trail construction and maintenance, but the total cost of any such building purchased or constructed under this authorization shall not exceed $7,500.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Agricultural Chemistry and Engineering—Salaries and expenses", on page 48, after line 19, to insert:

Industrial utilization of farm products and byproducts: For the investigation, development, experimental demonstration, and application of methods for the industrial utilization of agricultural products, waste, and byproducts, and products made therefrom, except as otherwise provided for in this act, by the application of chemical, physical, and technological methods, including the changes produced by micro-organisms such as yeasts, bacteria, molds, and fungi, the utilization for color, medicinal, and technical purposes of substances grown or produced in the United States, $45,100.

The amendment was agreed to.

The next amendment was, on page 49, line 7, after the word "to", to strike out "agriculture" and insert "agriculture;"; in line 9, after the word "demonstration", to insert "and application of methods for the prevention and control of dust explosions and fires during the harvesting, handling, milling, processing, fumigating, and storing of agricultural products, and of other dust explosions and resulting fires not otherwise provided for, including fires in grain mills and elevators, cotton gins, cotton-oil mills, and other structures; the heating, charring, and ignition of agricultural products; fires on farms and in rural communities and other explosions and fires in connection with farm and agricultural operations"; and on page 50, line 9, after the word "reports", to strike out "$294,469" and insert "$334,469, of which amount $10,000 shall be available for the construction of a garage and workshop at the Farm Tillage Machinery Laboratory, Auburn, Ala.", so as to read:

Agricultural engineering investigations: For investigations, experiments, and demonstrations involving the application of engineering principles to agriculture; for the investigation, development, experimental demonstration, and application of methods for the prevention and control of dust explosions and fires during the harvesting, handling, milling, processing, fumigating, and storing of agricultural products, and of other dust explosions and resulting fires not otherwise provided for, including fires in grain mills and elevators, cotton gins, cotton-oil mills, and other structures; the heating, charring, and ignition of agricultural products; fires on farms and in rural communities and other explosions and fires in connection with farm and agricultural operations; for investigating and reporting upon the different kinds of farm power and appliances; upon farm domestic water supply and sewage disposal, upon the design and construction of farm buildings and their appurtenances and of buildings for processing and storing farm products; upon farm power and mechanical farm equipment and rural electrification; upon the engineering problems relating to the processing, transportation, and storage of perishable and other agricultural products; and upon the engineering problems involved in adapting physical characteristics of farm land to the use of modern farm machinery; for investigations of cotton ginning under the act approved April 19, 1930 (7 U. S. C., 424, 425); for giving expert advice and assistance in agricultural and chemical engineering; for collating, reporting, and illustrating the results of investigations and preparing, publishing, and distributing bulletins, plans, and reports, $334,469, of which amount $10,000 shall be available for the construction of a garage and workshop at the Farm Tillage Machinery Laboratory, Auburn, Ala.

The amendment was agreed to.

The next amendment was, on page 50, line 20, after "556b)", to strike out "$89,400" and insert "$93,400", so as to read:

Naval-stores investigations: For the investigation of naval stores (turpentine and rosin) and their components; the investigation and experimental demonstration of improved equipment, methods, or processes of preparing naval stores; the weighing, storing, handling, transportation, and utilization of naval stores; and for the assembling and compilation of data on production, distribution, and consumption of turpentine and rosin, pursuant to the act of August 15, 1935 (5 U. S. C. 556b), $93,400.

The amendment was agreed to.

The next amendment was, on page 50, line 22, before the word "of", to strike out "$868,775" and insert "$957,875"; and in line 23, after the word "exceed", to strike out "$457,602" and insert "$485,582", so as to read:

Total, salaries and expenses, Bureau of Agricultural Chemistry and Engineering, $957,875, of which amount not to exceed $485,582 may be expended for personal services in the District of Columbia, and not to exceed $3,725 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Entomology and Plant Quarantine—Salaries and expenses", on page 52, line 10, after the word "nuts", to strike out "$412,684" and insert "$426,684", so as to read:

Fruit insects: For insects affecting fruits, grapes, and nuts, $426,684.

The amendment was agreed to.

The next amendment was, on page 53, line 2, after the word "authorities", to strike out "$160,460" and insert "$175,460", so as to read:

Mexican fruitfly control: For the control and prevention of spread of the Mexican fruitfly, including necessary surveys and control operations in Mexico in cooperation with the Mexican Government or local Mexican authorities, $175,460.

The amendment was agreed to.

The next amendment was, on page 55, line 6, after the word "shrubs", to strike out "$200,000" and insert "$225,000", so as to read:

Forest insects: For insects affecting forests and forest products, under section 4 of the act approved May 22, 1928 (16 U. S. C. 581c), entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects", and for insects affecting ornamental trees and shrubs, $225,000.

The amendment was agreed to.

The next amendment was, on page 55, line 24, after the word "borer", to strike out "$367,000" and insert "$392,000", so as to read:

Cereal and forage insects: For insects affecting cereal and forage crops, including sugarcane and rice, and including research on the European corn borer, $392,000.

The amendment was agreed to.

The next amendment was, on page 56, line 9, after the word "purposes", to strike out "$150,000" and insert "$175,000", so as to read:

Barberry eradication: For the eradication of the common barberry and for applying such other methods of eradication, control, and prevention of spread of cereal rusts as in the judgment of the Secretary of Agriculture may be necessary to accomplish such purposes, $175,000.

The amendment was agreed to.

The next amendment was, on page 57, line 2, after the word "authorities", to strike out "$526,800" and insert "$909,608", so as to read:

Pink bollworm and Thurberia weevil control: For the control and prevention of spread of the Thurberia weevil and the pink bollworm, including the establishment of such cotton-free areas as may be necessary to stamp out any infestation, and for necessary surveys and control operations in Mexico in cooperation with the Mexican Government or local Mexican authorities, $909,608.

Mr. CONNALLY. Mr. President, I wish to ask the Senator from Georgia [Mr. RUSSELL] a question. I observe that this item is for the control and eradication of the pink bollworm, in cooperation with the Mexican Government. Is that correct?

Mr. RUSSELL. That is correct.

Mr. CONNALLY. The amount carried in the Senate amendment is not as large as many of those who are intimately associated with this work think ought to be appropriated, but it is a very substantial increase over the amount allowed by the House. I wish to thank and congratulate the junior Senator from Georgia [Mr. RUSSELL], the chairman of the subcommittee, for the fine and generous way in which this item has been handled. While I should like to see a larger amount appropriated, I shall not urge any increase in this item, because I think we shall probably have difficulty in the House keeping even this sum in the bill. As the bill came from the House it carried only $526,800, but with this amendment the amount is quite substantially increased, and, as I understand, it is approximately the amount carried in the last appropriation bill. Is that true?

Mr. RUSSELL. I will say to the Senator from Texas that while I appreciate his complimentary references, other members of the subcommittee were also tremendously interested in the item. The item which appears in the bill is exactly the amount which is available for this work for the current year. However, it is in excess of the estimate submitted by the Bureau of the Budget.

Mr. CONNALLY. I thank the Senator.

Mr. RUSSELL. I join the Senator in the hope that the House will see fit to agree to this amendment, because, undoubtedly, it represents the very minimum amount the Bureau should have in undertaking to combat this very destructive insect.

Mr. CONNALLY. Mr. President, I mentioned the Senator from Georgia in his individual as well as his representative capacity. I did not mean to exclude the other members of the subcommittee.

Mr. RUSSELL. I appreciate the remarks of the Senator from Texas; and had I not seen other members of the subcommittee in the Chamber, who I know are tremendously interested in this item, perhaps I should have let his compliment pass without qualification. [Laughter.]

Mr. CONNALLY. I should be glad to have entered in the RECORD the names of all the members of the subcommittee who are in sympathy with this amendment. I think it is a badge of honor and distinction.

Mr. President, I wish to say only a few words in passing. This work is highly important, for the reason that the pink bollworm is probably the most destructive and the hardest to eradicate of any of the pests which assail the cotton industry. The pest comes into the United States from Mexico; and unless it is stopped at the border it will eventually invade all the cotton sections, including that very rich and productive section in southeast Missouri along the Mississippi Delta. I am sure the Senator from Missouri [Mr. CLARK] is as deeply interested as I am. If the control is to be effective, it is absolutely necessary that we authorize the Department of Agriculture to cooperate with the Mexican authorities and seek to induce them to eradicate the pest in Mexico before it reaches the United States. The moths are frequently carried by the wind at a very great height, over tremendous areas; and unless the pest is eradicated, it is only a question of time when it will invade the very productive and fine agricultural areas of Louisiana, Mississippi, and all the cotton-producing States.

Again I wish to thank the Senator from Georgia and his associates on the subcommittee for making proper provision for this work, although the amount is not quite as much as we should like to have.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment reported by the committee will be stated.

The next amendment was, on page 57, after line 2, to insert:

White-fringed beetle control: For the control and prevention of spread of the white-fringed beetle, $600,000.

The amendment was agreed to.

The next amendment was, on page 57, line 8, after the word "animals", to strike out "$150,000" and insert "$181,500", so as to read:

Insects affecting man and animals: For insects affecting man, household possessions, and animals, $181,500.

The amendment was agreed to.

The next amendment was, on page 58, line 3, before the word "be", to strike out "shall" and insert "may", so as to read:

Control investigations: For developing equipment or apparatus to aid in enforcing plant quarantine, eradication and control of plant pests, determining methods of disinfecting plants and plant products to eliminate injurious pests, determining the toxicity of insecticides, and related phases of insect-pest control, $72,518, of which not less than $10,000 may be used for methyl bromide investigations.

The amendment was agreed to.

The next amendment was, on page 58, line 8, after the word "fungicides", to strike out "$125,000" and insert "$134,984", so as to read:

Insecticide and fungicide investigations: For the investigation and development of methods of manufacturing insecticides and fungicides, and for investigating chemical problems relating to the composition, action, and application of insecticides and fungicides, $134,984.

The amendment was agreed to.

The next amendment was, on page 59, line 16, before the word "of", to strike out "$5,644,801" and insert "$6,773,093", and in line 17, after the word "exceed", to strike out "$867,648" and insert "$878,168", so as to read:

Total, salaries and expenses, Bureau of Entomology and Plant Quarantine, $6,773,093, of which amount not to exceed $878,168 may be expended for personal services in the District of Columbia, and not to exceed $40,900 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Agricultural Economics—Salaries and expenses", on page 60, line 19, after the word "trends", to strike out "$750,000" and insert "$800,000", so as to read:

Economic investigations: For acquiring and diffusing useful information among the people of the United States, and for aiding in formulating programs for authorized activities of the Department of Agriculture, relative to agricultural production, distribution, land utilization, and conservation in their broadest aspects, including farm management and practice, utilization of farm and food products, purchasing of farm supplies, farm population and rural life, farm labor, farm finance, insurance and taxation, adjustments in production to probable demand for the different farm and food products; land ownership and values, costs, prices, and income in their relation to agriculture, including causes for their variations and trends, $800,000.

The amendment was agreed to.

The next amendment was, on page 61, line 2, before the word "of", to strike out "$838,900" and insert "$888,900", so as to read:

Total, salaries and expenses, Bureau of Agricultural Economics, $888,900, of which amount not to exceed $823,358 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Agricultural Marketing Service—Salaries and expenses", on page 61, line 21, after the word "world", to strike out "$400,000" and insert "$425,000", so as to read:

Marketing farm products: For acquiring and diffusing among the people of the United States useful information relative to the standardization, classification, grading, preparation for market,

handling, and marketing of farm and food products, including the demonstration and promotion of the use of uniform standards of classification of American farm and food products throughout the world, $425,000.

The amendment was agreed to.

The next amendment was, on page 62, line 13, before the word *"Provided"*, to strike out "$700,000" and insert "$725,000", so as to read:

Crop and livestock estimates: For collecting, compiling, abstracting, analyzing, summarizing, interpreting, and publishing data relating to agriculture, including crop and livestock estimates, acreage, yield, grades, staples of cotton, stocks, and value of farm crops and numbers, grades, and value of livestock and livestock products on farms, in cooperation with the Extension Service and other Federal, State, and local agencies, and for the collection and publication of statistics of peanuts as provided by the act approved June 24, 1936, as amended May 12, 1938 (7 U. S. C. 951–957), $725,000.

The amendment was agreed to.

The next amendment was, on page 63, line 16, after the word "contained", to strike out "$459,000" and insert "$475,000", so as to read:

Market inspection of farm products: For enabling the Secretary of Agriculture, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, boards of trade, chambers of commerce, or other associations of businessmen or trade organizations, and persons or corporations engaged in the production, transportation, marketing, and distribution of farm and food products, whether operating in one or more jurisdictions, to investigate and certify to shippers and other interested parties the class, quality, and condition of cotton, tobacco, fruits, and vegetables, whether raw, dried, or canned, poultry, butter, hay, and other perishable farm products when offered for interstate shipment or when received at such important central markets as the Secretary of Agriculture may from time to time designate, or at points which may be conveniently reached therefrom, under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered: *Provided*, That certificates issued by the authorized agents of the Department shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained, $475,000.

The amendment was agreed to.

The next amendment was, on page 64, line 1, after the word "amended", to strike out "$425,000" and insert "$442,187", so as to read:

Tobacco Inspection and Tobacco Stocks and Standards Acts: To enable the Secretary of Agriculture to carry into effect the provisions of an act entitled "An act to establish and promote the use of standards of classification for tobacco, to provide and maintain an official tobacco-inspection service, and for other purposes", approved August 23, 1935 (7 U. S. C. 511–511q), and an act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture," approved January 14, 1929 (7 U. S. C. 501–508), as amended, $442,187.

The amendment was agreed to.

The next amendment was, on page 64, line 14, after the word "products", to strike out "$1,100,000" and insert "$1,130,000", so as to read:

Market news service: For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, cottonseed, and seeds, and other agricultural products, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products, $1,130,000.

The amendment was agreed to.

The next amendment was, on page 65, line 1, after "491–497)", to strike out "$140,000" and insert "$152,000", so as to read:

Perishable Agricultural Commodities and Produce Agency Acts: To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to suppress unfair and fraudulent practices in the marketing of perishable agricultral commodities in interstate and foreign commerce," as amended (7 U. S. C. 499a–499r), and the act entitled "An act to prevent the destruction or dumping, without good and sufficient cause therefor, of farm produce received in interstate commerce by commission merchants and others and to require them truly and correctly to account for all farm produce received by them," approved March 3, 1927 (7 U. S. C. 491–497), $152,000.

The amendment was agreed to.

The next amendment was, on page 65, after line 1, to insert:

Standard Container Acts: To enable the Secretary of Agriculture to carry into effect the act entitled "An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes," approved August 31, 1916 (15 U. S. C. 251–256), and the act entitled "An act to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes," approved May 21, 1928 (15 U. S. C. 257–257i), $20,000.

The amendment was agreed to.

The next amendment was, on page 68, line 7, before the word "of", to strike out "$5,977,126" and insert "$6,122,313", and in line 8, after the word "exceed", to strike out "$1,523,378" and insert "$1,569,778", so as to read:

Total, salaries and expenses, Agricultural Marketing Service, $6,122,313, of which amount not to exceed $1,569,778 may be expended for personal services in the District of Columbia, and not to exceed $40,100 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Enforcement of the Commodity Exchange Act", on page 69, line 13, before the word "of", to strike out "$500,000" and insert "$623,380", so as to read:

To enable the Secretary of Agriculture to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1–17a), $623,380, of which amount not to exceed $198,340 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Food and Drug Administration—Salaries and expenses", on page 70, line 23, after the word "therein", to strike out "$2,320,580" and insert "$2,335,580", so as to read:

Enforcement of the Federal Food, Drug, and Cosmetic Act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of June 25, 1938, entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes," as amended (21 U. S. C. 301–392); to cooperate with associations and scientific societies in the revision of the United States Pharmacopeia and development of methods of analysis, and for investigating the character of the chemical and physical tests which are applied to American food products in foreign countries, and for inspecting the same before shipment when desired by the shippers or owners of these products intended for countries where chemical and physical tests are required before the said products are allowed to be sold therein, $2,335,580.

The amendment was agreed to.

The next amendment was, on page 70, after line 24, to insert:

Enforcement of the Tea Importation Act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act approved March 2, 1897 (21 U. S. C. 41–50), entitled "An act to prevent the importation of impure and unwholesome tea," as amended, including payment of compensation and expenses of the members of the Board appointed under section 2 of the act and all other necessary officers and employees, $30,094.

The amendment was agreed to.

The next amendment was, on page 72, line 23, before the word "of" to strike out "$2,743,244" and insert "$2,788,338", so as to read:

Total, salaries and expenses, Food and Drug Administration, $2,788,338, of which amount not to exceed $832,198 may be expended for personal services in the District of Columbia, and not to exceed $27,375 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Soil Conservation Service—Salaries and expenses," on page 75, line 24, after the word "information," to strike out "$17,965,750" and insert "$19,665,750: *Provided*, That any part of this appropriation allocated for the production or procurement of nursery stock by any Federal agency, or funds appropriated to any Federal agency for allocation to cooperating States for the production or procurement of nursery stock, shall remain available for expenditure for not more than 3 fiscal years", so as to read:

Soil and moisture conservation and land-use operations, demonstrations, and information: For carrying out preventive measures

to conserve soil and moisture, including such special measures as may be necessary to prevent floods and the siltation of reservoirs, and including the improvement of farm irrigation and land drainage, the establishment and operation of erosion nurseries, the making of conservation plans and surveys, and the dissemination of information, $19,665,750: *Provided*, That any part of this appropriation allocated for the production or procurement of nursery stock by any Federal agency, or funds appropriated to any Federal agency for allocation to cooperating States for the production or procurement of nursery stock, shall remain available for expenditure for not more than 3 fiscal years.

The amendment was agreed to.

The next amendment was, on page 76, line 12, after the name "Florida", to insert a comma and "or a political subdivision thereof", so as to read:

Emergency erosion control, Everglades region, Florida: For research and demonstration work in soil-conservation control measures, including research and demonstration work in fire-control and irrigation-construction work to eliminate fire hazards, in the Everglades region of Florida, $75,000: *Provided*, That no expenditures shall be made for these purposes until a sum at least equal to such expenditures shall have been made available by the State of Florida, or a political subdivision thereof, for the same purposes.

The amendment was agreed to.

The next amendment was, on page 76, line 15, before the word "of", to strike out "$20,090,750" and insert "$21,790,750", so as to read:

Total, salaries and expenses, Soil Conservation Service, $21,790,750, of which not to exceed $1,724,174 may be expended for personal services in the District of Columbia, and not to exceed $200,000 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Conservation and use of agricultural land resources, Department of Agriculture", on page 77, line 12, after the word "newspapers", to strike out "$498,560,000" and insert "$438,560,000, together with not to exceed $60,000,000 of the unobligated balances of the appropriations made under this head by the Department of Agriculture Appropriation Act, 1940, approved June 30, 1939 (53 Stat. 939), and by the First Deficiency Appropriation Act, fiscal year 1940", so as to read:

To enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the making of payments pursuant to sections 303 and 381 and the provisions of titles IV and V), including the employment of persons and means in the District of Columbia and elsewhere; rent in the District of Columbia; not to exceed $50,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; purchase of lawbooks, books of reference, periodicals, newspapers, $438,560,000, together with not to exceed $60,000,000 of the unobligated balances of the appropriations made under this head by the Department of Agriculture Appropriation Act, 1940, approved June 30, 1939 (53 Stat. 939), and by the First Deficiency Appropriation Act, fiscal year 1940, to remain available until June 30, 1942, for compliances under said act of February 29, 1936, as amended, pursuant to the provisions of the 1940 programs carried out during the period September 1, 1939, to December 31, 1940, inclusive.

The amendment was agreed to.

The next amendment was, on page 78, line 2, after the word "commodities", to insert a colon and the following additional proviso:

Provided further, That not to exceed $4,985,600 of such amount may be expended in the fiscal year ending June 30, 1941, for administrative expenses in the District of Columbia, including regional offices, and not to exceed $9,971,200 of such amount may be expended in the fiscal year ending June 30, 1941, for administrative expenses in the several States (not including expenses of county and local committees).

The amendment was agreed to.

The next amendment was, on page 79, line 14, before the word "other", to insert "any", so as to make the additional proviso read:

Provided further, That such amount shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming materials and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary of Agriculture in the 1940 and 1941 programs under said act of February 29, 1936, as amended; for the reimbursement of the Tennessee Valley Authority or any other Government agency for fertilizers, seeds, lime, trees, or any other farming materials furnished by such agency; and for the payment of all expenses necessary in making such grants including all or part of the costs incident to the delivery thereof.

The amendment was agreed to.

Mr. WHEELER. Mr. President, I ask the Senator from Georgia, if he can tell me what, if anything, has been done with reference to the Federal Surplus Commodities Corporation?

Mr. RUSSELL. Mr. President, that item in the bill has not yet been reached. Of course, the Senator from Montana is aware of the fact that there is a permanent and continuing appropriation available to the Federal Surplus Commodities Corporation, amounting to 30 percent of the customs receipts of any calendar year—not fiscal year—which will this year amount to slightly more than $100,000,000. In addition, the committee has recommended an appropriation of $85,000,000 to supplement that fund.

Mr. WHEELER. The reason I ask the question is that I have been interested in the matter. I feel that the Surplus Commodities Corporation has done a very excellent job. As the Senator knows, I have been engaged morning and afternoon on the conference report on the railroad situation, and I do not know whether or not I shall be engaged this afternoon when the matter comes up.

Recently I received a copy of a talk given by Milo Perkins, president of the Federal Surplus Commodities Corporation, at the National Farm Institute at Des Moines. I was very much impressed by the work and by the things he said about it, and how it had tremendously increased the purchase of various commodities.

Mr. RUSSELL. Mr. Perkins has appeared before the committee from year to year. I agree with the statement of the Senator from Montana. Mr. Perkins always makes a most impressive witness. He is clear in expression and able in thinking, and seems to have a very fine grasp of the affairs of the Federal Surplus Commodities Corporation.

Mr. WHEELER. The matters which have been called to my attention by persons in my own State and elsewhere are to the effect that this particular activity has been managed in a very businesslike way, and has not only been very helpful to the farmers but likewise has been extremely helpful to the underprivileged.

Mr. RUSSELL. Undoubtedly that is the case. There has been some discussion of this item, as the Senator will find by reference to the RECORD of yesterday; and undoubtedly there will be considerable further discussion when the committee amendment is reached in a few moments.

Mr. WHEELER. Mr. President, the Federal Surplus Commodities Corportion for some years has been distributing surplus goods. Recently it has devised the food-stamp plan. I have watched its growth with interest. Three things have stood out in my mind in studying its development. First, there was a period of careful experiment and study. Second, this study overwhelmingly demonstrated the soundness of the approach to the farm problem. Third, the expansion has been accompanied by good, businesslike administration. The result has been complete acceptance of the program by all parts of our community. It is my firm conviction that we should support this activity by permitting it to expand to a size sufficient to meet our farm problems in a sound and social way.

Recently, as I have stated, I received a copy of a talk given by Mr. Milo Perkins, President of the Federal Surplus Commodities Corporation, at the National Farm Institute, Des Moines, Iowa, on February 24. I was extremely impressed with the study of the whole field of underconsumption and the enormous significance to farmers of the facts presented. The charts and tables showing the potentialities of increasing the farmers' market by expanding the buying of food by low-income people present probably the most significant lesson in agriculture and agricultural marketing that any of us could have.

There were about 4,200,000 families in the United States in 1935–36 who spent nearly $850,000,000 for food. These people had an average income of less than $500 a year. They represented 14 percent of the total family population in the United

States. By way of comparison, it is interesting to note in this table that there were another 4,200,000 with incomes of $1,500. to $2,000 a year. These people spent about $2,300,000,000 for food. In other words, they spent nearly three times as much for food as our lowest-income group.

I noted another chart that showed that our poorest people had spent an average of 5 cents per person per meal, while the average for other income groups rose to 8, 10, 15 cents, and more. The poor people do not have enough to eat. They can use more of all our agricultural products. As they go up the income scale, the people increase their food purchases, but they also buy radios, automobiles, and other goods.

Here are a few hard and inescapable facts:

First. The low-income market has been almost completely undeveloped.

Second. The low-income group can and will increase their purchases of food if given an opportunity.

Third. Farmers need that market if the product of their industry is to be used as it should be, namely, to meet human needs.

The charts and tables in that address showed how consumption might increase with expanded purchasing power. To me, it was of first-rank importance to discover that the market for meat products was nearly twice as great among people getting $100 a month as among our lowest-income groups. The market for dairy products was nearly two and one-half times as great. The market for eggs was twice as great, as was the market for vegetables. The market for fruits was nearly three times as great. The importance of that to me is that the farmers have a very real market among low-income people that is ready for development.

The food-stamp plan and the direct purchase and distribution activities of the Department of Agriculture have applied a simple and relatively inexpensive method of meeting the challenge for our farm population. The program of the Department through the Federal Surplus Commodities Corporation narrows its range to concentrate on 14 or 15 farm products which are in the worst price position from an agricultural point of view. That is why it can achieve, with a relatively small amount of money, what would otherwise take place only with very tremendous changes in the income received by low-income families.

Thus, under the direct-purchase method and the food-stamp plan this activity helps the dairy producers, the fruit and vegetable producers, the poultry producers, and the meat producers. At the same time needy people in every State are receiving these products, and over 1,000,000 needy school children are getting hot lunches in whole or in part from surplus foods.

The food-stamp plan has been described by the Department officials in these simple terms:

First. Studies indicate that persons getting public assistance spend an average of about $1 a week per person for food.

Second. On a voluntary basis, such persons may buy a minimum of $1 worth of orange-colored stamps a week for each member of the family. These are good for food at any grocery store.

Third. Persons buying these orange stamps receive, free, half again as many blue-colored stamps. They receive these in place of the commodities they formerly got at food depots. These blue stamps also are good at any grocery store, but only for foods found to be "in surplus" by the Secretary of Agriculture—chiefly dairy and poultry products, meats, fruits, and vegetables.

Fourth. Grocers paste the stamps, each worth 25 cents, on $5 cards, and redeem them through their banks, their wholesalers, or through the Department of Agriculture. The blue stamps are redeemed from the same funds that are now used to purchase surplus commodities directly.

Fifth. Under the stamp plan, therefore, persons receiving public aid can get surplus foods at the corner grocery store. They have 7½ cents to spend for each meal rather than the 5 cents a meal that they formerly spent. That improves farm income as well as the public health. The idea is to eat the surplus—that is, the part that can be consumed in this country.

The March issue of the Poultry Tribune has been called to my attention. It contains interesting material. It surveyed 50 families using food stamps in Springfield, Ill. In this study it found that people were using eggs at the rate of 57 eggs per person per year prior to the stamp plan. It found that under the stamp plan they were using an amount equal to 320 eggs per person per year—in other words, an increase of 560 percent. This farm magazine concluded:

> As the Federal stamp plan is expanded it may prove to be to the poultry industry one of the greatest boons of any Government measure yet adopted.

From the studies of the program that I have seen, here are some of the potentialities of the stamp plan: Butter was put on the surplus list. The plan offered a market in excess of 300,000,000 pounds for butter producers, a possible increase in demand of over 13 percent. For egg producers, a national program is able to provide low-income buying of over 300,000,000 dozen eggs per year, equivalent to 12 percent of the domestic market. For rice and dry beans, the potentialities appear to be increases of 8 percent or more. For dried fruits, the expansion possibilities are at least equivalent to 15 percent of the domestic market, and may be much more. Recently, pork was placed on the list, and, as I understand, during the first 2 months it took about one-quarter of the purchasing power. Lard took another 6 percent. This is very important to every farmer in the Corn Belt.

As I understand, the food-stamp plan is now operating in about 60 cities. The plans are for expansion up to 100 cities within the next 2 or 3 months. Quite frankly, I want this program for the cities in my State. It is good for the farmer; it is good for the needy people in my State; and since it works through regular trade channels, it is good for business and employment.

It is my understanding, however, that the Federal Surplus Commodities Corporation has to spend over one-half of the funds available to it for other agricultural programs. Even if the Senate restores the $72,000,000 item recommended by the Budget Bureau for this work for the next fiscal year, I am informed that it will not be possible to do more than run the program for the coming fiscal year in the 100 areas which will already have been selected. Some 700 communities have applied for this program, and the applications are now coming into Washington at the rate of 5 to 10 a day for additional areas. Unless the Congress appropriates more than the $72,000,000 item to which I refer, it will not be possible to name any new areas of consequence for the stamp plan during the 1941 fiscal year. I believe it would be a major mistake to handicap a program which has already proved its worth in actual practice.

The Federal Surplus Commodities Corporation has gone forward cautiously in its administration of this work. I hope it will continue to do so. I am strongly of the opinion, however, that the designation of new cities during the fiscal year should not be stopped. Even if the Senate were to double the $72,000,000 appropriation suggested by the Budget Bureau for this important work, it would only be possible during the coming fiscal year to name an additional 100 cities of the average size already selected. Anything less than this would be a severe blow to the farmers whose markets are being broadened under this program, as well as to the millions of persons with inadequate diets who get a little more surplus food to eat as a result of it.

The Senate should make it possible to name at least a hundred new areas during the coming fiscal year of about the size of those already selected. If 200 such areas were named, between 7,000,000 and 8,000,000 underprivileged persons would then be participating in the program. That would not only improve the public health; it also would improve farm income. It would be a cautious expansion of this important work. I am for it in the interest of the general welfare.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, under the heading "The Sugar Act of 1937," on page 82, line 4, after the word "Act", to strike out "$47,500,000" and insert "$46,675,000, together with

$1,300,000 of the unobligated balance of the appropriation provided under this head by the Second Deficiency Appropriation Act, fiscal year 1939, approved May 2, 1939 (53 Stat. 626), in all not to exceed $47,975,000, to remain available until June 30, 1942:", so as to read:

To enable the Secretary of Agriculture to carry into effect the provisions, other than those specifically relating to the Philippine Islands, of the Sugar Act of 1937, approved September 1, 1937 (7 U. S. C. 1100–1183), and the employment of persons and means, in the District of Columbia and elsewhere, as authorized by said act, $46,675,000, together with $1,300,000 of the unobligated balance of the appropriation provided under this head by the Second Deficiency Appropriation Act, fiscal year 1939, approved May 2, 1939 (53 Stat. 626), in all not to exceed $47,975,000, to remain available until June 30, 1942.

The amendment was agreed to.

The next amendment was, on page 82, after line 14, to insert:

PARITY PAYMENTS

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, $212,000,000: *Provided, however*, That in expending the appropriation in this paragraph 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: *Provided further*, That such payments with respect to any such commodity 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 1940 is not in excess of the farm-acreage allotment established for the commodity under the agricultural conservation program.

Mr. LEE. Mr. President, I send to the desk an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 82 in the committee amendment it is proposed to strike out all after line 15, down to and including line 5, on page 83, and in lieu thereof to insert the following:

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, $607,000,000, which sum shall be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income: *Provided*, That such payments with respect to any such commodity 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 1940 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program.

Mr. LEE. Mr. President, I rise to speak in support of this amendment. The purpose of the amendment is to provide sufficient appropriation to pay the farmer full parity. The amount carried in the amendment is $607,000,000. According to the chairman of the subcommittee in charge of the bill, the Senator from Georgia [Mr. RUSSELL], the amount of $212,000,000, as provided in the Senate committee amendment, would pay, at the time it was figured, from 68 to 69 percent of parity.

It may seem more than is necessary to provide $607,000,000, since the additional 31 percent of parity would not require as much as the difference between $212,000,000 and $607,000,000; but the reason for fixing the amount at $607,000,000 is that those figures were based on the agricultural prices of December, and upon the basis of the average agricultural prices for 1939 more than $607,000,000 would be required.

Mr. President, I cannot be too extravagant in my praise of the Appropriations Committee, and the chairman of the subcommittee which has brought in this bill. I know that the members of the commitee are champions of the farmer, and I believe they would vote for more except that they feel bound by the action of the committee; and the committee felt that it was useless to ask for more than is provided in the pending bill.

Mr. President, we here know that because of the parliamentary procedure quite often a member of a committee is bound by the action of the committee; and certainly my efforts in offering this amendment are not intended in any way to embarrass any member of the committee who in his heart would like to have a larger appropriation for the farmer, but feels bound by the action of the committee. But, Mr. President, I do not have to answer to the committee. I do not have to answer to the Members of the House who passed this part of the bill without any appropriation for parity payments; but I do have to answer to my own conscience and to the farmers of my own State. They elected me, and sent me here as their advocate to represent them. Therefore I am doing what I am doing because I think it is right.

I do not intend this effort on my part to be merely an empty gesture. I believe if we do what we think is right, then it is up to the other body to do as they feel they should; but I am not bound by the action of the other body in this respect. If we merely track them, and rubber stamp what they do, then we might as well disband. There is no reason for our existence as an organization if we are limited in our action to doing what the other body has done.

Mr. President, I favor our paying full parity as a matter of right and justice. When this program began we started talking about parity. We did not talk about two-thirds of parity when the bill was up for consideration. I did not favor all the machinery of the bill, but we passed it; and now I should like to see us keep faith with the farmer. We did not talk about three-fourths of parity; we talked about parity. Parity means that the farmer's commodity should buy as many of the things he must buy as it did during the base period of 1909–14. Therefore, as a matter of right, I believe we owe it to the farmer to provide for him full parity.

Suppose the farmer, in keeping his part of the contract, should curtail his production only three-fourths. Suppose he should reduce his acreage only two-thirds; and let me remind the Senate that there is no guaranty that the $212,000,000 carried by the Senate amendment will pay the farmer three-fourths of parity. As it is, it would provide at the present day only about 70 percent of parity.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER (Mr. HERRING in the chair). Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. LEE. I yield.

Mr. WILEY. When the Senator speaks about the farmer I should like to ask him whether he refers to the dairy farmer or simply to the wheat, corn, cotton, rice, and tobacco farmer?

Mr. LEE. Of course, when I use the general term I mean all farmers, but in the case of this measure it applies only to those who raise the commodities referred to.

Mr. WILEY. In other words, the amendment does not take care of or attempt to help the largest segment of agriculture, dairying?

Mr. LEE. Of course, many dairy farmers are also engaged in the production of some of these other commodities; and, as a general proposition, if some of them are helped it indirectly helps all. Also, we are not heavy exporters of dairy products, as we are of the others. These are the heavy base products. I am informed that a million dollars out of the fund for the distribution of surplus commodities goes for the purchase of butter, and therefore, that is provided for in the bill.

Mr. President, the point is that the farmer has kept his part of the contract. Are we going to keep our part, or do we have the nerve to say that we are only going to keep three-fourths of our contract? Why not keep it all? Have we ever kept full faith on this program? When we passed it, we talked about parity. Did we give the farmer parity last year, or the year before, or the year before that? We have not provided the farmer with parity since we started this program.

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

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

Mr. LEE. I yield.

Mr. McNARY. As a member of the subcommittee, I supported the figures of parity in the bill. I have heard the claim made many times that Congress has promised the farmer parity. When was that promise made, and in what statute can it be found?

Mr. LEE. Of course, the promise was an implied promise. Every farmer over the country thought it meant that, but there was no language saying, "We promise to pay parity."

Mr. McNARY. How did the farmer get that impression—from men who were running for office, seeking the votes of farmers? There is nothing in the statutes; there is nothing in the hearings; no declaration has ever been made by the Department of Agriculture or by Congress that the farmer was entitled to parity. I have heard that statement repeated so often that I think it is time for us to correct that impression.

Mr. LEE. If the able Senator will refer to the party platforms, I believe he will find language which would give the farmer that impression.

Mr. McNARY. I do not think the farmer reads the party platforms; and if he did, I do not think he would believe anything that is in them, anyway. [Laughter.]

I conclude by saying that the time is ripe for someone to say that the Congress has never promised the farmer parity payments in one form or the other. Though I am for parity, the farmer must be very thankful and very grateful for what Congress has done along that line.

Mr. LEE. Does the Senator deny that the impression has gone out through the length and breadth of the country that if the farmer will reduce his acreage we will provide parity? Does the Senator deny that that is the impression?

Mr. McNARY. If so, it has been the result of unwarranted statements made by the county agents and representatives of the Department of Agriculture. I am not responsible for any rumor that is prevalent over the country. I am saying that Congress never has made any promise to give the farmers of this country parity payments.

Mr. LEE. Does the Senator deny that it was the intent and purpose in writing this bill that Congress should provide parity? Was it not the whole purpose of this bill to provide parity for the farmer?

Mr. McNARY. What bill?

Mr. LEE. The agricultural law.

Mr. McNARY. What law?

Mr. LEE. The present agricultural law that we have.

Mr. McNARY. We have many agricultural laws. We have been enacting laws ever since I have been here.

Mr. LEE. I refer to the Agricultural Adjustment Act.

Mr. McNARY. The Agricultural Adjustment Act stated that "if and when"—that is the language—money was available an approach would be made to parity; and that is all that has been said.

I am not quarreling with the able Senator. He may have that impression but it is a false one, and I think it should be challenged; and that is my purpose in rising. I am not criticizing the Senator, but I think we should be sparing in our statements that we have broken faith with the farmer.

Mr. LEE. Mr. President, for the first time on a farm proposition of any kind I find myself in complete disagreement with the capable minority leader, the Senator from Oregon [Mr. McNARY]. I was in the Senate at the time this law was passed, and so was the Senator from Oregon. From the action of this body I got the very definite impression that if the farmer would do his part by reducing acreage, we would provide him with parity—not only parity payments, but a parity income. We talked about that, and the farmers got that definite impression. Who gave it to them, and how, are matters too numerous for me to put my fingers on, but that is the impression that went out to them.

Mr. McNARY. Mr. President——

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

Mr. LEE. I yield.

Mr. McNARY. Let me again correct the able Senator. In the bill which we now call the Agricultural Adjustment Act, providing partly for parity payments, in the discussion of the matter upon the floor of the Senate former Senator Pope, then in charge of the bill, withdrew the provision then proposed for parity income, so that subject has never been considered. It is quite different from parity payments. All that ever has been said was said by Congress when it passed the Agricultural Adjustment Act approved on the 16th of February, 1938, at 3 p. m., as follows:

> SEC. 303. If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco, on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit.

That is the only reference that has ever been made in legislation to parity—"if and when appropriations are made therefor." I am simply making the point that we ought to address ourselves to this subject upon the theory that Congress is doing all that it can. Many different methods have been suggested. We here in the Senate, through the able leadership of the Senator from Georgia [Mr. RUSSELL], provided a fund toward parity 2 years ago, last year, and this year, and that is going beyond any promise that has ever been made by Congress in any deliberate action upon its part.

I mention that only in the most kindly way, to suggest to the Senator from Oklahoma that Congress had done more for the farmer along this line than any promise which has ever been made, for none was made, and I am sure he is grateful and thankful for what has been done.

Mr. LEE. Of course, the farmer is thankful for what has been done; but when we write into a statute language like that, stating that "if and when" funds are available the Secretary of Agriculture is authorized and directed to pay the farmer up to parity, and then we turn to the farmer and say, "Now, you reduce your acreage," there certainly is an implied promise, if not an actual contract, that we will do our part by providing funds to pay that parity. I cannot quarrel with the Senator about whether or not it is in black and white, but it certainly is the feeling on the part of the farmer. He has done his part, but we talk about giving him three-fourths of parity.

When the independent offices appropriation bill came before this body I do not remember anyone advocating that we appropriate three-fourths of what was necessary to meet the requirements under that bill. When the deficiency bill came before this body I do not remember anyone advocating that we pay 69 percent of the deficiencies. When the last bill for national defense came before this body, I do not remember anyone advocating that we provide appropriations for three-fourths of the national-defense program, and when the next one comes before us I do not believe anyone will advocate that we appropriate only enough money to provide for 69 percent of a national defense. I imagine we will increase the appropriation. But when it comes to the farmer, we take our economy program out of his hide by cutting him down to two-thirds of parity or three-fourths of parity. But he has done his part.

Suppose the farmer should say, "I am going to reduce my acreage only three-fourths." Does anyone think he would draw any of the benefit payments? Certainly he would not. In a few cases where farmers, through misunderstanding, have planted more than they were allowed under the acreage program, before a farmer could draw his benefit payments he had to plow under the additional crop. He had to measure up to the law 100 percent; he had to meet the requirements. But when we meet to provide the funds for this program, we talk in terms of two-thirds of parity or three-fourths of parity.

I say that it is a matter of justice that we should provide full parity for the farmer. Parity means keeping his product in line. Why is his product out of line? It is because of laws made which gave protection to the industrial group. That is why we have to provide parity for the farmer, and that is why we talk parity. It is because of the tariff laws which have protected the industrial group and allowed them to grow rich and powerful, while the farmer was forced to buy on a protected market and sell on an unprotected

market. It was the law of this land which caused that inequality and that inequity. Now, we have proposed to adjust this inequity in the agricultural adjustment program. It is called an adjustment act because it was intended to adjust the difference between manufactured and raw products. So there is an obligation upon us, at least moral, if not legal, to provide the farmer with full parity.

Mr. President, I believe we should provide parity because it is just to the farmer. In 1913 the farmer was doing pretty well; he had what today we call parity. But since that time prices of the things he has had to buy have increased. The prices of the commodities the farmer must buy have increased 22 cents on each dollar. For every dollar's worth of overalls and work shirts the farmer must buy he has to pay 22 cents more than he did in 1913; and if we include the taxes and interest he pays, for every dollar of expense to which the farmer is put now he has to pay 28 cents more than he did in 1913. That means that his purchasing power has fallen off 28 cents.

But that is not all. While the prices of manufactured commodities which are protected by tariff laws have increased 28 cents on the dollar since 1913, the price of farm commodities has decreased. Today his commodity brings 1 cent less on every dollar than it did in 1913. Bring that decreased value of his commodity together with the increased value of the products he must buy, and we find that the farmer's dollar today is worth only 77 cents. It takes one dollar's worth of wheat to buy 77 cents' worth of overalls; it takes one dollar's worth of cotton to buy 77 cents' worth of work shirts.

In 1913 if a farmer wanted to buy a hundred pounds of nails in order to build a shed he put in his wagon a pig weighing 31 pounds and went to town, where he traded the pig for 100 pounds of eightpenny nails. Can he do that today? No. If he wants a hundred pounds of nails today he has to wait until the pig weighs 70 pounds, he has to put that much more care and labor into the pig, he has to put that much more feed into the pig. By the time the pig weighs 70 pounds, before the farmer can get the money with which to buy the 100 pounds of nails, he has other debts and other charges coming due. The result is that he takes the money he gets from the pig and, instead of buying nails, he pays interest charges and taxes and other expenses which he must meet. Therefore he does not buy the nails, the storekeeper does not sell the nails, and the manufacturer does not have an order to make the nails. So the cycle goes on. That is exactly what is happening in this country today.

In 1913 it took 31 pounds of pork to buy a hundred pounds of nails. Now it takes 70 pounds of pork to buy a hundred pounds of nails. That is an increase of 126 percent. That means that the farmer's purchasing power has decreased 126 percent since 1913. No wonder our market is falling off.

In 1913 if a farmer wanted to buy an ax, the ax cost 96 cents. The same ax today costs $1.89. Today if a farmer wants to buy an ax he has to take to town enough wheat to make 100 loaves of bread, which, at 10 cents a loaf, would amount to $10—wheat enough to make $10 worth of bread in order to get an ax which in 1913 cost him 96 cents. No wonder the farmer's purchasing power has fallen off.

What about the farmer's income in general? For the past 10 years the farmer's income has been $20,000,000,000 below parity. Suppose the farmer had been receiving parity for the past 10 years; his income would have been increased $20,000,000,000—$2,000,000,000 a year. The farmer has been selling his commodity each year for $2,000,000,000 less than it cost him to produce it. We might say that with that $2,000,000,000 the farmer has been subsidizing the American consumer, that that has been his contribution to our living. Two billion dollars every year the farmer has been contributing toward feeding and clothing the American people.

Last night when you slept between cotton sheets you were using cotton which was sold for less than it cost some farmer to raise it. This morning when you ate your toast, or your roll, or your hot cakes, you were eating wheat which was sold by some farmer at less than it cost him to produce it. The parity appropriation for which I am asking is not charity, it is not a bonus, it is not a subsidy, it is not a gratuity. It is an appropriation to pay an honest debt for what we consume of the farmer's products.

The American people are honest. I do not believe the American people want to ride on the back of the farmer. I do not believe our people want to "mooch" from the farmer. I do not believe our people want the farmer to feed and clothe them at less than it costs him to produce the commodities.

Our debt to the farmer is an honest one, and if we vote this appropriation it will not pay the debt which we owe the farmer for what we consume of what he produced in 1940; it will not pay him for what he produced in 1939; it will pay him only for what we consumed of that which he produces in 1941. It is an honest debt.

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

Mr. LEE. I yield.

Mr. CHANDLER. Has the Senator read the testimony of Mr. Smith, of Illinois, the vice president of the American Farm Bureau Federation, before the Committee on Appropriations?

Mr. LEE. I am sorry; I have not.

Mr. CHANDLER. I should like to call the Senator's attention to it:

> The parity goal for agriculture—

According to Mr. Smith—

> was established by Congress in the original Agricultural Adjustment Act of 1933, also in the Soil Conservation and Domestic Allotment Act of 1936, and again in the Agricultural Adjustment Act of 1938.

As the Senator has heretofore stated, it seems to have been established on the basis of "as, if, and when." But section 303, authorizing parity payments, recognizes, according to Mr. Smith, no limitation short of parity. He said:

> It appears, at this time, that a substantial parity payment appropriation by Congress—

A substantial parity payment appropriation by Congress—

> is fully justified. The estimate of all economists at this time projects parity income for agriculture in 1940 short of the authorized goal by at least 25 percent.

The pending bill, as passed by the House, carried no appropriation for parity payments. I have been informed by the Senator from Georgia [Mr. RUSSELL] that the $212,000,000 will pay 75 percent of parity.

Mr. LEE. I am sure the Senator will stand corrected; it will pay a little over 70 percent, with farm prices as they are at present.

Mr. CHANDLER. The Senator from Georgia thinks it will pay 75, he just stated to me. But if the tobacco situation gets bad—and my people in Kentucky are particularly interested in the tobacco situation because of the buying of tobacco by the British from Turkey and other countries instead of using the best tobacco in the world, which is the Kentucky Burley—that may cause our people some trouble. In Kentucky this year we sold 275,000,000 pounds of Burley tobacco at an average of about $17.50.

I call the attention of the Senator to the fact that I am anxious to vote substantial appropriations to the farmers, because it is my deliberate judgment that unless we get them to a point where they can have incomes and continue to have something to work for so that they can furnish the people of the country with the necessities of life we are never going to have any permanent prosperity. I think all agree upon that. But when the Senate is asked to vote $405,000,000, which the Senator's amendment seeks to add to the bill, I am not going to agree to vote a "cold check" to the farmer, because he is the hardest fellow to fool you ever saw in your life. If we vote him $405,000,000 without any prospect of its being paid—and I have gotten the genuine impression that there may be great difficulty in getting more than $212,000,000 approved by the President of the United States or by the House of Representatives—if we get it approved, if we do not raise the debt limit of the National Government or provide for raising more from taxation, we will have voted the farmers of

the United States a "cold check" and made assurances to them which will be much worse than the assurances which have heretofore been made.

I should like to go along with any reasonable amount, but I wish the Senator would give consideration to the $212,000,000, which has to be agreed to hereafter by the House, if we agree on it here.

Mr. LEE. Are any taxes provided for raising the two hundred and twelve million?

Mr. CHANDLER. No; but it is generally conceded that we have a chance of getting that much, but I do not think anyone thinks we can get nearly $700,000,000 in addition.

Mr. LEE. It would not be seven hundred million.

Mr. CHANDLER. Does the Senator's amendment call for six hundred and seven million?

Mr. LEE. Yes; which is three hundred and ninety-five million above the committee amendment.

Mr. CHANDLER. My arithmetic may be bad——

Mr. LEE. Perhaps mine is.

Mr. CHANDLER. If the Senator will take one number from the other, I think he will get the answer. I shall not argue with the Senator as to what result comes from the subtraction of one sum from the other.

Mr. President, I do not know where the money is coming from. Many of these things are provided for out of the general deficit. I shall vote for the appropriation of every cent for which I can see justification in paying the farmer any money. However, I shall not vote with my eyes open to pay any farmer in the United States with a "cold check."

Mr. LEE. Mr. President, the Senator just admitted he does not know where he is going to get the $212,000,000.

Mr. CHANDLER. I admit that. And the Senator has voted for appropriations of millions of dollars in the last few years, and he did not know where the money he voted for was going to come from.

Mr. LEE. The Senator from Kentucky then will vote for 70 percent of parity although he does not know where the money is going to come from, but he will not vote for full parity because he does not know where the money is going to come from. Is that logic?

Mr. CHANDLER. No; the Senator from Kentucky is going to vote for a smaller amount which is reasonable and which we believe is available. I have back of my statement the authority of the chairman of the Committee on Agriculture.

Mr. LEE. The Senator is willing to give the farmer a "cold check" for 75 percent of parity.

Mr. CHANDLER. That is better than a 100-percent "cold check," and the Senator understands the difference. The Senator from Georgia, the chairman of the subcommittee of the Committee on Appropriations in charge of the present bill, thinks we can get that money. Where are we going to get it? I do not know. But the Senator from Georgia thinks we can get it. If the President of the United States approves the bill, that indicates to me that he knows we can get the money. I do not think we can get the extra $405,000,000, however. The Senator from Georgia does not think we can get that money, and I do not think the House believes we can get it, either. So, Mr. President, I have more persons on my side who think we cannot get the money than the Senator from Oklahoma has at his side who think we can get the $212,000,000.

Mr. LEE. Mr. President, since the Senator has raised that question I wish to answer him in all fairness. The Senator voted for the independent offices appropriation bill. I hope the Senator will not leave the Chamber just yet. The Senator voted for that bill, and the question was not raised then where we are going to get the money. The Senator from Kentucky voted for the deficiency bill and the Senator did not say anything about a "cold check" then. We voted for battleships, and no one said anything about a "cold check," or where we were going to get the money.

Mr. CHANDLER. The Senator is mistaken.

Mr. LEE. Mr. President, I have never yet voted for an appropriation when I was not willing to vote for a tax to pay it. I stand ready to do that today. We cannot originate tax measures in the Senate. I am not hiding behind that fact, however. I am ready to meet the situation in the first place. I am willing now to vote for the two tax measures offered by the Senator from Wisconsin [Mr. LA FOLLETTE], and according to his estimate they would raise $234,000,000. That would go a long way toward meeting this parity payment.

Furthermore, I believe that the President under the present law has power further to devalue the gold content of the dollar, and put more money to the credit of the United States.

Mr. THOMAS of Oklahoma rose.

Mr. LEE. I yield to my colleague if he has it on the tip of his tongue to tell how much under the present law the Government could make by further devaluing the gold content of the dollar.

Mr. THOMAS of Oklahoma. Mr. President, we now have in the United States Treasury $18,300,000,000 approximately in gold. The President had the authority originally to cut the gold dollar in two and make two for one. In place of doing that he took only 40 percent of gold from each dollar. Under existing law he has the right to take out the other 10 percent. If that should be done, in other words if the President should exercise his power under the existing law, he could make for the Treasury more than $3,000,000,000 by the signing of his name.

Mr. LEE. I thank the Senator.

Mr. CHANDLER. I wanted to say to the Senator from Oklahoma that I did not vote for the bills he said I voted for, because I have not been in the Senate long enough to consider those measures.

Mr. LEE. Did the Senator vote for the deficiency bill?

Mr. CHANDLER. That was a small matter.

Mr. LEE. A rather small "cold check." Did the Senator vote for the independent offices bill?

Mr. CHANDLER. Yes; I voted for a bill just before the first bill the Senator spoke of.

Mr. LEE. They are the only two I accused the Senator of voting for. I said we had passed other bills here, but——

Mr. CHANDLER. I want to compliment the Senator, who is willing to vote for taxes. I was afraid he might be cataloged or classed among those who vote for all appropriations, but vote against all taxes.

Mr. LEE. I hope the Senator will not leave the Chamber at this moment simply because he is hungry.

Mr. CHANDLER. No; I am leaving because I have an engagement.

Mr. LEE. I want to refer to one more source from which the money may be obtained. I have already referred to two sources. One is increasing the tax schedule, according to the amendment proposed every year for a number of years by the Senator from Wisconsin [Mr. LA FOLLETTE], which, according to his estimate, would raise $234,000,000. According to my colleague [Mr. THOMAS] the President under the present law has power to raise—and I did not understand the amount—was it $3,000,000,000?

Mr. THOMAS of Oklahoma. Mr. President, it is considerably more than $3,000,000,000. And I might suggest, if my colleague will permit, that of the former profit of $2,800,000,000, $2,000,000,000 was set aside in the so-called stabilization fund. That fund has been used now for years, and not to exceed $200,000,000 has been called for. So there remains now in the stabilization fund $1,800,000,000 which has not been used for any purpose. The Congress could draw on that $1,800,000,000 for any purpose it sees fit. It is not used as a stabilization fund. It may be used at some time for that purpose, but in years past it has not been so used. At the present time I can see no need for continuing $1,800,000,000 in the stabilization fund for which there is no great purpose in sight.

Mr. LEE. I thank the Senator.

Mr. President, in addition to that, we have in this country $50,000,000,000 of tax-exempt bonds. They are not all Federal, I grant you. But we have $50,000,000,000 of bonds that are tax-exempt, either entirely or in part. I have every year since I have been in this body urged the passage of a law

to stop issuing tax-exempt bonds because tax exemption is a special privilege to the rich, because the poor cannot buy bonds, and the middle class cannot buy enough that the tax-exemption privilege amounts to anything to them. It is a special privilege to the rich.

Let me show an example: A man with an income of $500,000 makes more from a bond bearing 3 percent interest that is tax-exempt than he does from a bond bearing 10 percent interest that is not tax-exempt. In other words, the exemption privilege of a man with an income of $500,000 is worth 7 percent in interest.

How much is it worth to a man with an income of $5,000? It is worth two-tenths of 1 percent. So it is a special privilege to a special class.

There, Mr. President, is a source of revenue. The President himself, in a message asking us for laws permitting the taxing of tax-exempt securities, referred to them as a source of revenue. That $50,000,000,000 of wealth that paid no tax could be used to pay the farmer parity. Then there would not be any need to speak of the giving of "cold checks" to the farmers, or that we cannot get the money to pay the farmer the parity that we made the bluff we would pay him.

Mr. CHANDLER. Mr. President, has the Senator introduced a bill to accomplish the purpose he speaks of?

Mr. LEE. Certainly I have offered such a bill. When the late Senator Borah, of Idaho, was with us he offered an amendment to every revenue bill that came along for this purpose. I offered an amendment to the last revenue bill. Senators persuaded us not to push the amendment, but that they would take it up in connection with the next House bill that came along. I have said that I would offer it to the next bill that comes along. The Senator will not catch me blowing hot and cold.

Mr. CHANDLER. The Senator is delighted with the statement made by the Senator from Oklahoma. He does not want to catch him. He just does not want Senators to catch the farmers. If Senators are willing to vote taxes, very well, I will join them. But I do want Senators to be careful and not vote the farmers a "cold check."

Mr. LEE. Those who are opposed to taxing the tax-exempt bonds use this old bromide. They say, "If you tax these bonds, you will have to raise the interest rate the same amount that you put the tax on, and there will be no gain." Let us see if that is true. The Government is losing millions of dollars in revenue because of these tax exemptions. By taxing incomes which are now exempt, the Government will gain much more in revenue than it will lose on account of the increased cost. I have examples which I wish to give the Senate. This example will apply anywhere, but I have used language applying to my State.

Suppose a school district in Oklahoma issues $1,000,000 worth of bonds bearing 3 percent interest, and suppose the entire issue is purchased by a man having an income of $500,000. If the bonds are tax exempt, the Government loses each year in income taxes $21,197.77; whereas, if the bonds were taxable, the increased cost in interest charges would average only $3,750 a year, according to the estimates of the Treasury Department. The difference between $21,197.77, which would be the loss in revenue if the bonds were tax exempt, and $3,750, which would be the increased cost if the bonds were not tax exempt, is $17,447.77.

In other words, the net loss in revenue on that $1,000,000 issue of tax-exempt bonds is $17,447.77 each year. Then suppose these bonds were issued for 20 years. The total amount of net loss in revenue on that $1,000,000 issue of tax-exempt bonds would be $348,955.40.

Now multiply that by $50,000,000,000 of tax-exempt bonds in this country and Senators will see the revenue that our country is losing. And then we talk about not being able to pay the farmer a parity for his crops.

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

Mr. LEE. I yield.

Mr. ELLENDER. A while ago the Senator stated that a promise had been made to farmers to pay them parity. I suppose the basis for the Senator's view is to be found in statements made in debate when we considered the 1938 farm bill?

Mr. LEE. Yes.

Mr. ELLENDER. When that promise was made was it not contemplated that taxes would be imposed in order to meet the payments?

Mr. LEE. Yes; it was.

Mr. ELLENDER. Well, is it not contemplated now?

Mr. LEE. Of course it is.

Mr. ELLENDER. And the farmers, of course, do not expect parity unless a tax is imposed so as to raise a sufficient sum by which parity can be paid?

Mr. LEE. That is exactly right, and I thank the Senator.

Every mouthful of bread you eat is made of wheat raised by a farmer at a loss to himself. The loss in the farm revenue has been $2,000,000,000 each year for the past 10 years. If the farmer had parity, the agricultural income would have been increased $20,000,000,000 over the past 10 years.

How long are we willing to take advantage of the farmer's helpless condition? The farmer cannot help his condition. The consumer cannot help the farmer's condition. All they can do is to vote for men who when they run for office say they will vote for the farmers. Well, here is the vote. I ask Senators for their vote.

Senators said they would help the farmers. We have the power to levy taxes in order to raise the money necessary to make the parity payments. Yet we say, "Yes; we are his friend, but the House did not pass it; therefore we must not."

I answer to my conscience and to the people of Oklahoma.

Mr. President, did you ever visit a farm family in the cotton district. I have. Come with me; let us visit one of the poorer families. Let us go into their home, if we can call it a home. There is a large family of children. Each child has one rag fastened about its body to cover its nakedness. The man has a pair of ragged overalls and shirt. He has no shoes. The woman has no shoes. None of the children have shoes. They have a very limited amount of corn bread for the meal. They have black coffee with no cream and no sugar. They have some beans and some potatoes. The food chokes us, not because it is not clean or good but because we feel that we are taking food from the mouths of those children. They appear to be undernourished, as no doubt, they are.

But every time we consume something below cost we are taking bread from their mouths.

The mother has a very young baby, and yet she works in the field with the rest of the family. She hooks a long cotton sack over her shoulder. She places the baby on the sack and drags it along. As the sack fills with cotton, it gets heavier and bends her stooped back even more. All the children are compelled to work. The father and mother keep them at it. The cotton burrs scratch their fingers. Their hands are bleeding and look like little claws; yet they have to keep working. They have to produce cotton so we can wear it at less than it cost them to produce it. Sheets cost more than the farmer receives. Wheat cakes for breakfast cost more than the farmer receives.

I say they produce the sheets between which you sleep below the cost to them. Someone may say, "If they do not have anything, how can they produce them below cost?" Because they pay with the blood of their children. They pay with the health of their wives. They pay with the spirit of manhood itself, which is the most priceless thing in the United States.

What happens to a man when his farm is foreclosed? He loses his farm because he has sold his product below what it cost him to produce it. I have said that farmers produce below cost. According to Dr. Alexander, of the Farm Security Administration, in every year since 1935, 40,000 farmers have lost their farms and changed from the status of landowners to tenants. Forty thousand farmers a year for 5 years—200,000 tillers of the soil, the bone and sinew of America—have been turned from landowners to tenants, and started a trek down the road with the Joad family. The Joad

family has added another recruit; another Okie has started—to where? To a new frontier where he can start life over again, as was once the case? Not at all. To the shanty towns and the garbage towns. I have seen them as they go into the garbage. I have seen them drag out of the garbage part of an old car fender and part of an old pasteboard box, and put them together to keep out the cold. Some of them go on to warmer climates, such as California. What kind of citizenship can we expect of them?

Mr. President, when a man is foreclosed after a valiant but unsuccessful fight he loses more than merely his farm—something dies within him. Something happens—a loss that is even a greater loss than our failure to balance the Budget this year, the loss of a patriot, the loss of a good citizen. He then becomes a fit subject for all the isms of the country. He has lost his hope.

Edwin Markham was a great poet. He has gone, but he left a scar seared on the brain of every person who ever read The Man With the Hoe.

> Bowed by the weight of centuries he leans
> Upon his hoe and gazes on the ground,
> The emptiness of ages in his face,
> And on his back the burden of the world.
> Who made him dead to rapture and despair,
> A thing that grieves not and that never hopes,
> Stolid and stunned, a brother to the ox?
> Who loosened and let down this brutal jaw?
> Whose was the hand that slanted back this brow?
> Whose breath blew out the light within this brain?
> Is this the Thing the Lord God made and gave
> To have dominion over sea and land;
> To trace the stars and search the heavens for power;
> To feel the passion of Eternity?

Some of us may have to answer those questions. That is what happens to farmers when they continue producing food and clothing for the rest of the world at a price below the cost to them. They pay with their farms. They pay with the health of their children. They pay with the spirit of America, which has made our Nation great. That is the greatest price we are paying.

After the war I stood at Bourges, France, before the cathedral of Bourges. As I stood before the beautiful cathedral, a poem in stone and masonry, I enjoyed the beautiful architecture. I enjoyed the pointed arches and the flying buttresses. An old French padre walked up to me, and I learned from that venerable person the story of the cathedral of Bourges. It was built in the thirteenth century. Its building required 100 years. The grandchildren completed the work begun by their grandparents.

When the cathedral was finished the rats tunneled under the foundation of the north tower, and the rains came, and the erosion continued, until, in the fifteenth century, the north tower of the Bourges cathedral leaned, quivered, tottered, and then came thundering, smashing down. We cannot build a great nation while the foundation strata of our society is being destroyed.

What good will it do us to gird ourselves with battleships enough to man both seas if we are rotting from within? What good will it do us to build a girdle of steel fortifications around the United States if the foundation gradually caves from under us because of destroyed humanity and lost hope in the hearts of men? What good will it do us to spend our billions for battleships and allow the very strength of America to be sapped by a farm program which does not put into the hands of the farmers sufficient income to maintain them on a decent standard of living?

Mr. President, there is enough wealth in the United States for everybody to have a decent living, clothes to wear, and a shelter. Does anyone deny that? If so, let him stand in his place and deny it. We are the wealthiest nation on earth. Does anyone deny it? There is enough labor to develop our natural resources. There are enough natural resources and there is enough capital to pay the labor. Is it not our job to put these three things together in proper ratio to spell out prosperity? I am willing to undertake it. We have brought about a maladjustment through a tariff system which has penalized the farmer. I am willing to correct that.

We say we are the farmers' friends. Let us see if we are. Let us not hide behind the excuse that any aid to the farmer would be a "cold check." We can vote taxes if we have courage enough. I have never advocated any expenditure for which I have not been willing to vote the taxes to meet it.

Mr. President, the farmer creates wealth. Some of the wealthiest men in the Nation never created a dollar in their lives. They accumulated it. There is a vast difference between manipulating finances so as to accumulate fortunes and creating wealth. The man who creates wealth makes those about him wealthy. The man who accumulates wealth makes those about him poor, because he accumulates at the expense of the other fellow.

Thousands of those who gamble on the stock market accumulate wealth. They might be called "lily" businessmen.

> They toil not, neither do they spin; and yet * * * even Solomon in all his glory was not arrayed like one of these.

Lily businessmen!

But the farmer creates wealth. He takes a hundred bushels of wheat and multiplies it into 2,000 bushels of golden grain to feed the world. We eat the grain, and he receives less than it cost him to produce it.

He goes to his field in the morning, fills his drill with wheat, gets up on it, starts his team across the fallow field back and forth, back and forth, until noon. Then he unhitches his sweating team, drives it into the barn, feeds it, and then goes to eat. As soon as his team has eaten he hitches it up again and starts back and forth, back and forth, sowing the grain.

At night, after sundown, after all our offices are usually closed, the farmer comes in from the field and unharnesses his team. They wallow in the lot, then they shake, and then they drink long drinks of cool water from the watering trough. Then he feeds them. Then he goes in and washes the dust of the field from his face and hands, and eats.

Then he goes back and milks, feeds the hogs, turns his horses out, and late in the night he is ready to go to bed.

The next morning, long before you and I are up, he is up bright and early. He feeds his horses, harnesses them, milks his cows, does his chores, and then goes back to the fertile field, back and forth, back and forth, sowing his grain.

Finally the 100-acre field is sowed. Then the farmer must wait and take his chances. He must wait to see that the moisture comes to cause the grain to swell and put forth its tender sprout. Then he must take his chances on a killing frost killing his wheat.

Then with the spring comes the danger from grasshoppers. There is danger from all insect pests. Gradually his wheat comes up. He watches every cloud that floats across the horizon for fear a hailstorm will come and destroy his entire investment.

Finally the harvest day comes, and if he has been lucky he harvests his crop. He has created 2,000 bushels of new wealth to feed humanity and to make other men wealthy. He has not merely accumulated. He has created.

Yet we discriminate against him at every turn. I mean it. Show me the farm product which can move in the freight routes as cheaply, according to weight, as gravel. Show me the farm product which can move at as cheap a freight rate, according to value, as a carload of shoes. Show me the farm commodity which can be shipped by freight in bulk as cheaply as many bulky things that are manufactured.

Is the farmer discriminated against by interest rates? The interest rates on call money, for gambling on the stock market, have gone down as low as twenty-five one-hundredths of 1 percent—not for the purpose creating wealth, but to shear the lambs. Stock-market operators can borrow money for twenty-five one-hundredths of 1 percent. Can the farmer do it? No. He pays 6 percent. The financiers can borrow money at 1.65 percent. They have done so. The Government can borrow money at less than 2 percent. But the lowest rate at which the farmer can borrow money is 3 percent. He could not obtain such a low rate until we passed the Bankhead-Jones Act. Now that opportunity has been cut off. I hope we can restore it.

The farmer is discriminated against on every side. Why can the man on the stock market borrow money at less than 1 percent? Because his security is good. What is his security? It is based upon stocks. What are those stocks based upon? They are based upon the products of the earth. The farmer, who owns the earth which produces the wealth of America, must pay three or four times as much as the man who is manipulating it. The farmer owns the greatest security in America—land; but on that security he cannot obtain interest rates comparable with those available to big business.

Then we discriminate against the farmer in taxes. If a poor farmer does not get enough money from his crops to pay the taxes on his farm he loses his farm. But if a rich man has an income of $1,000,000 from tax-exempt securities he is not required to pay one thin dime of taxes.

Then again, the farmer is discriminated against on the things which he must buy, as well as on the things which he must sell. He buys on a protected market, but he must sell on an unprotected market.

Mr. President, I feel that the most fundamentally important thing to do is to rehabilitate the farmer. I would like to see this amendment adopted. We should say to the country that we are keeping faith with the farmer. I feel that the most important question today is the farmer. He is the foundation of our economy. We cannot build a great building without a firm foundation. Forty thousand farmers every year lose their farms. What good will it do us to rehabilitate the farmers through a farm-tenant program unless we increase the prices of their commodities so that they can hold the land which they have?

I put the question on a business basis. I put it on the basis of good economics. Where is the greatest market? It is the farmer. Suppose our farmers today had full parity. What would they do with the additional $395,000,000? They would spend it. Those dollars would find their way right back into the channels of trade. Those dollars would flow right back into the arteries of commerce. Those dollars would go to town with the farmer.

Suppose every farmer today were able to paint his little house with two coats of paint. What would that do for the paint manufacturers? Do not think the farmers do not want to. Do not think the farmer does without these good things of life because he does not want them. He is living for the day when he can have some of the good things of life.

Suppose every farm home could be redecorated inside with some beautiful, bright wall paper, instead of the newspapers that the farmers now use. Suppose they could redecorate with some paint.

Suppose every farm home could buy bathroom equipment. What would that do for the manufacturers?

Suppose every farmer had electric power wired to his place. Suppose he could buy an electric refrigerator: What would that do for the manufacturer? The farmer would buy it if he could.

Suppose every dilapidated fence could be replaced with a new fence; suppose every tumble-down shack could be replaced with a new one: What about the lumber industry? What about the manufacturer of steel?

Suppose every old, broken set of harness could be discarded and replaced with new harness: What would that do for the manufacturers of leather; and, in turn, what would it do for the producers of cowhides?

It is a never-ending upward spiral of prosperity when we start it at the logical place, the grass roots. We shall never have prosperity in this country until we get money in the hands of the little fellow. Some have the philosophy of pouring money in at the top, with the hope that enough of it will trickle down to reach those at the bottom, but it never trickles down. We are oiling the machine at the wrong end when we do that. I believe in the philosophy of taking care of the little fellow, and the big fellow will usually take care of himself, instead of trying to take care of the big fellow, and hoping he will take care of the little fellow.

If we get money into the hands of the farmers, we shall have an upward surge of prosperity that is not artificial, that is secure and sound. If we depend on the temporary and artificial prosperity resulting from the wars in Europe and Asia, we are not on a very sound footing. But let us have a prosperity that springs from the grass roots, and we shall be back on the road to real, true, and permanent prosperity, and that will come about only when we put buying power in the hands of the farmer.

Mr. President, I hope the amendment I have offered to the committee amendment will be agreed to.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. LEE] to the amendment reported by the committee.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Donahey	La Follette	Schwellenbach
Ashurst	Downey	Lee	Sheppard
Austin	Ellender	Lodge	Shipstead
Bailey	Frazier	Lucas	Smathers
Bankhead	George	Lundeen	Smith
Barbour	Gerry	McCarran	Stewart
Barkley	Gibson	McKellar	Taft
Bilbo	Gillette	McNary	Thomas, Idaho
Bone	Glass	Maloney	Thomas, Okla.
Bridges	Green	Mead	Thomas, Utah
Brown	Guffey	Miller	Tobey
Bulow	Gurney	Minton	Townsend
Byrd	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hatch	Norris	Van Nuys
Caraway	Hayden	Nye	Wagner
Chandler	Herring	O'Mahoney	Walsh
Chavez	Hill	Pepper	Wheeler
Clark, Idaho	Holman	Pittman	White
Clark, Mo.	Holt	Reed	Wiley
Connally	Hughes	Reynolds	
Danaher	Johnson, Calif.	Russell	
Davis	Johnson, Colo.	Schwartz	

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

Mr. LEE. Mr. President, with respect to the question raised by the Senator from Oregon [Mr. MCNARY] a while ago about full parity payments, I read from the CONGRESSIONAL RECORD of December 6, 1937. I believe that was the RECORD of the special session in which we passed the Farm Act. I read from the bottom of page 930:

> The next amendment was, on page 10, line 6, after the word "payments", to insert "for cotton, wheat, and corn", so as to make the subhead read:
>
> "Parity payments for cotton, wheat, and corn."
>
> Mr. MCNARY. Mr. President, is that the amendment on page 10?
>
> The PRESIDING OFFICER. Yes; the subhead on page 10, line 6.
>
> Mr. MCNARY. Mr. President, I do not care about the heading. Referring to the body of the section I am curious to know whether the Senator from Alabama [Mr. BANKHEAD] recalls my statement made a few days ago when I said that the language was mandatory requiring the Secretary to make parity payments, in the face of the statement of the Senator from Alabama that he did not expect parity payments.
>
> Mr. BANKHEAD. Mr. President, I did not say that. I said I did not expect full parity. There is a difference between payments on parity, or making payments based on parity, and parity payments in full.
>
> Mr. MCNARY. We were talking about parity. I assume that parity means full. When I say I will pay a man my obligation, I do not have to say my full obligation, but I am assumed to mean that I will pay my full obligation. When the Secretary is directed to make parity payments, I assume that that means parity payments, and not 10 percent of parity payments.

Then, down a little further, the Senator from Oregon [Mr. MCNARY] said:

> Mr. President, a great deal might be left out of the bill and it might be improved by so doing. I am not now suggesting that. The section begins, "Promptly following the close of each marketing year." It specifies when these payments shall be made; namely, that promptly following the close of the marketing year the Secretary shall do what? Make parity payments.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Oklahoma a question before he yields the floor.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. LEE. I yield.

Mr. NORRIS. The Senator was reading from the original act, was he not?

Mr. LEE. I was reading from the CONGRESSIONAL RECORD.

Mr. NORRIS. From the CONGRESSIONAL RECORD dealing with the act which established parity, or attempted to do so, passed at the special session?

Mr. LEE. That is correct.

Mr. NORRIS. That was the session of Congress immediately after the Supreme Court had held the Agricultural Adjustment Act unconstitutional, was it not?

Mr. LEE. That was the special session in the fall of 1937, I believe, following the Court's decision.

Mr. NORRIS. Was it not called for the purpose of remedying the situation brought about by the decision of the Supreme Court?

Mr. LEE. It was.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. LEE] to the amendment reported by the committee.

Mr. LODGE. I ask that the amendment be stated for the information of the Senate.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 82, in the committee amendment, it is proposed to strike out all after line 15, down to and including line 5 on page 83, and in lieu thereof to insert the following:

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, $607,000,000, which sum shall be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income: *Provided*, That such payments with respect to any such commodity 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 1940 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program.

Mr. FRAZIER. Mr. President, the amendment of the junior Senator from Oklahoma [Mr. LEE], who has so well stated the case, provides for an increase in the so-called parity appropriation of $395,000,000. The total of $607,000,000 is proposed to be appropriated to pay the difference between the market price of the five farm products included in the Agricultural Adjustment Act and the so-called parity as estimated by the Department of Agriculture. Some of us think that even parity is less than cost of production, but it is somewhere near the average cost of production, and would be a great benefit to the producers—a great deal better than the local market price or 75 percent of parity.

We appreciate the fact that our Appropriations Committee put in this parity item after the House had omitted it from the bill, providing for an appropriation of $212,000,000; but it is stated in the bill that it is not to exceed 75 percent of parity.

Mr. President, as the Senator from Oklahoma has well said, Congress has repeatedly promised the farmers parity payments. Seventy-five percent of parity is the closest they have ever come to it so far, and the farmers are continuing to go broke, and they will go broke just so long as they are getting less than the cost of production for their products, just so long as they are getting less than the parity price. They would not go broke quite so fast on 75 percent of parity as on 50 percent of parity, but they will go broke, as will any other businessman if he sells his product below cost of production. Of course, the farmer is no exception to the rule.

When the last Agricultural Adjustment Act was before the Committee on Agriculture and Forestry of the Senate, it was after we had held hearings throughout the agricultural States. I happened to be on the subcommittee which held hearings in the Wheat and Corn States. After we returned to Washington and the committee met, a provision was inserted in the agricultural adjustment measure authorizing the appropriation of a sufficient amount of money to carry out the purposes of the bill. Of course, the bill as it passed the House was entirely different from the bill as passed by the Senate. The conferees wrote a new bill, and the provision which the Senate committee had inserted, authorizing appropriations in a sufficient amount to carry out the purposes of the bill in order to pay the farmers parity, was stricken from the measure. As I remember, the 75-percent provision was inserted at that time also.

Of course, anyone must realize that unless the farmers get more than 75 percent of parity, or cost of production, they cannot possibly succeed, and the farmers must receive prices which will afford them parity or cost of production if they are to succeed. The present Agricultural Adjustment Act covers only five products; and as the Senator from Oklahoma so well said, Congress has the authority and the power to levy taxes to pay these appropriations. The Senator mentioned a number of ways by which the money might be raised to pay the additional amount necessary.

I did not hear the first part of the Senator's remarks, but I should like to mention one thing which occurs to me. I understand that in the very near future we will have before us so-called national-defense measures, a bill to increase the appropriations for the Army and a bill to increase the appropriations for the Navy and the air forces. In my opinion, we can save a good deal of money in those bills, the appropriations which have been approved by the Bureau of the Budget and recommended to Congress for enactment. We can save much more than enough to pay parity on the five principal products of the farmers, on which we have promised parity for the last several years but have not gotten within gunshot of it.

I do not intend to go into the national-defense situation, but I think it is generally conceded that it is not necessary at the present time to spend for national defense the billions that are recommended. I shall have something to say on that when the measures to which I have referred come before us.

So far as the parity-payment proposal is concerned, the farmers should have enough to insure them the difference between their local market prices and parity, and we believe the $607,000,000 covered by the amendment will accomplish that purpose. Of course, it depends somewhat on the prices of the products in the local market next fall. Some say that we do not need any parity-price legislation because the war situation will bring prices up. We do not know that prices will rise because of the war, but we do not care to have prices based on war hysteria and war conditions in the Old World. We want prices to which the farmers are entitled, which the Congress and this administration have promised the farmers, parity prices. The farmers are entitled to that; it is what they desire, and we want them to have it.

The Senator from Oklahoma referred to the cotton grower's home in the South. I have seen a few of the cotton growers' homes, and I know that those farmers are in a mighty tough situation. There have appeared before our Committee on Agriculture and Forestry persons from the Southern States representing that group, people who raise cotton, cotton sharecroppers and tenants especially. They have told us that the cotton farmers did not even have cotton rugs on the floor; that they did not even have cotton sheets on the beds; that they did not even have cotton covers on the beds, because they could not afford them. And why could they not? As the Senator so ably said, they could not afford them because they had to sell every pound of cotton they could produce in order to eke out an existence for themselves and their families, and that was only by the work of all the members of the family. It is a terrible situation. That condition exists in States other than the cotton States, perhaps in not so marked a degree, but it is bad enough in any agricultural community anywhere in the country.

A few days ago the able leader on the other side made a very eloquent speech recounting the accomplishments of the present administration during the past 7 years, and he took occasion to tell what had been done for agriculture. A good deal has been done for agriculture, we admit, and we are proud of it; but the present administration promised the farmers parity for their products, and they have not gotten it yet, and will not get it under the pending bill unless the amendment

of the junior Senator from Oklahoma shall be agreed to here and agreed to by the House.

Mr. President, it seems to me only fair and honest to adopt the amendment to increase the parity payment appropriation so that the farmers can get parity on the five basic agricultural products. That is little enough. I hope we can get a bill through in the near future which will give the farmers parity on all the products they produce; and why not? Farmers are entitled to an honest parity on every product they produce.

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

Mr. FRAZIER. I yield.

Mr. LEE. Knowing the Senator's philosophy, I am sure he is willing to vote for any reasonable tax in order to raise the money to pay parity; is he not?

Mr. FRAZIER. Certainly.

Mr. LEE. I wish to ask the Senator further whether it is not a fact that if the farmer does not receive enough to pay the taxes on his farm, the farm is taken away from him. Is that not true?

Mr. FRAZIER. It is.

Mr. LEE. It is sold from under him. But the man with an income of a million dollars, if the income represents interest on tax-exempt bonds, does not have to pay a thin dime. Is not that true?

Mr. FRAZIER. That is true. Thousands of farmers have lost their homes and their farms because they could not pay their taxes. Thousands of others have lost them because they could not pay the interest on the mortgages on the farms, the mortgages were foreclosed, and they were put off their farms, and had to go out on the road or become tenants or sharecroppers.

Mr. LEE. But there is $50,000,000,000 worth of wealth in the United States which is tax exempt, and that does not square very well with the fact that a farmer's farm is taken from him when he does not have money enough to pay the taxes. Yet some are afraid to vote enough money to pay the farmer parity, and afraid to levy taxes on the tax-exempt wealth in this country.

Mr. FRAZIER. That is very true. The Senator referred to $50,000,000,000 worth of tax-exempt bonds. I think all the so-called Progressives here have worked and fought to have tax-exempt bonds put on a taxable basis, but we have not been able to accomplish it. It should be done by all means. There is much more wealth besides the tax-exempt bonds that is not taxed. But the farmer cannot cover up the products he has which are subject to taxation. When the assessor comes around everything is right in plain sight, and if the farmer forgets to put down a wagon, or a cow, or a horse the assessor will look things over and put down the things which have been missed; so that the farmer cannot escape the taxation. But the wealthy citizen does escape many taxes—taxation on money he has, and all that kind of thing—and much of his property escapes taxation.

Further, the farmer's prices are manipulated by the stock markets and the commodity markets. A few days ago a farmer came into my office and while we were talking about fixing the prices of agricultural products, he said:

> There is one thing sure, that unless Congress fixes the prices of farm products the gamblers will continue to fix them.

That is about the situation, and that is another thing which should be corrected. So long as the gamblers are allowed to manipulate the cotton market, the wheat market, the beef and pork market, and the markets dealing in other farm products, we will never have an honest market for our farmers.

The farmer has nothing to say about the prices he will receive for his products. In the last four or five national platforms of both the old political parties they have promised, in substance, that if elected they would put the farmers on a parity with industry, but after election they have apparently forgotten the promises. At least we have not gotten anywhere near parity yet, and the pending committee amendment, which is a great improvement over the provision of the bill as it passed the House, provides for not to exceed 75 percent of parity. Everyone knows that in any line of business people will go broke if they receive only 75 percent of parity or cost of production.

Mr. President, I hope the amendment offered by the Senator from Oklahoma will be agreed to. It is no more than fair. The farmers produce the wealth of the Nation; they create the new wealth. As the Senator from Oklahoma has said, they produce the food products which other people must have in order to live, they produce the raw material out of which our clothing must be made, and they are entitled to fair prices for their products.

I have made the statement here a great many times, and will make it again, that if any other line of business—I do not care what it is—anywhere near as important as is agriculture were in the condition in which agriculture is today, Congress would stay in session night and day until the situation had been corrected, until that business had been taken care of. But the American farmer, who produces the food which we eat and the raw materials out of which the clothing we wear is made, is the forgotten man. We are merely trying, by the provisions of the bill, to afford the farmer 75 percent of parity, and that is all he has ever been getting; indeed, he has received less than 75 percent most of the time under the Agricultural Adjustment Act. The benefit payments, the soil-conservation payments, the parity payments, afford much relief, but they have not solved the farm problem by any means, and we will not solve it unless we provide for full parity payments and apply the parity payments to all farm products. Farmers who produce other products than the five included in the Agricultural Adjustment Act are entitled to something at the hands of the American Congress, just as those who produce those five products are. These five are five of the principal products, of course.

The senior Senator from Vermont [Mr. AUSTIN], in his able speech just a few minutes ago, referred to the importation of casein made from skimmed milk, when there is a surplus of skimmed milk in our own country. We imported millions of dollars' worth of that product, and it seems strange that things of that kind should happen. But many other farm products are imported into the United States which come in competition with what we produce here and keep farm prices below parity, and we have not been able to get nearer than 75 percent of parity at any time since the Agricultural Adjustment Act was passed. The amendment of the Senator from Oklahoma would bring us up to what we believe is parity so far as the five products are concerned, and I hope the amendment may be agreed to.

Mr. BILBO. Mr. President, I have taken only a few minutes of the Senate's time this session. I was hoping I would be in physical condition to speak at length on the agricultural appropriation bill, but I have been suffering with a severe cold and cannot do so. However, I shall attempt to make one or two observations before a vote is taken on the substitute amendment.

Let me express the hope that other Senators will join with the Senator from Oklahoma [Mr. LEE] and me in the request for a yea-and-nay vote on the substitute.

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

Mr. BILBO. I yield.

Mr. NORRIS. In order that the Senate may understand the amendment, is it fair to state that the real effect of the amendment is simply to increase the appropriation? The amendment itself strikes out considerable of the language of the bill and inserts other language. Is there any other material in it than the increase of the appropriation?

Mr. BILBO. It strikes out all reference to parity payments placed in the bill by the Senate Appropriations Committee and substitutes the provision of $607,000,000, which is an increase of $395,000,000 over the committee's judgment.

Mr. NORRIS. As I understand, then, practically the same result could be reached, could it not, by simply moving to strike out the amount and to insert a larger one?

Mr. RUSSELL. Mr. President, if the Senator from Mississippi will pardon me, I think I can explain that matter to the Senator from Nebraska. The language that is stricken from the committee amendment is the language which imposed a

limitation of 75 percent of parity. The appropriation of $607,000,000 is the amount that has been estimated as sufficient to pay full parity payments.

Mr. BILBO. Mr. President, first I wish to compliment the Senate Appropriations Committee for the excellent work they have done in considering and acting upon the appropriation bill for agriculture. They have made some very desirable additions and improvements over what the House did. I am especially gratified at the addition of $85,000,000 for the Surplus Commodities Corporation. I think that is one of the best things in the bill.

The committee is also to be congratulated for its courage in inserting $212,000,000 for parity payments when the House had outlawed every cent of parity payments.

The only trouble is that the committee did not go quite far enough in the amount allowed for the two items. Personally I favor $100,000,000 for the Surplus Commodities Corporation. I think we could well spend that in the great work that this agency is doing for the benefit of the farmers of the country. And it is an appropriation that the business people of the country would appreciate and endorse wholeheartedly.

The reason I offer this amendment, together with the Senator from Oklahoma [Mr. LEE], is because in the act of 1938 we have what I believe to be the best farm program that has ever been established by the American Congress. It has met with almost universal approval throughout the Nation. With all the criticisms and analyses and objections that have been made by politicians and office seekers, and some real enemies of the agricultural life of the Nation, no one has been able to suggest anything comparable with the law of 1938 in an effort honestly to solve the farm problem.

Mr. President, I see my distinguished friend, the junior Senator from Ohio [Mr. TAFT], on the other side of the Chamber loaded, as I understand, to make a speech against parity payments. In other words he is against the philosophy enunciated in the year 1938 that the way to solve this problem is through the parity payments to the farmers.

The farmers of the United States have endorsed the parity-payment solution. In the act of 1938—and it is not necessary to read section 303—there is an implied promise to the farmers of this country that if they will cooperate with the control programs established by the act of Congress of 1938, Congress will keep faith with them and make the appropriation necessary to give them the parity payment to which they are entitled.

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

Mr. BILBO. I yield.

Mr. BONE. I recall that when this particular provision was before the committee the question arose as to whether or not the language carried a pledge. It is my recollection in that connection that the language itself is not a specific pledge, and the whole matter depends on appropriation.

Mr. BILBO. The Senator is correct.

Mr. BONE. That leaves it in a somewhat uncertain state. If there is any promise there I take it from what I recall of the act that it is purely implied.

Mr. BILBO. It is an implied promise, and I meant to say so.

Mr. BONE. It is simply that Congress did it at one time, and therefore we should consider that a promise. I have no objection to it, but I had rather forgotten the language in the interim.

Mr. BILBO. Mr. President, the American farmer had been led to believe that, since the Congress provided for parity payment as a solution to his trouble, when failure came about because of reduced prices the Congress would keep faith with the farmer, and that is what the farmer believes the Congress will do. That is what I am attempting to do with this substitute for the provision dealing with parity payments, by raising the amount to $607,000,000, the sum which has been estimated by the experts of the Department as necessary to give to the farmers at least a parity payment.

Mr. President, I wish to ask my distinguished friend, the Senator from Ohio, how he expects the farmers, especially in the great cotton section of this Nation, to buy the manufactured articles from his business people? How can we buy automobile tires unless we are given a chance to have the purchasing power? And the only way to get it is through the parity payments.

During the period 1931 to 1935 the annual income of the 13,000,000 farmers of the 10 cotton States of the Nation was only $95 each. How in the name of high heaven can people have any purchasing power when they receive an annual income of only $95 each? And the situation in that respect is not much better now than it was during that period.

The question was raised a while ago in a colloquy between the distinguished Senator from Kentucky [Mr. CHANDLER] and the Senator from Oklahoma [Mr. LEE] about where we are going to get the money to pay this $607,000,000. It is passing strange that the question of where we are going to get the money is raised when we get to the one point of all points, to help the most needy class in the Republic, the farmer, when the Senate has already voted—and the Senator from Kentucky has already voted for six appropriations—I took trouble to add them together and found that the Senate has already voted $2,676,322,720, and there has not been a word said about where we are going to get the money. The Senate has already spent two and a half billion dollars, and this amendment carries only $607,000,000—not three-quarters of a billion dollars. The House has made appropriations of $2,377,000,000. In other words, we have already passed the $5,000,000,000 mark, and no question has been raised about where we are going to get the money. It is not necessary for me to enumerate the ways and methods of getting money. That has been fully covered by my distinguished colleague, the Senator from Oklahoma.

Mr. RUSSELL. Mr. President, the Senator from Kentucky is fully capable of taking care of himself, but the Senator from Kentucky might have had in mind the suggestion of the President of the United States, which has been made every time these parity amendments have been before the Congress, that the Congress should raise funds by taxation to finance these appropriations.

Mr. BILBO. With all deference to the President, why should the Congress be called upon to impose additional taxes to take care of the farmer when he does not say anything about additional taxes to take care of an enlarged Army increase and an increase in the Navy and other means of defense.

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

Mr. BILBO. I yield.

Mr. RUSSELL. The Senator, of course, is repeating the argument I have heretofore made every time these parity payments have been before the Senate—that the farm items should not be singled out for new taxes. But the Senator is not exactly fair to the President of the United States. If the Senator had read the President's Budget message he would have seen that this year not only did the President ask but insisted that the Congress levy taxes of $460,000,000 to finance the rearmament program. I am willing to vote for those taxes.

Mr. BILBO. Very well. But every day we read announcements to the effect that we shall go through this session of Congress, in an election year, without levying any additional taxes.

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

Mr. BILBO. I yield.

Mr. CHANDLER. I am very much interested in what the Senator from Mississippi had to say about how easy it was to raise money, and the way the Senator from Oklahoma suggested that money could be raised. I think it comes with rather bad grace at this time from the Senator from Mississippi and from the Senator from Oklahoma to suggest that taxes should be levied on tax-exempt bonds. Tax exemption on certain bonds has been in existence during the 7 years of this administration, but that exemption has not been done away with in order to raise more money.

I also think that a matter which was suggested a while ago might have been taken care of a long time ago—that is the proposal to take part of the gold at Fort Knox and make it into money, a part of which could be spent. When and if that is done I am willing to join with other Senators to vote for parity payments of 100 percent to the farmers of the Country. The other proposals we voted for were made by the President of the United States and anticipated by the Budget, but it did not anticipate this item, and it was not passed in the House. The bill came over to the Senate without any money for parity payments. The Senate subcommittee, of which the Senator from Georgia is chairman, recommended the placing of $212,000,000 in the bill. The committee placed that amount in the bill. And there is no definite assurance that we are going to get it. But the Senate has a better chance to get the $212,000,000 than to get the $607,000,000 proposed. It might be all right, however, for the farmers of Mississippi to hear their distinguished Senator talk about $607,000,000. [Laughter.]

Mr. BILBO. Before I continue I wish to extend the right hand of fellowship to the junior Senator from Kentucky. He is one of us. But I wish to say to him that he will find out after he has been in the Senate as long as I have that he is only one of 96 Senators [laughter], and that he will not get everything he asks for.

Mr. CHANDLER. I found that out long ago. I made this point a while ago to the Senator from Oklahoma. The president of the United States suggested additional taxes for armament, and indicated that the people of the United States were willing at this time to pay additional taxes for the national defense.

Mr. LEE. And the President asked us to tax tax-exempt bonds.

The PRESIDING OFFICER. Senators will observe the rules with respect to addressing the Chair before interrupting the Senator having the floor.

Mr. CHANDLER. No other suggestions were made about additional taxes. Now a request is made for this extra money, when the Senator knows that we are approaching the debt limit, and we will be faced with the alternative of either raising the debt limit of the Government of the United States beyond $45,000,000 or voting new taxes. The question the junior Senator from Kentucky wanted to ask is, Are Senators ready to raise the debt limit in order to make these payments? Are Senators ready to vote for new taxes? If they are, they are justified in casting a vote to pay the farmer full parity; but if they are not ready to provide either alternative, they are not justified in casting a vote to pay the farmers of the United States full parity.

Mr. BILBO. Mr. President, I am ready to provide money for the farmers either by raising the debt limit or by voting for new taxes. Personally, I think, if it is necessary, we can vote new taxes. There are many ways to get this money. We have already spent $5,000,000,000.

Mr. CHANDLER. There are many ways of talking about it.

The PRESIDING OFFICER. The Senator from Mississippi did not yield?

Mr. CHANDLER. Will the Senator yield?

Mr. BILBO. I will yield; yes.

Mr. CHANDLER. Mr. President, the Senator says he does yield. [Laughter.]

Mr. BILBO. Yes; I am delighted to.

The PRESIDING OFFICER. The rule is that Senators must address the Chair before interrupting the Senator who is speaking.

Mr. CHANDLER. The Senator from Kentucky knows the rule.

The PRESIDING OFFICER. The Senator did not seem to understand the rule when he failed to address the Chair.

Mr. CHANDLER. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I yield.

Mr. CHANDLER. The Senator from Kentucky apologizes to the Chair for a failure which has become so common that I, myself, have become used to it. I am very sorry.

We talk about being willing to take gold and make other money out of it, and being willing to impose new taxes. That does not pay the bill. We must be willing to do the job, provide the money, and then pay the bill.

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

Mr. BILBO. I shall be glad to yield.

Mr. LEE. I will say to the Senator from Kentucky that one of the reasons why we have not been able to do that is because so many have taken the attitude of hiding behind every possible excuse to keep from doing that very thing. President Roosevelt, in his message to us last year, or year before last, asked us to impose a tax on tax-exempt bonds to obtain more money. He has asked us time and again to pass tax legislation if we expect to make certain appropriations. I for one have done my part on the floor in speech and vote; but there are not enough of us. There are those who take hold of every opportunity to keep from doing that very thing.

There are those who say, "There is no tax to pay for it; therefore I shall not vote for it." Such an attitude keeps us from doing the things which the Senator is asking why we have not done.

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

Mr. BILBO. I yield.

Mr. CHANDLER. The Senator from Kentucky is delighted to hear that the Senator from Oklahoma is and has been willing to do what has been suggested; but the Senator from Kentucky is entitled to remind the Senator that since the Senator from Kentucky has been in the Senate, the Senator from Oklahoma has voted for billions of dollars' worth of appropriations for which no money was provided to pay the bill; and the Senator from Kentucky has not yet done so.

Mr. LEE. Mr. President, will the Senator from Mississippi yield to me?

Mr. BILBO. I shall be glad to yield.

Mr. LEE. I do not remember that we have ever passed a tax bill to raise money in advance of some need we have already recognized by authorizing the expenditure. In some cases—in fact, in most cases—we have made the appropriation before we passed the tax law. The Senator wants us to pass a tax law before we make the appropriation.

Mr. CHANDLER. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I shall be glad to yield.

Mr. CHANDLER. The Senator from Kentucky does not want to adopt any new rule; but down in my State it is an old country custom to anticipate revenues. In that way we have been able to anticipate expenses and to keep the outgo from exceeding the intake. One of my first impressions of the Budget was, not that I wanted to tear it up, as did one of my distinguished colleagues, but that it looked more like the New York Telephone Directory than anything I had ever seen before. [Laughter.] I believe that the Budget Bureau estimated $5,500,000,000 of income and $8,500,000,000 of outgo. Such a plan will not work if long continued.

Will Rogers came from the Senator's State. That fact leads me to observe that during the Senator's time the Senator did not possess all the sense possessed in Oklahoma. Will Rogers had some of it. Will Rogers said that some day, when the Congress of the United States makes up its mind to run the affairs of the country in an orderly fashion, every time a Member of Congress proposes to spend public money he will at the same time introduce a bill providing the money. That plan might not be a bad idea today.

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

Mr. BILBO. I yield.

Mr. LEE. The Senator from Kentucky is a Member of this body. He is privileged to introduce such a bill. What will he say to the tobacco farmers of Kentucky? If he says, "Yes; I could have voted for it, but I did not vote for it because there was no bill to raise the money," the farmers will say to him, "Senator, you are a Member of the Senate. Do you not have as much right as any other Senator to introduce such a bill?" Then what will the Senator say to the tobacco farmers?

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

Mr. BILBO. I yield.

Mr. CHANDLER. In due time the Senator from Kentucky will have to make his answer to the people of his State, as will the Senator from Oklahoma. Each Senator, in his turn, must make his own answer.

Mr. President, I join with the Senator from Georgia [Mr. RUSSELL]. After long and careful hearings and hard work, the committee has brought in a bill to appropriate $212,000,000, which will provide approximately 75 percent of parity. When I look at the parity price of tobacco in my State and see that on December 15, 1939, the parity price for burley tobacco—which I say is the best in the world—was 16.9 cents, and when I see that we sold 295,000,000 pounds of it for 17.5 cents, I shall have to make no other answer. That is my answer to the Senator from Oklahoma and the Senator from Mississippi.

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

Mr. BILBO. I shall be glad to yield.

Mr. RUSSELL. Speaking as a Senator from a State the principal agricultural commodities of which have not reached even 75 percent of parity, I appreciate the support of the Senator from Kentucky, a State whose principal agricultural commodity is above parity, in coming to the rescue of less fortunate States.

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

Mr. BILBO. I shall be glad to yield.

Mr. BONE. As I have listened to this debate I have been uncertain about one thing. I gathered from the argument that the $212,000,000 proposed in the committee amendment is sufficient to provide about 75 percent of parity payments. If that be true, why is it necessary to increase the appropriation to more than $600,000,000 in order to achieve 100 percent of parity? The figures do not seem to make sense, and I am rather curious.

Mr. BILBO. Mr. President, my information is that $212,000,000 will provide about 68 percent of parity.

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

Mr. BILBO. I yield.

Mr. RUSSELL. Answering the question of the Senator from Washington, if the Senator will give pause for a moment I am sure he will see why it is necessary. Farm prices vary from 65 percent of parity to 70 percent of parity. The $212,000,000 will approximately fill in the space between 65 and 70 percent, or 75 percent; but a much larger amount is required to fill in the space from 75 percent to 100 percent of parity.

Mr. BONE. I will say to the Senator from Georgia that that explanation is apparently quite sufficient to satisfy the average man; but I have heard so much discussion about abnormally low prices that it seems to me that the gap between the present prices and parity prices is not sufficiently great to require the additional $400,000,000 to make up the difference, or the remaining 30 percent. I have not had the advantage of the committee's studies, and I did not hear the discussion. I wish merely to obtain a clear understanding of it.

Mr. BILBO. Mr. President, I have no desire to place the committee in the wrong attitude before the farmers of the Nation, inasmuch as the committee has been gracious and liberal enough to provide $212,000,000, while the House refused to provide anything in the way of parity payments. However, I think I speak the sentiments of the members of the Appropriations Committee of the Senate, with possibly one or two exceptions. If they thought there was any way on earth to obtain the money, they would be glad to support the substitute of $607,000,000. I really think they want to do so. The fact of the matter is that I have talked to many of them, and they are for it; but, like my friend from Kentucky, they are disturbed about where we are to get the money, and whether it is possible for that amount to be passed by the House. Personally I am not concerned about what the House thinks about the matter or what the House will do about it. What I am interested in is to do my duty to my people and to the farmers, who have been led on in the hope and belief that they would be taken care of by parity payments.

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

Mr. BILBO. I yield.

Mr. CHANDLER. The Senator said several times that the question of where we are to get the money has been raised only in connection with the discussion of the farm bill. I am not willing to have the statement go out to the farmers of America that the junior Senator from Kentucky raised the question of where we are to get the money only in connection with the farm bill. If this is the first time the question has been raised, it is unfortunate that it was not raised long ago, because in the future it will be increasingly important to raise the question of where we are to obtain the money.

Mr. BILBO. Yes.

Mr. CHANDLER. I want it understood that I am not raising the question entirely in connection with the farm bill.

Mr. BILBO. Mr. President, I wish to exonerate the Senator from Kentucky. I think his sympathies are right. The interests of his constituents are not hurt by the bill, because the tobacco farmers are receiving very good prices for their products. However, if the Senator represented the second greatest cotton-producing State in the American Union, where the average price today is about 9½ cents a pound for cotton, and the parity price is close to 16 cents a pound, when it is a known fact that we are not receiving even the cost of production, he would be more concerned about the passage of the substitute amendment to raise the amount to $607,000,000 so that the farmers may be taken care of.

Mr. President, the whole world knows that it costs from 12 to 15 cents to produce a pound of cotton; and today cotton is selling below the actual cost of production. That is why we have an impoverished people in the South. That is why I am trying to persuade the Senate to come to the rescue of the 13,000,000 people engaged in the production of cotton in the 10 cotton-producing States of the American Union.

The condition is just about as bad with some of our friends in the Midwest, where the parity price of corn is 82 cents, and where the prices of other crops are below parity.

Take the case of hogs and lard. It is a national disgrace to think of the price of lard today. Hogs are selling at 54 percent of parity, hardly more than half of parity. I am hopeful that the $85,000,000 which has been voted for the Federal Surplus Commodities Corporation can be used by Mr. Perkins in a way to increase the price of hogs to the hog farmers of the Midwest.

We have on hand today a surplus of about 200,000,000 pounds of lard, which can be bought for 5 or 6 cents a pound. Something ought to be done about it. This is our chance to do it. Let the Surplus Commodities Corporation appropriation take care of the other agricultural commodities, and with the $607,000,000 we can take care of the staple crops enumerated in the act of 1938. In that way we can bring a slight degree of justice to the great agricultural population of the United States.

To repeat, I trust that the Senate will be kind enough to give us a yea and nay vote, so that we may report back to the people at home whether or not we want them to have the $607,000,000. Then if any Senator has any explanation to make, he may make it, as my friend from Kentucky [Mr. CHANDLER] has done.

Mr. RUSSELL. Mr. President, I shall detain the Senate for only a moment in the discussion of the proposed amendment. I am unwilling to let pass unchallenged the implication that only those who are really friends of 100 percent parity are supporting the amendment which has been presented by the Senator from Oklahoma [Mr. LEE] and the Senator from Mississippi [Mr. BILBO].

Mr. President, I yield to no Member of this body or to any person in the United States in the earnestness and the sincerity of my desire for full and complete parity to the American farmer. I realize that until that day comes when the farmer shall be placed on a parity with every other group in this Nation, it will be impossible for us to have any

balanced economy, or to have a country which can really move forward and not be subject to recurring depressions.

I have the honor—and I think I may say it with becoming modesty—of having offered the first amendment in the Congress of the United States to appropriate funds for parity payments. I am no new convert to parity payments. I offered that amendment without any suggestions from any farm organization. No single farmer had asked me to sponsor it. I did not confer with anyone on the subject. I offered it, and with the help of others interested, fought until it was enacted into law—through the committee, the Senate and the conference, until it became law. I met with many obstacles and as it was unbudgeted and a new appropriation, the Department of Agriculture was prevented by imposed silence from giving me the slightest assistance. It was inspired solely by my knowledge of conditions on the farm and in American farm homes, and by my determination to do everything within my power to give the farmer a chance and a start toward equality. I shall never waver in the fight until we have reached that goal.

That amendment was offered in the year 1938. It did not come before the Senate in the regular agricultural appropriation bill. I offered it as an amendment to a relief measure, after the agricultural bill had passed, when it became apparent to me that many of those living on American farms had incomes which were far below the incomes of those who were engaged in work on W. P. A. projects. I was a coauthor of the amendment adopted last year appropriating $225,000,000 for parity payments to American farmers. I carefully nursed that amendment through the committee of the Senate, on the floor of the Senate, and through a conference which extended over several weeks with the Representatives of another body.

I have been the whipping boy for those favoring parity payments, and have been singled out in the metropolitan press opposed to all farm appropriations as a "Treasury raider," one who was seeking to loot the Treasury of the United States in an effort to curry favor with the farm vote in this country. I favor, as I say, as much as do the authors of this amendment or anyone else, full parity; but, Mr. President, I try to be a realist. I do not close my eyes to the fact that the Senate of the United States is not the only body which will be compelled to pass upon this amendment if it shall become law.

Last year the amendment carrying $225,000,000 for parity payments went to the body at the other end of the Capitol. Those who were opposed to that amendment opposed the idea of even permitting the conferees of the House to pass upon it in conference with the Senate, and insisted that it be kept in the custody of the House, and voted down forthwith on the House floor. The motion to send the bill to conference in order that the parity amendment should not be done to death then and there without any chance was adopted by a majority of one on the floor of the House of Representatives. A change of one vote on $225,000,000 parity money and there would have been no payments this year. After long and extended conferences, when the parity amendment was finally voted upon as a separate proposition in the House of Representatives, it was adopted by either 4 or 5 votes upon a roll call in that body.

As a friend of parity payments, I know that the one deadsure and certain method of killing any appropriation whatever for parity this year is to send a $607,000,000 amendment to the House of Representatives and have it voted down on the floor of the House before it will ever be permitted to see its way into a conference room for discussion between conferees of this body and conferees on the part of the House. That is a definite way to fix it so the farmer will get nothing at all.

Mr. President, I do not question the motives of any Member of this body. I believe that the Senator from Oklahoma [Mr. LEE], the Senator from Mississippi [Mr. BILBO], and other Senators supporting this amendment are sincere. I have supported the legislation offered by the Senator from Oklahoma to fix artificially the price of farm commodities in order to give the farmers parity. I stand ready and willing to support artificial price-fixing legislation here and now. I will support taxes to raise money for full parity appropriations. But until that can be done I do not want to deny the American farmer the small measure of justice which is contained in the pending amendment by so loading down the proposal that it shall not have the slightest chance of ever being enacted into law or approved by the President of the United States.

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

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

Mr. RUSSELL. I yield.

Mr. BILBO. I have a sort of horse-trading instinct. Does not the Senator think that if the Senate should send to the House an amendment appropriating $607,000,000 we should come nearer getting a decent compromise than if we should start out with $212,000,000?

Mr. RUSSELL. Mr. President, if the Senate adopts an amendment carrying $607,000,000 for parity payments, there will be one vote taken on the floor of the House, and that one vote will be on the question of agreeing or disagreeing to the Senate amendment, and we shall come out of that vote without a single dime of appropriation for parity payments. The $212,000,000 amendment stands a far better chance. The House had the bill before it and did not allow a cent for parity. The vote will be close in the House on the committee amendment, and a larger amount will help the opposition. Half a loaf is better than no bread, and the surest way to undo all that has been done to obtain appropriations for parity is to overload this provision. Everyone familiar with the history of these parity amendments knows that neither the other body nor the President will approve any such amount and all parity payments will thereby be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. LEE] to the amendment reported by the committee.

Mr. BILBO. 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	Davis	Johnson, Colo.	Russell
Ashurst	Donahey	La Follette	Schwartz
Austin	Downey	Lee	Schwellenbach
Bailey	Ellender	Lodge	Sheppard
Bankhead	Frazier	Lucas	Shipstead
Barbour	George	Lundeen	Smathers
Barkley	Gerry	McCarran	Stewart
Bilbo	Gibson	McKellar	Taft
Bone	Gillette	McNary	Thomas, Idaho
Brown	Glass	Maloney	Thomas, Okla.
Bulow	Green	Mead	Thomas, Utah
Byrd	Gurney	Miller	Tobey
Byrnes	Hale	Minton	Townsend
Capper	Harrison	Murray	Tydings
Caraway	Hatch	Neely	Vandenberg
Chandler	Herring	Norris	Van Nuys
Chavez	Hill	Nye	Wagner
Clark, Idaho	Holman	O'Mahoney	Walsh
Clark, Mo.	Holt	Pepper	Wheeler
Connally	Hughes	Pittman	White
Danaher	Johnson, Calif.	Reed	Wiley

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

Mr. LEE. Mr. President, I am not willing to be frightened into voting differently from what I believe in for fear the House is going to vote a certain other way. Every Member of the House goes before the country this year. The Members of that body are closer to that election now than they were when they voted on a previous occasion. Besides, the chairman of the Agricultural Committee of the House told me that the night they lost the Bankhead-Jones amendment 135 Democrats were absent, and that if he could have had a vote with a full House present he would have won.

I do not believe the House will vote down the amendment if it is adopted by the Senate. I do not think the statement that it is likely to do so gives us any reason whatever for voting differently than the way we believe is right.

Mr. President, I ask for the yeas and nays on the adoption of the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma

[Mr. LEE] to the amendment reported by the committee. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I understand, however, that if he were present and voting he would vote as I am about to vote. Therefore I feel at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Utah [Mr. KING] and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Arizona [Mr. HAYDEN] is detained in one of the Government departments on matters pertaining to his State.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], the Senator from California [Mr. DOWNEY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Illinois [Mr. SLATTERY], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from South Carolina [Mr. SMITH] is unavoidably detained.

The Senator from Pennsylvania [Mr. GUFFEY] and the Senator from North Carolina [Mr. REYNOLDS] are detained on business in Government departments.

I am advised that, if present and voting, the Senator from Pennsylvania, the Senator from North Carolina, and the Senator from South Carolina would vote "nay."

The result was announced—yeas 27, nays 56, as follows:

YEAS—27

Ashurst	Frazier	Minton	Shipstead
Bilbo	Hill	Murray	Smathers
Bone	Johnson, Colo.	Neely	Stewart
Caraway	La Follette	Norris	Thomas, Idaho
Clark, Idaho	Lee	Nye	Thomas, Okla.
Connally	Lundeen	Pepper	Wheeler
Ellender	Miller	Sheppard	

NAYS—56

Adams	Danaher	Holman	Russell
Austin	Davis	Holt	Schwartz
Bailey	Donahey	Hughes	Schwellenbach
Bankhead	George	Johnson, Calif.	Taft
Barbour	Gerry	Lodge	Thomas, Utah
Barkley	Gibson	Lucas	Tobey
Brown	Gillette	McCarran	Townsend
Bulow	Glass	McKellar	Tydings
Byrd	Green	McNary	Vandenberg
Byrnes	Gurney	Maloney	Van Nuys
Capper	Hale	Mead	Wagner
Chandler	Harrison	O'Mahoney	Walsh
Chavez	Hatch	Pittman	White
Clark, Mo.	Herring	Reed	Wiley

NOT VOTING—13

Andrews	Guffey	Overton	Slattery
Bridges	Hayden	Radcliffe	Smith
Burke	King	Reynolds	Truman
Downey			

So Mr. LEE's amendment to the amendment reported by the committee was rejected.

Mr. TAFT. Mr. President, the Senate Committee on Appropriations has added two amendments to the agricultural appropriation bill: One providing $212,000,000 for parity payments to producers of wheat, cotton, corn, rice, and tobacco; and the other adding $85,000,000 for the disposal of surplus commodities. The parity-payment appropriation is not recommended by the President in his Budget. The appropriation for the disposal of surplus commodities is recommended by the President in the sum of $72,000,000, and has been raised to $85,000,000.

It happens that the increase which is proposed today relates to agriculture, but its significance lies in the fact that it is the first substantial increase proposed to the Budget submitted by the President. If this is adopted there are many others which will follow, including the increase in flood-control appropriations, increases in relief appropriations, and others which are awaiting the disposition of this particular bill.

The able Senator from Georgia has stated that the Budget is by no means sacred, and that we are under no obligation to follow the direction of the Budget Bureau. He seems to disregard the fact that the Budget estimates are not those of the Budget Bureau, but are those of the President of the United States, who not only has approved the conclusions of the Budget Bureau, but no doubt had a hand in working them out. His message on the Budget shows a careful plan to avoid any increase in the debt limit during this session of Congress. When we exceed the Budget estimates, therefore, we disregard the recommendations of the President of the United States, and upset the fiscal plan which he has formulated.

Of course, we recognize the right and duty of Congress to consider appropriations and formulate its own conclusions. The significance of exceeding the President's Budget this year, however, is much greater than in ordinary times, because even if we follow the President's recommendations we will have a deficit for the current year, ending July 1, 1940, of approximately $4,000,000,000, and for the year ending July 1, 1941, approximately $3,000,000,000. The adoption of these amendments will increase the amount of the deficit by $225,000,000, and will make it even more difficult to return to any sound basis of financing the Federal Government.

The United States Government today is pursuing the deliberate policy of spending money vastly in excess of its income, and we must get away from that policy as quickly as possible. There is no more dangerous policy for any government to pursue. At the present time the United States is spending every 24 hours over $10,000,000 more than all the money it takes in in taxes. We have grown used to astronomical figures, but $10,000,000 is still a lot of money in anybody's language. It is as much as the total assessed value of many a small American city. I think, for example, of Athens, Ohio, or any other American city with a population of about 10,000 people. Three days of this spending consumes as much wealth as the value of all the farms and farm buildings in any typically rich agricultural county, such as those we have in Ohio, Indiana, and Illinois. Yet every day we are adding to the debt of the Government, and that means the debt of all the people, $10,000,000, on which we have to pay interest until we finally have to pay it back.

The President's Budget, submitted at the beginning of this session for the year ending July 1, 1941, sounded for a moment like economy, but an analysis of that Budget shows that its expenditures are actually greater by $30,000,000 than those recommended in the Budget a year ago. Decreases in relief, public works, and agricultural expenditures have been more than made up by increases, especially those for national defense. The new Budget proposes smaller expenditures, it is true, than the actual Government bill for 1940, but that is because Congress increased its appropriations over and above the 1940 Budget, as we are now proposing to do again. In 1939 the President estimated a deficit of $3,326,343,200. This year's estimate is $2,876,231,570. This reduction, however, is caused by an estimate of increased tax receipts. The able Senator from Tennessee pointed out on Monday that the receipts for March 15 may be as much as $100,000,000 more than was paid last year, but the Budget has already taken into account this increase by estimating total tax receipts approximately $500,000,000 more than last year.

The Budget message estimated the deficit at only $2,176,000,000, because the President proposes to transfer back from Government agencies $700,000,000 of capital which was advanced to them in recent years, and which it is said they do not need. There has been much discussion as to where this is to come from, and the able Senator from Virginia has been unable to get any details. On January 17, 1940, Mr. Jesse Jones, testifying before the Banking and Currency Committee of the Senate, suggested that tentatively this money was supposed to come from the following sources:

Reconstruction Finance Corporation	$200,000,000
Home Owners' Loan Corporation	90,000,000
Agricultural agencies	385,000,000
The Federal Savings & Loan Insurance Corporation	40,000,000
Total	715,000,000

In my opinion, an analysis of the Home Owners' Loan Corporation will show that its capital has been entirely lost, and certainly that no repayments should be made. I question very much whether the farm program can be properly carried

out if the agricultural credit agencies are required to pay back $385,000,000. In any event, anything that is paid back is certainly not real income, will not recur in future years, and does not reduce the real deficit of approximately $3,000,000,000.

The President has recommended additional taxes in the sum of $460,000,000 without specifying the kind of tax. So far as I can see, there is not the slightest intention on the part of any Senator to increase taxes, so I think we can eliminate the possibility of any such increase taking place. The Finance Committee has not considered any such proposal, and I know of no definite proposal on the part of anyone to make such an increase. It was represented that these taxes were to pay increased national defense expenditures, but it appears that if this exact amount is levied it will hold the national debt on July 1, 1941, to $44,932,000,000, or just under the debt limit.

In short, the whole Budget is designed apparently for the purpose of avoiding an increase of the debt limit before the next election. The administration is terrifically concerned that a debate on raising the debt limit would center the attention of the people on the situation into which we have come, and the question whither we are going. The administration is afraid that if this question is made prominent in the campaign the people will realize the fatal end to its extravagant policies.

Congressional leaders have declared their opposition to levying additional taxes, which is not so easy to do, particularly in an election year. There is only one other way to avoid an increase in the debt limit and that is to reduce expenditures by $460,000,000. In my judgment, it can be done, and we thought it was being done until we ran up against this proposal to increase materially a number of the appropriations. I think it could be done if the Democratic leaders in Congress had the real cooperation of the President. But they do not have that cooperation, and his public statements since the Budget message show that he is again openly espousing the spending theory. He is determined that the Budget figures shall not be cut. He vigorously protested the elimination by Congress of two bureaus which the Government could well do without. He protested cuts in the agricultural appropriation bill. He has not made any protest whatever against budgetary increases initiated in Congress. We have, on the contrary, evidence that he would like to see the farm and public-works appropriations increased. There is not the slightest fear in Congress that he would veto such increases. In short, the President's Budget apparently must be taken not as his maximum but as a minimum below which he is vigilant to see that Government expenditures must not go.

The advocates of economy in Congress are hopelessly handicapped by the President's attitude. I fear that we have little chance of avoiding by legitimate means an increase in a debt limit already stupendous. We hear talk in Washington of alternative measures. Certain New Deal economists, it is said, hope to avoid that increase by issuing silver certificates. That would be currency inflation pure and simple. After all, the increase in the debt limit is a necessary result of the deficit policy. Until that is cured, the debt is bound to increase, limit or no limit. The responsibility for that increase, whenever it occurs, rests squarely on the spending policy of the present administration.

There is no evidence that a policy of Government spending has more than the most temporary effect on the economy of the country. Four billion dollars is a lot of money, but it is nothing compared to the increase in national income which could be produced by the encouragement of private industry, the investment of money in new enterprises, and the restoration of a free economy.

The difference between a $60,000,000,000 income and an $80,000,000,000 income, which is entirely conceivable, is five times the total of Government expenditures, and the exaggeration of the importance of Government expenditures was shown very clearly last year by the Senator from Wyoming [Mr. O'MAHONEY], who had been receiving testimony in the Temporary National Economic Committee.

We must restore a condition in which every man of energy and ambition in this country can see some chance of success if he starts out for himself and puts his time and money into building up his own business. Only in that way has this country increased its income and living standards for 150 years. Government spending is no substitute for that policy.

Sooner or later the policy must be abandoned; the Budget must be balanced. A continuous policy of unbalanced budgets has always resulted ultimately in inflation of the currency. The longer the Budget remains unbalanced the harder it is to balance, because the country adjusts itself to deficit spending as a drug addict adjusts himself to morphine. Vast groups come to rely on Government subsidy. Additional taxation becomes harder and harder to impose.

No one can say how much debt this country can safely stand, but there is a danger point somewhere, and it is determined as much by psychological causes as by figures. The burden of paying the interest and principal becomes greater and greater until finally the people ask why they should burden themselves with tremendous taxes to pay for the sins of past governments. Already many people are asking why we cannot pay our bills in greenbacks, which bear no interest, instead of with Government bonds.

When that point is reached—and it has been reached in every country which has failed to hold its expenses within its income—inflation of the currency has begun. That inevitably produces rapidly rising prices, which hit the poor man harder than the well-to-do.

It is all very well to say that we must expend money to help the poor, but the very expenditure of that money is likely to bring about a condition which will make them infinitely poorer. This makes the Government Budget still harder to balance, and more currency is printed. Prices continue to rise until, as in Germany, it costs $1,000 to buy a pair of shoes.

Of course, this means the wiping out of all savings. It reduces the men on fixed salaries to penury. A man still has dollars in the savings bank, but they are not worth anything. After life insurance has been paid for a lifetime, the widow will find that she gets a check for dollars, but the dollars will not pay the light bill. Of course, every endowed institution will be ruined, and universities can only be continued with aid and direction from the Federal Government. The only man who makes any profit out of this condition is the speculator. It means a complete break-down of the whole business system, a reduction in real income, and a depression which will make the depression of 1932 look like Coolidge prosperity.

The law of inflation simply means that we cannot have something for nothing. If we do not pay our bills as we go along in the normal manner, we pay them by the destruction of savings. Inflation would not only destroy the business system but it would almost certainly destroy our political system. There would be no alternative except a Government-regulated totalitarianism. It is no accident that dictators flourish in Russia and Germany. A dictator is simply a receiver, called in when people believe that their economic and political system is bankrupt. We cannot call in a receiver and retain the freedom and liberty of the individual, which are guaranteed by the Constitution of the United States.

The policy must be abandoned; the Budget must be balanced; the longer it remains unbalanced the harder it is to balance it. Under the conditions which exist today, therefore, it is peculiarly necessary that we do pay some attention, at least, to the matter of not exceeding the Budget estimates.

The Budget estimate of a $3,000,000,000 deficit is certainly bad enough, and we shoud hesitate a long time before we spend beyond it in any material amount. The only way to get back to a reasonable Budget is gradually to cut down expenditures in every field; to cut them down in the agricultural field as well as in every other field.

The Senator from Georgia [Mr. RUSSELL] says that the cuts are unevenly distributed, and that agriculture would be discriminated against unless the Budget estimates were followed. He produced certain figures that to me at least gave

the impression that the agricultural appropriation was being reduced some 25 or 30 percent, whereas no one's else was being reduced at all.

I have before me the table on which the Senator's figures are based. I ask unanimous consent that it be inserted in the RECORD in connection with my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

TABLE D.—*Department of Agriculture appropriations, 1940; Budget estimates, 1941; House bill, 1941; and Senate bill, 1941*

(NOTE.—Parenthetical totals show the amounts exclusive of "Loans, relief, and rural rehabilitation.")

Item	Appropriation, 1940 [1]	Budget estimate, 1941	House bill, 1941	Senate committee bill, 1941	
				Amount	Increase or decrease compared with 1940 appropriation
Group I. Action programs:					
Agricultural conservation program (A. A. A.)	$499,560,000	[2] $438,560,000	[2] $438,560,000	$438,560,000	−$61,000,000
Parity payments (A. A. A.)	225,000,000			212,000,000	−13,000,000
Sugar Act of 1937	47,975,000	47,975,000	47,500,000	47,975,000	
Disposal of surplus commodities:					
Permanent appropriation, sec. 32	92,678,812	100,000,000	100,000,000	100,000,000	+7,321,188
Annual appropriation	113,000,000	72,678,812		85,000,000	−28,000,000
Federal Crop Insurance Act	5,923,200	5,528,928	5,523,200	5,523,200	−400,000
Farm Tenant Act:					
Farm tenancy (loans, title I)	40,775,000	25,000,000		[3] 2,500,000	[3] −38,275,000
Liquidation and management of resettlement projects (title IV)	1,987,400	1,500,000	1,500,000	1,500,000	−487,400
Land-utilization program (title III)	7,423,330	1,102,500	2,100,000	2,100,000	−5,323,330
Loans, relief, and rural rehabilitation	161,450,000	(4)	(4)	(4)	[4] −161,450,000
Rural electrification	42,700,000	[5] 3,100,000	43,075,000	[5] 3,075,000	[5] −39,625,000
Water Facilities Act	500,000	500,000		500,000	
Cooperative farm forestry acts	[6] 477,898	[6] 478,854	400,000	477,898	
Soil erosion control program	23,720,584	20,195,128	20,090,750	21,790,750	−1,929,834
Commodity Credit Corporation	(7)	(7)	(7)	(7)	(7)
Farm Credit Administration:					
Salaries and expenses	[7] 7,578,400	7,701,161	7,650,000	7,670,000	+91,600
Emergency crop loans	36,920,003	23,020,003	23,020,003	23,020,003	−13,900,000
Fees and assessements, Federal credit unions	110,675	142,920	142,920	142,920	+32,245
Total, action programs	[9] 1,307,780,302 (1,146,330,302)	[9] 747,483,306	689,561,873	951,834,771	−355,945,531 (−194,495,531)
Group II. Other activities, including research and extension (and payments to States therefor), pest and disease control, forestry, weather, regulatory, marketing, and other services, etc.:					
Office of the Secretary	896,447	868,122	868,122	868,122	−28,325
Office of the Solicitor	268,280	269,000	268,280	268,280	
Office of Information	[10] 2,055,910	[10] 2,037,950	1,940,000	2,034,870	−21,040
Library	107,970	105,000	105,000	105,000	−2,970
Office of Experiment Stations:					
Payments to States for agricultural experiment stations	6,848,750	6,865,000	6,860,000	6,865,000	+16,250
Salaries and expenses	244,735	246,189	244,735	244,735	
Special research fund	1,400,000	1,400,000	1,400,000	1,400,000	
Extension Service:					
Payments to States for agricultural extension work	18,470,583	18,536,083	18,280,083	18,536,083	+65,500
Salaries and expenses	[11] 849,966	[11] 806,556	775,000	800,000	−49,966
Office of Foreign Agricultural Relations	196,396	196,666	196,396	196,396	
Weather Bureau	6,172,870	6,628,620	6,272,870	6,388,870	+216,000
Weather Bureau Building	250,000	250,000			−250,000
Bureau of Animal Industry:					
Eradicating tuberculosis and Bang's disease:					
Regular appropriation	8,300,000	5,320,180	4,300,000	4,300,000	−4,000,000
Reappropriation	4,000,000	4,000,000	4,000,000	4,000,000	
Other work of Bureau	8,368,712	8,238,320	8,119,440	8,169,440	−199,272
Bureau of Dairy Industry	721,405	762,345	721,405	731,405	+10,000
Bureau of Plant Industry	5,415,509	5,049,842	5,005,077	5,264,500	−151,009
Relocation of Arlington Farm		500,000			
Forest Service:					
Acquisition of forest lands	3,000,000	1,000,900	1,000,000	2,000,000	−1,000,000
Forest-fire cooperation	2,200,000	2,200,540	2,200,000	2,200,000	
New England hurricane damage		300,000	300,000	300,000	+300,000
Payments to States, roads and trails for States, and acquisition of land from national-forest receipts	1,811,000	1,781,000	1,781,000	1,781,000	−30,000
All other, including protection and management of national forests, research, etc.	[12] 14,921,866	[12] 14,975,785	12,795,000	14,891,720	−30,146
Forest roads and trails	10,000,000	10,000,000	7,500,000	10,000,000	
Bureau of Agricultural Chemistry and Engineering	1,145,269	1,051,975	868,775	957,875	−187,394
Bureau of Entomology and Plant Quarantine	6,199,809	6,518,000	5,644,801	6,773,093	+573,284
Bureau of Agricultural Economics	928,000	928,000	838,900	888,900	−39,100
Agricultural Marketing Service	6,096,388	6,166,755	5,977,126	6,122,313	+25,925
Bureau of Home Economics	325,085	325,085	323,045	323,045	−2,040
Enforcement of the Commodity Exchange Act	623,380	623,380	500,000	623,380	
Food and Drug Administration	2,707,338	2,959,658	2,743,244	2,788,338	+81,000
Beltsville Research Center	85,000	109,450	85,000	86,620	+1,620
Total, other activities	114,610,668	111,020,401	101,913,299	109,908,985	−4,701,683
Group III. Trust funds:					
Forest Service: Cooperative work	1,000,000	1,000,000	1,000,000	1,000,000	
Agricultural Marketing Service: Farm products inspections	144,460	144,460	144,460	144,460	
Food and Drug Administration: Seafood inspection refunds	25,000	25,000	25,000	25,000	
Farm Security Administration:					
Payments in lieu of taxes and for operation and maintenance of resettlement projects	1,800,000	2,000,000	2,000,000	2,000,000	+200,000
State Rural Rehabilitation Corporation funds	2,875,000	2,250,000	2,250,000	2,250,000	−625,000
Miscellaneous contributed funds	99,000	78,500	78,500	78,500	−20,500
Total, trust funds	5,943,460	5,497,960	5,497,960	5,497,960	−445,500
Total, appropriations and reappropriations	[8] 1,428,334,430 (1,266,884,430)	[8] 864,001,667	796,973,132	1,067,241,716	−361,092,714 (−199,642,714)

See footnotes at end of table.

TABLE D.—*Department of Agriculture appropriations, 1940; Budget estimates, 1941; House bill, 1941; and Senate bill, 1941*—Continued

Item	Appropriation, 1940	Budget estimate, 1941	House bill, 1941	Senate committee bill, 1941	
				Amount	Increase or decrease compared with 1940 appropriation
Deduct reappropriations included in foregoing:					
Agricultural conservation program	−$70,000,000				+$70,000,000
Sugar Act of 1937	−16,000,000			−$1,300,000	+14,700,000
Federal Crop Insurance Act	−500,000	−$100,000	−$100,000	−100,000	+400,000
Farm Tenant Act:					
Title I (tenancy loans)	−775,000				+775,000
Title III (submarginal land program)	−2,445,000				+2,445,000
Loans, relief, and rural rehabilitation	−18,450,000				+18,450,000
Eradicating tuberculosis and Bang's disease (Animal Industry)	−4,000,000	−4,000,000	−4,000,000	−4,000,000	
Control of European fowl pest (Animal Industry)	−5,000	−5,000	−5,000	−5,000	
Farm Credit Administration:					
Salaries and expenses, reappropriations	−3,950,000	−3,900,000	−3,900,000	−3,900,000	+50,000
Emergency crop loans:					
Reappropriations	−11,265,003	−8,020,003	−8,020,003	−8,020,003	+3,245,000
Collections available	−10,655,000	−15,000,000	−15,000,000	−15,000,000	−4,345,000
Total, deductions, as above	−138,045,003 (−119,595,003)	−31,025,003	−31,025,003	−32,325,003	+105,720,000
Total, direct appropriations, Department of Agriculture	[9] 1,290,289,427 (1,147,289,427)	[9] 832,976,664	765,948,129	1,034,916,713	−255,372,714 (−112,372,714)
Deduct items not carried in agricultural appropriation bill:					
Permanent annual appropriations:					
Extension Service, Smith-Lever Act	−4,701,165	−4,701,165	−4,701,165	−4,701,165	
Forest Service, payments to States and roads and trails for States from national forest receipts	−1,740,000	−1,710,000	−1,710,000	−1,710,000	+30,000
Sec. 32, act of August 24, 1935 (30 percent of customs receipts)	−92,678,812	−100,000,000	−100,000,000	−100,000,000	−7,321,188
Farm Credit Administration, fees and assessments, Federal credit unions	−110,675	−142,920	−142,920	−142,920	−32,245
Trust funds (group III above)	−5,943,460	−5,497,960	−5,497,960	−5,497,960	+445,500
Total, items carried in agricultural appropriation bill	[9] 1,185,115,315 [13](1,042,115,315)	[9] 720,924,619	653,896,084	922,864,668	−262,250,647 (−119,250,647)

[1] As of Jan. 4, 1940 (date of submission of 1941 Budget estimates to Congress).
[2] Exclusive of $60,000,000 to offset similar amount now in first deficiency appropriation bill, 1940.
[3] $50,000,000 for tenant purchase loans to be transferred from Reconstruction Finance Corporation.
[4] To be considered in connection with the emergency relief appropriation for 1941.
[5] $40,000,000 for rural electrification loans to be transferred from Reconstruction Finance Corporation.
[6] Includes the following 1940 appropriations: "Cooperative farm forestry"; "Cooperative distribution of forest planting stock"; and "Cooperative farm forestry extension work," combined in House bill.
[7] Authorization of $2,000,000, payable from Corporation funds. Appropriation of $119,599,918 made to Treasury Department for restoration of capital impairment of Commodity Credit Corporation as of Mar. 31, 1939, by Third Deficiency Appropriation Act, 1939.
[8] Excludes fiscal year 1940 appropriations to Secretary of the Treasury available for payment to Federal land banks on account of interest reduction, $29,700,000, and for payment to Federal Farm Mortgage Corporation on account of interest reduction, $7,425,000. No estimate for either purpose in 1941.
[9] Exclusive of flood control (transfer from War Department), $3,000,000 in 1940 and $1,500,000 in Budget estimate, 1941.
[10] Includes "Printing and binding, Rural Electrification Administration," $90,000 in 1940 and $100,000 in Budget estimate, 1941, combined in House bill.
[11] Excludes "Cooperative farm forestry extension work," $77,898 in 1940 and $78,098 in Budget estimate, 1941. (See note 6.)
[12] Excludes "Cooperative distribution of forest planting stock," $100,000 in 1940 and in Budget estimate, 1941. (See note 6.)
[13] Includes $143,000,000 for "Loans, relief, and rural rehabilitation" provided by Emergency Relief Appropriation Act of 1939.

Mr. TAFT. The Senator points out that the total spent last year for agriculture in the United States was $1,428,000,000. That was the total appropriation, including reappropriations and including all items. As far as I can discover, the only real reduction that is proposed as compared with last year's appropriation is the elimination of the $225,000,000 of parity payments. There are various other items of reduction, but all of them are only temporary, and all of them are coming back and are going to be appropriated again. There is $60,000,000, of course, in the deficiency bill, which we made available this year before the 1st of July, but which is there just the same. There is no reduction in that matter.

There is the provision for $40,000,000 for farm tenants made last year which we are transferring to the R. F. C., and we ask them to make the loans. There is $40,000,000 for the Rural Electrification Administration which is going to be spent in another way. Certainly those items are not being eliminated in any way.

Last year we appropriated $161,000,000 for loans for relief and rural rehabilitation, and the very statement which the Senator has furnished shows that it is proposed that that item be considered in connection with the relief bill when the relief bill comes before us. That item is not in any sense eliminated from the agricultural appropriations.

The only real reductions in this bill, totalling over $1,428,000,000 last year, is the $225,000,000 for parity payments, which is approximately 15 percent reduction on the agricultural bill.

I think everyone should be willing to participate in a reduction of expenditures. It is said that the cities are not participating, but they are. Two years ago, the year ending the 1st of last July, we spent $2,250,000,000 for W. P. A. appropriations. The Bureau of the Budget this year proposed for W. P. A. appropriations $1,125,000,000, exactly 50 percent reduction in 2 years as far as the appropriations for relief are concerned.

I do not think it is unreasonable, and I do not think the farmers whom I know object to some decrease in the agricultural appropriations.

The whole theory of government payments of subsidies is a dangerous theory. There was no possibility of escaping the necessity for relief payments or for farm subsidies. Nevertheless, under the policy of the amendment offered by the Senator from Oklahoma, it may go to absurd limits. If we are going to try to subsidize all our citizens to bring them back to the condition we think they ought to be in, there is absolutely no limit to governmental expenditures. I believe that we can make a reduction in subsidy payments to different groups of the population, and I believe that all the farmers I know are as willing to have reductions made in respect to them as to anyone else.

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

Mr. TAFT. I yield.

Mr. FRAZIER. I should like to ask the Senator from Ohio if he does not think the farmer is entitled to a price for his product which will give him a parity with industry?

Mr. TAFT. I certainly think we ought to work on a policy that will restore the farmer to a parity with industry. I question whether the method of doing so by direct payment

of cash from the Federal Treasury will ever work for the farmer, or for any other group of the population which happens to be underprivileged. The amount involved in really reaching parity through that method is so tremendous that we simply cannot hope to go the full way. We simply have to recognize the fact that certain groups are in an unfortunate relation with other people, and to some extent help them out with subsidy payments. I am prepared to say that there should be a farm-subsidy payment, but, of course, we are making a $500,000,000 appropriation for soil conservation, which is a subsidy payment.

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

Mr. TAFT. I yield.

Mr. RUSSELL. The Senator must know that the $500,000,000 for soil-conservation payments is only paid out to the farmer for work that is done by the farmer in preserving the one priceless resource of this country, which is the fertility of the soil.

Mr. TAFT. Regardless of what the Senator may say, the soil-conservation payments are a subsidy to the farmer from the Federal Government. I think it is a very good form of subsidy, and as long as a subsidy should be paid, I am thoroughly in favor of soil-conservation payments. But to say that that is not a subsidy to the farmer, to say that when he gets his soil-conservation check he does not know he is getting a subsidy from the Federal Government, I say is contrary to the facts.

Mr. RUSSELL. It all depends on the Senator's definition of the word "subsidy." As a matter of fact, it is paid to the farmer for doing specific work to preserve the fertility of the soil; and if the farmer does not do the work and does not comply with all the requirements of the Department of Agriculture with respect to taking care of his land, preventing erosion, building terraces, plowing under green legumes, planting fine seed and soil-building legumes, he does not receive any conservation payments whatever. And the farmer, I imagine, feels after he has planted these legumes, after he has plowed them under, and after he has built up terraces under the broiling sun in accordance with the requirements of the Government, that he has earned some of these payments that are made to him.

Mr. TAFT. Mr. President, the point I want to make is that I think a reduction from a billion four hundred million dollars to a billion two hundred million dollars is not an unreasonable reduction when compared with what we are asking other groups to take in the way of reduction.

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

Mr. TAFT. I yield.

Mr. RUSSELL. The Senator has the figures before him which were furnished by me which give the amounts with respect to the appropriations carried in the bill which came from the House for the current year as compared with those of previous years. The Senator said the only reduction was $225,000,000 for parity payments to farmers.

Mr. TAFT. No; plus the reduction in the Federal Surplus Commodities Corporation payments, amounting to some $30,000,000. If I did not state that I should have said it.

Mr. RUSSELL. Some of us who are interested in the program of making home owners out of tenant farmers and sharecroppers think a reduction for that purpose in the Budget amounting to about 35 percent, in this agricultural appropriation, a considerable one.

Mr. TAFT. As I remember, the Senator from Georgia referred to a request to the R. F. C. to loan $50,000,000. Is that correct?

Mr. RUSSELL. That is correct as to the committee amendment. And the Senator from Georgia would vote for $100,000,000. I do not think there is a more important question before the people of the United States today. But the Senator's charge related to the Budget not having made any reduction in this bill, when the figures that he holds in his hands show that the Budget has reduced this specific item by 35 percent in the sum of $15,000,000 below the current year.

Mr. TAFT. That seems to have been cured by the committee of which the Senator from Georgia is a member. Nevertheless, if this particular amendment is adopted, and if the rest of the program goes through, the only decrease made is $225,000,000, and that is approximately 15 percent.

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

Mr. TAFT. I yield.

Mr. ELLENDER. Did I understand the Senator from Ohio to say that he was in favor of parity payments to farmers?

Mr. TAFT. Mr. President, I said that I was in favor of a subsidy to the farmer so long as his economic condition is as poor in relation to other groups in the population as it now is. As to the form of that subsidy, I would think that the best method of doing it is through soil-conservation payments rather than parity payments.

In the first place, the parity-payment law extends only to five commodities. It extends only to corn, wheat, cotton, rice, and tobacco. I think if you take the total production of those products you will find that it is very much less than one-half—not over a third of the total farm production of the United States. Parity payments on some of the other commodities were perhaps not possible. In any event it reaches only a very small proportion of the farmers. Furthermore, it has a rather extraordinary distribution as far as States are concerned. Last year, 1939, the State of Ohio, my own State, for instance, which is one of the four largest farm-producing States in the United States—I think it is either fourth or fifth in the list—received from parity payments $5,573,000.

Mr. ELLENDER. That must have been on wheat.

Mr. TAFT. I do not know what it is on. It is on corn and wheat. The amount is $5,573,000. On the other hand, the State of Iowa, which produces approximately the same amount, received $18,000,000, some three and one-half times what the State of Ohio received.

The State of Illinois received $13,000,000, as compared to $5,000,000 for Ohio.

The State of Wisconsin, which is a great agricultural State, but which happens to be apparently dependent on the dairy industry, received only a total of $1,412,000, compared to $18,000,000 for the State of Iowa.

A method of distributing subsidies to States which results in so gross an inequity between different States and different kinds of farmers does not strike me as a very desirable form of subsidy.

Mr. ELLENDER. Mr. President, the question I wanted to make clear and have answered, if possible, was this: Since the Senator thinks that the farmer ought to be paid parity payments, or subsidy payments, however we call them, so as to elevate his income in proportion to other groups, has the Senator any plan to offer by which that could be accomplished so as not only to provide for the five commodities which he has mentioned, but all farm commodities? Has the Senator any program by which that could be done?

Mr. TAFT. If we are going to add $225,000,000 I would prefer to add it to soil-conservation payments, and distribute it that way rather than through parity payments. It is not as if we were really paying parity. As pointed out by the Senator from Louisiana, and the Senator from Mississippi, we are very far, indeed, from getting anywhere near actual parity payments, even on these five crops, and if we undertook to do so with respect to all the crops our bill would be about $2,000,000,000.

Mr. ELLENDER. Mr. President, according to the figures presented by the junior Senator from Oklahoma [Mr. LEE] a while ago, in addition to the $500,000,000 for conservation payments it would require a little over $600,000,000 to pay parity on those five commodities; that is, wheat, cotton, corn, rice, and tobacco. Now I imagine that to pay parity or a subsidy on all farm commodities, as the Senator has suggested, would probably require one and a half billion dollars, or perhaps $2,000,000,000. Since the Senator is in favor of paying parity or a subsidy to the farmers, would he be willing to add to the bill enough to pay parity by way of conserva-

tion payments, as suggested by him, or I may say, under the formula provided for by law?

Mr. TAFT. I think I have already said that my effort in speaking is to reduce the total amount of subsidies from approximately $800,000,000 to something like $600,000,000, if you include the Surplus Commodities Corporation purchases, and the soil conservation.

I should like to point out further the inequity between States that results from this parity payment. The State of Texas, which has approximately the same agricultural production as that of Ohio, received $28,000,000, whereas Ohio received $5,500,000. The State of Kentucky, which was recently referred to, receives a total of only $700,000 in all its parity payments. I have not analyzed the figures, but there must be something wrong with a system which brings about such gross inequity between different States in the United States. Texas is a fairly prosperous State. It so regards itself. Why should it receive five times what Ohio receives for approximately the same agricultural production?

The farm industry is generally depressed. We cannot say that one particular kind of farmer is badly off. All the farmers are badly off, particularly the dairy farmers and poultry farmers, who produce a very large proportion of the total amount of products They are just as badly off as the wheat farmer and the corn farmer. So I say that so far as methods of helping the farmer are concerned, they seem to me to have worked out in a rather inequitable way; and if the farmer is to be helped I should certainly prefer that he be helped through soil-conservation payments.

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

Mr. TAFT. Surely.

Mr. ELLENDER. Whether or not the method of the Senator from Ohio is followed, more money would necessarily be required so as to elevate the farmers' income in proportion to other groups. Whether the Senator's method is followed, or the method provided in the law is adhered to, additional funds would be required, would they not?

Mr. TAFT. No. I think that the $1,200,000,000 which the Budget Bureau in effect recommends, and which the carrying out of the present plan would effect if we eliminated this payment, is all we can safely afford for agricultural appropriations.

Mr. ELLENDER. How can the Senator reach the conclusion that more funds are not necessary when he admits that probably as much as $2,000,000,000 would be required to pay the farmers parity?

Mr. TAFT. Because I say the idea that we can put any group on a proper balance by direct payments from the Treasury is one which does not work. It has not worked in connection with relief. We undertook the theory of employing all the employables in the United States. We never have come anywhere near employing all the employables in the United States, and we never shall, because the bill, when we finally face it, is so great, and the obvious danger of piling up great Government expenditures when we have no method of raising the taxes to pay them is so great, that even this extravagant Congress and this extravagant administration shrink from the logic of that particular view.

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

Mr. TAFT. Surely.

Mr. ELLENDER. I have in my hand a copy of the recent hearings on the extension of the Reciprocal Trade Agreements Act. On page 1717 of volume 2 I note an exhibit with the following heading: Some Examples of Tariff Rates on Articles Bought by Farm Families. (Rates in Tariff Act of 1930.) I notice the item, "felt hats, men's, $1.25 per dozen, and 25 percent ad valorem," and many others.

What distinction does the Senator draw between a tax of that kind, which is collected directly by the manufacturer, and one which is collected by the Government and then paid over to the farmers by the Government?

Mr. TAFT. The Senator is trying to raise the question as to whether or not the tariff is a Government subsidy, is he not?

Mr. ELLENDER. Of course it is. I admit that it is a Government subsidy. The only difference between a tariff and a tax which the Government imposes and collects and then pays to the farmer is that in the case of the tariff the manufacturer collects it directly, and in the other case the Government collects it and pays it to the farmer upon complying with certain regulations. In either case the ultimate consumer pays the bill.

Mr. TAFT. That is a very essential difference. It is infinitely more dangerous to have to pay money out of the Federal Treasury—particularly if we cannot raise it—than it is to develop a device which will raise prices in such a way as to help the industry. Incidentally, the tariff does not help the manufacturer alone. It helps the whole neighborhood in which the particular business is carried on. I say that such a device can be developed. I think it could be developed along the line of the McNary-Haugen Act, for example, or other such devices. It seems to me that perhaps some of the devices proposed by the administration could carry out that theory. However, in my opinion we must get away from the idea that we can carry it out by direct Government appropriations from the Treasury.

Mr. ELLENDER. Mr. President, will the Senator yield further.

Mr. TAFT. I yield.

Mr. ELLENDER. Does the Senator think that the adjustment of the farmers' income with other groups can be accomplished by placing a processing tax on farm commodities?

Mr. TAFT. I do not think a processing tax is the best way to do it.

Mr. ELLENDER. What I am trying to find out from the Senator is some method by which it can be done. Has he any suggestions to make?

Mr. TAFT. Mr. President, I shall not make a speech on the whole subject of agriculture this afternoon. I am trying to point out that this particular method does not seem to me to be very effective. We must continue it; but, as in the case of relief appropriations, I think we should gradually work toward a reduction of direct Federal doles for any group of the population, because, particularly if we do not raise the money, we shall ultimately make these people pay themselves. We cannot escape the fact that this country and all its citizens will have to pay the debt incurred to make these payments.

Mr. ELLENDER. Will the Senator permit me to insert in the RECORD at this point, following my remarks, the table to which I have just referred? It is very brief.

Mr. TAFT. Certainly.

Mr. ELLENDER. I thank the Senator. This table demonstrates, to some extent, the tariffs imposed and collected by manufacturers on products made from raw materials grown on the farm. I ask unanimous consent to have printed in the RECORD at this point the table to which I have just referred.

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

Some examples of tariff rates on articles bought by farm families (rates in Tariff Act of 1930)

[NOTE.—Ad valorem duties are computed on the value of the imported articles]

CLOTHING

	Tariff rate
Felt hats, men's	$1.25 per dozen and 25 percent ad valorem.
Overalls	37½ percent ad valorem.
Men's work socks, cotton	30 percent ad valorem.
Canvas gloves, knitted wrists	60 percent ad valorem.
Men's heavy winter union suits	33 cents each and 45 percent ad valorem.
Gingham	37½ percent ad valorem.
Knit rayon bloomers	45 cents per pound.
Rayon slips	45 cents each and 65 percent ad valorem.
Men's suits, serge, wool, ready-made	33 cents per pound and 45 percent ad valorem.
Men's work shirts	37½ percent ad valorem.
Men's work shoes	20 percent ad valorem.
Men's athletic union suits	37½ percent ad valorem.
Knee rubber boots	35 percent ad valorem.
House dresses	37½ percent ad valorem.
Women's silk hose, service weight	60 percent ad valorem.
Women's shoes or oxfords	20 percent ad valorem.

Some examples of tariff rates on articles bought by farm families (rates in Tariff Act of 1930)—Continued

	Tariff rate
HOUSEHOLD ARTICLES	
Sheets, 81 inches by 90 inches, medium quality, each.	25 percent ad valorem.
Blankets, cotton, double-length	30 percent ad valorem.
Comforters, cotton	25 percent ad valorem.
Bath towels, Turkish	Do.
Toilet soap, per cake	30 percent ad valorem.
Laundry soap, per bar	15 percent ad valorem.
Laundry starch	1½ cents per pound.
House brooms	25 percent ad valorem.
Dinner plates, plain	10 cents per dozen and 70 percent ad valorem.
Fruit jars, Mason, 1-quart	1 cent per pound.
FURNITURE	
Dining chairs, wood seat and back	40 percent ad valorem.
Dining tables, extension 42-inch by 54-inch top	Do.
Living-room suites, 3-piece, upholstered	Do.
Dressers, 42-inch top, with mirror, each	Do.
Bedsteads, metal, double, each	45 percent ad valorem.
Bedsprings, double, sagless	Do.
Mattresses, full size, all felted, cotton	40 percent ad valorem.
Sewing machines, drophead type	15 percent ad valorem.
Kitchen cabinets, with top cupboard, cak finish, 42-inch-width.	40 percent ad valorem.
Radio receiving set, 6-tube, for battery operation, without accessories.	35 percent ad valorem.
LUMBER	
Portland cement	8 cents per 100 pounds.
Roofing composition, heavy, per roll of 108 square feet.	10 percent ad valorem.
Roofing, steel, galvanized, 2½-inch corrugation, 29-gage.	¾ cent per pound.
FENCING MATERIAL	
Posts, steel	⅛ cent per pound.
Woven wire fencing, 32 inches high	½ cent per pound.
Barbed wire, galvanized	Do.
EQUIPMENT SUPPLIES AND MACHINERY	
Cream separators, centrifugal, hand, 400-pound hourly capacity.	25 percent ad valorem.
Milk cans, 10-gallon standard weight	35 percent ad valorem.
Gas engines, 3-horsepower	20 percent ad valorem.
Horse collars, leather	12½ cents each.
Iron pipe, galvanized, 2-inch	25 percent ad valorem.
Auto tires, 30 by 4.50 inches (4.50 x 21) balloon	10 percent ad valorem.
Stoves, 6-hole kitchen range, wood- or coal-burning.	20 percent ad valorem.
Kerosene stoves, 4-burner range, with built-in oven.	Do.
Wash-boilers, copper bottom heavy tin-plated sides.	Do.
Wringers, hand-power	Do.
Washing machines, hand-power	Do.
Nails, eightpenny wire	1 cent per pound.
House paint, ready-mixed	25 percent ad valorem.
Pumps, windmill force	20 percent ad valorem.
Bushel baskets, wood	50 percent ad valorem.
John Deere tractors, 15-30 horsepower	27½ percent ad valorem.
I. H. C. Farmall tractors	Do.
J. I. Case general purpose Model CC tractors	Do.

Mr. TAFT. Mr. President, I have almost concluded everything I intended to say. The main point I wish to make is that it seems to me that the elimination of parity payments by the Budget Bureau and by the House of Representatives is justified. The elimination of parity payments represents a reduction in agricultural appropriations of approximately 15 percent. That is considerably less than the reduction in relief appropriations. It is a step in the right direction, one which we can take with sympathy to the farmer as well as with sympathy to the entire population.

As to the surplus-commodity appropriations, I think we have a great problem in the development of surpluses which we had not counted on, particularly in view of the war. So far as I am concerned, I regard the situation as an emergency; and I intend to vote for the surplus-commodity appropriation. Incidentally, the stamp plan is a tremendous improvement over the former method of distributing agricultural surpluses. I think we should recognize that, no matter what method we follow, we shall still be giving away Government money. The surplus-commodity program is a direct payment of Government money of $85,000,000; but I think that we have an emergency in the development of surpluses, and I believe we should appropriate at least $72,000,000, if not the entire $85,000,000, for the development of the surplus-commodity program.

Mr. CONNALLY. Mr. President, after the speech of the Senator from Ohio, in general I am somewhat chagrined by the fact that he approves the item on which I am about to speak. I refer to the surplus-commodities appropriation in the bill. I wish to refer for just a moment to some of the things which the Senator from Ohio [Mr. TAFT] has said.

I could not tell from the Senator's speech whether or not he is in favor of a tax bill at this session. I should be very glad to have that information from the Senator.

Mr. TAFT. I did not hear the question.

Mr. CONNALLY. I could not tell from the Senator's speech whether or not he favors a tax bill at this session of Congress. I believe he said he did not know of any other Senator who favored a tax bill, and I am curious to know whether or not the Senator from Ohio favors a tax bill.

Mr. TAFT. I think there might profitably be some revision of the tax system which would produce increased taxes.

Mr. CONNALLY. What would the Senator tax?

Mr. TAFT. I do not think I have to develop a tax program for the Senator.

Mr. CONNALLY. Not at all. Mr. President, I am glad the Senator made that answer. It illustrates how objectors, obstructionists, and those who are not in favor of something, when called upon to offer some solution themselves, inadvertently leave the solution at home.

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

Mr. CONNALLY. I yield.

Mr. TAFT. I think we must finally impose a tax bill to balance the Budget. I think we must ultimately have some increase in taxes. However, we should first reduce expenses. I say that until a thorough exploration of that question has been made, so long as we continue to increase expenses I think it is almost hopeless to undertake an additional tax bill at this session.

Mr. CONNALLY. I suspected that the Senator would postpone his tax bill until some future date, in view of concomitant transactions in the outside world. However, Mr. President, of course we shall have to raise some more taxes.

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

Mr. CONNALLY. I yield to the Senator from Ohio.

Mr. TAFT. I will say to the Senator that last year I voted for the La Follette bill, and I should be very glad to vote for it again this year. In fact, I shall be glad to support any bill which is proposed by the Finance Committee, of which I am not a member. I have not studied the question.

Mr. CONNALLY. The Finance Committee did not present the La Follette bill last year, so the Senator is not doing anything for the Finance Committee when he says that he supported that bill.

However, I am not surprised at the Senator from Ohio favoring the La Follette bill because the La Follette bill spreads out the base and brings into the tax system many people whose incomes are small, and who probably cannot very well pay any additional Federal taxes, because they are already bearing the burden of State and county taxes. The tax collector always finds the little fellow with a home or personal property, and he has to pay a tax in the State and county. The people of small and average incomes already bear the burden of State, municipal, and local taxation.

Of course, we shall have to levy more taxes at some time or other. We must pay these obligations. I shall say to the Senator from Ohio that he need not be greatly disturbed about that question.

Take the other great nations of the world. Even before the war came along, in Great Britain and France the tax systems were extricating from the taxpayers of those nations incomparably higher taxes than the people in America were bearing, and at some time in the future we shall have to raise taxes and pay off some of the obligations we have incurred.

We have heard much talk about the Budget. I presume all Senators have heard the old song, one line of which goes:

Everybody talkin' 'bout heaven ain't gwine there.

What kind of a Budget do we want? Do we want an annual Budget, figured up on the 1st day of January, to see how much money we are to spend, or already have spent, and how much taxes to levy to fit it?

We cannot do that. What do the businessmen in Ohio do? Do they not have to borrow money at the banks? Why do they borrow it? Why do they not balance their budgets and spend not to exceed what they take in? Then they would not need to borrow any money at the bank. The great banking institutions of Cleveland, Cincinnati, Dayton, and all the great cities of Ohio flourish because businessmen and industrialists cannot balance their budgets, and do not want to balance their budgets. When they are making money they pay off their debts; and when times are hard and they are not making any profits they borrow some money on a bond issue to tide them over. Ultimately, of course, they balance their budgets; but they do not have any 60-minute budget system.

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

Mr. CONNALLY. I yield.

Mr. TAFT. Does the Senator know of any business enterprise which has failed to balance its budget for 10 years which has not gone into bankruptcy?

Mr. CONNALLY. I do not think I know of any business enterprise which has ever had an instantaneously, exactly balanced budget in its history. I venture to say that the Senator from Ohio has not balanced his budget in a long time. His income varies, as well as his obligations and outlays. That is true with all of us.

Talk about balancing the Budget. Many persons who are talking about balancing the Budget do not know anything about either budgets or balance. [Laughter.]

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

Mr. CONNALLY. I yield.

Mr. TAFT. Does the Senator realize that for the past 10 years the Federal Government has spent $3,000,000,000 a year more than it has taken in?

Mr. CONNALLY. I have not figured it up. I do not think that is true.

Mr. TAFT. Does the Senator realize the size of the continuing deficit?

Mr. CONNALLY. The Senator heard me say a while ago that we shall have to raise taxes. We shall have to raise them next year. That is as early as the Senator from Ohio wants them raised, because he has already said that he does not favor raising taxes now—at least, not until after November. [Laughter.]

Mr. TAFT. The Senator is referring this situation to the temporary deficit of some business. I do not think the Senator quite understands that for 10 years the Federal Government has failed to pay its expenses, and that the deficit has been gradually increasing.

Mr. CONNALLY. Why does the Senator want to limit it to 10 years? The Budget was not balanced during the last year of the Hoover administration. It went in the hole $5,000,000,000. Why does not the Senator mention that fact? Make it 11 years, and I will agree to it.

Mr. TAFT. Ten years will do for an illustration. The Senator's party has been in power for only 7 years.

Mr. CONNALLY. Well, all right. Of course, we have not balanced the Budget. Why have we not done so? Because the world has been going through an unprecedented economic situation. Everybody knows that, unless it is the Senator from Ohio. He may not have experienced any financial distress during the past 10 years but all the rest of us here have.

Mr. BYRNES. Mr. President——

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

Mr. BYRNES. The Senator from Ohio stated to the Senator from Texas that he did not have any program for raising revenue. He made a speech over the radio, however, in which he had a program to balance the Budget, and that program was to reduce every Bureau by 25 percent.

Up to this time we have passed the emergency supplemental appropriation bill, carrying $252,000,000; the independent offices appropriation bill, carrying $1,120,000,000; the urgent deficiency bill; the Treasury and Post Office bill; the State, Commerce, and Justice bill; and the first deficiency bill. Has the Senator from Texas heard the Senator from Ohio move to reduce a single appropriation in any one of the bills that have passed the Senate?

Mr. CONNALLY. The Senator from Texas does not recall any such action. In all candor, though, the Senator from Texas has not been here constantly.

Mr. BYRNES. I will say that the Senator from Ohio is a member of the Appropriations Committee. As a member of the Appropriations Committee I cannot recall his ever moving to reduce by one dollar any one of these bills, and certainly not upon the floor of the Senate; yet he quarrels about balancing the Budget and never raises his voice in this session against an appropriation until the agricultural appropriation bill is before the Senate.

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

Mr. CONNALLY. I am glad to yield to the Senator from Ohio to answer the Senator from South Carolina.

Mr. TAFT. I just want to call attention to the fact that in the case of the independent offices appropriation bill, I voted against the whole bill. I voted for numerous efforts to reduce the bill. I made a motion in the committee to refer the bill back to the subcommittee with instructions to reduce the whole bill by 10 percent or 20 percent; I forget the exact amount.

The Senator is simply inaccurate in his statement that I have not at any time proposed economies if I could see where they could be made.

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

Mr. CONNALLY. I yield.

Mr. BYRNES. The Senator from Ohio says he made a motion in committee to refer a bill back to a subcommittee with instructions to reduce it by 10 percent or 20 percent; and, really, it does not make any difference to him which it was. To him, there is no difference between 10 and 20 percent; but in a speech he said that every bureau ought to be reduced by 25 percent. Then in committee he said he made a motion, and I think he did. The Senate and the country may know whether or not it was made in good faith when he does not even know whether he wanted to reduce the bill by 10 or 20 percent. But certainly on the floor of the Senate these bills have passed, and the Senator from Ohio has not made a motion to reduce a single bill by $1 so far as I can recall.

Mr. TAFT. Mr. President, I think if the Senator——

Mr. CONNALLY. Just a minute.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CONNALLY. Let the Senator from South Carolina conclude his remarks first.

Mr. BYRNES. If the Senator says he voted against the independent offices bill, of course I accept his statement as absolutely correct. If he made any motion to reduce that bill, I have no recollection of it, and I should be glad to have him refresh my recollection on the subject; but his program is to reduce by 25 percent every bureau of the Government, and most of the bills have already been reported.

Mr. CONNALLY. I now yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I think I stated that I did move to reduce appropriations on the floor of the Senate in connection with that bill, and I voted against the bill when the Senate refused to do it.

Mr. BYRNES. Mr. President, I said that the Senator having made that statement, I agree to it; and therefore there was one bill—one bill—in which he did vote to make some reduction; but his program, announced to the country, of reducing by 25 percent the appropriations of every department of the Government, he has done nothing to accomplish at this session of the Congress.

Mr. CONNALLY. I thank the Senator. The significant thing about it all is that the Senator from Ohio voted against the whole independent offices appropriation bill. We can balance the Budget in a short time if we just lop off these departments and appropriate nothing at all for them. The Senator from Ohio did not favor appropriating anything for the independent offices. That is the method of the Senator

from Ohio to balance the Budget—not to give the independent offices any money at all. We can square up the debt pretty fast if we do that, including the veterans. I believe the independent offices bill includes the Veterans' Administration.

Mr. RUSSELL. Mr. President, I was about to suggest to the Senator from Texas that the largest single item in the independent offices appropriation bill is the appropriation for the Veterans' Administration, whereby the Government undertakes to take care of those who have been wounded or maimed while in the country's service; and, of course, if the Senator from Ohio had prevailed in that vote, all compensation to all disabled veterans throughout the entire United States would have been summarily stopped.

Mr. CONNALLY. To be sure. The Senator from Ohio is against the continuance of the independent offices appropriations for the next fiscal year. He does not want any money spent under the independent offices. I can envisage the Senator from Ohio now, on his way out to Illinois, glancing out of a car window and seeing some maimed and crippled veteran hobbling along the highway and saying, "There is the place to balance the Budget. We will cut off the independent offices appropriation entirely for 1941." [Laughter.]

Mr. RUSSELL. A man who probably had just been thrown out of some veterans' hospital that had been compelled to close, and who had to be carried out in the street on a cot and left to the mercy of disease and the elements.

Mr. CONNALLY. I can envisage the Senator from Ohio going along the highway in Illinois—I think they have some veterans' hospitals out there—and glancing out of the window and saying, "Now, there is an unnecessary expense—that veterans' hospital. Why should the taxpayers be made to go down into their pockets and pay out money to maintain a hospital to treat the maimed and the wounded of the World War? We ought not to have had any World War." [Laughter.]

Mr. President, what I rose to speak about was not the Senator from Ohio, however.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Florida?

Mr. CONNALLY. I yield.

Mr. PEPPER. Did not the Senator from Ohio have a good bit to say here against the bill to appropriate money for the purchase of critical war materials?

Mr. CONNALLY. I do not recall that. I like to keep up with the Senator from Ohio, but he makes so many speeches that I have not time to read all of them. [Laughter.] I am charmed by the Senator from Ohio here in the Chamber, and then I go down to my room at night and buy the afternoon newspaper, and read a thrilling speech in the afternoon newspaper; and then at night, when I am undertaking to get some musical or art or religious program, I am interrupted by hearing the Senator from Ohio on the radio. [Laughter.]

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

Mr. CONNALLY. I yield.

Mr. BYRNES. I merely want to call attention to the fact that the Senator from Ohio stated to me a few moments ago that he had voted against the passage of the independent offices appropriation bill. I know he was sincere in making the statement; but the RECORD shows that there was no roll call on the passage of the bill.

Mr. CONNALLY. That does not prove anything. The Senator from Ohio may have said, in a low tone, "No." [Laughter.]

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. CLARK of Missouri. The veterans and others who were concerned in the independent offices appropriation bill certainly ought to be thankful to the Senator from Ohio that he did not pursue his opposition to the independent offices bill to the extent of demanding a roll call, or even a division.

Mr. CONNALLY. That is true, of course. If the Senator had spoken, and then asked for a roll call, it probably would have defeated the independent offices appropriation bill, and then we should have had to have all these veterans' hospitals dismantled.

Mr. GLASS. Mr. President, the Senator from Ohio did not ask for any roll call in the committee, either; and he had not the remotest idea that his motion was going to be adopted.

Mr. CONNALLY. I thank the Senator from Virginia.

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

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

Mr. CONNALLY. I yield.

Mr. CLARK of Idaho. If I correctly recall, last year we voted $550,000,000 for airplanes which probably will be obsolete by the end of this year. If my memory serves me, the Senator from Ohio raised no question about that measure, and voted for the airplanes.

Mr. CONNALLY. I thank the Senator from Idaho for that contribution. I am sure the Senator from Ohio did not vote against national defense. I am glad he is right now and then. [Laughter.]

But, Mr. President, the Senator from Ohio devoted most of his address to denouncing subsidies. Let us admit that under the doctrines of Adam Smith subsidies are unsound; but we have not been paying any attention to Adam Smith in that respect for 150 years. The first Congress that met, as has been so vividly and eloquently pointed out now and then by the eminent Senator from Arizona [Mr. ASHURST], enacted a tariff bill, did it not?

Mr. ASHURST. That is true. It was the first bill it enacted.

Mr. CONNALLY. The Senator further advises me that it was the first bill passed, 150 years ago, in 1789. The Government that was installed in 1789 passed a tariff bill. Is not that a bounty? Why, what kind of a process is it? I hope the Senator from Ohio will continue to look at his newspaper, but still listen to me. What is the advantage of a tariff? The advantage of a tariff is to give the producer here at home, the manufacturer, a bounty as against the foreigner, to make it easier for the domestic manufacturer to sell his products in the domestic market. Now, what is an export bounty? That is what I want to talk about in a moment. An export bounty is simply the reverse of that proposition. The man who produces here at home something which cannot be protected by a tariff has just as much right to say to his Government, "You will have to equalize conditions for my market abroad. You will have to give me a little bounty so that I can compete with the foreigner in his country, just as you give this other man a tariff to keep the foreigner from competing with him over here."

Is there any difference in the justice of those propositions? Why, of course not. I dare say the Senator from Ohio is not going to advocate repealing all tariffs. He would not get anywhere if he did. All of us vote for some tariffs now and then, when we find it economically sound. [Laughter.]

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

Mr. CONNALLY. I yield.

Mr. HILL. The Senator means, economically sound at home. [Laughter.] Is not that true?

Mr. CONNALLY. I thank the Senator for expressing his own viewpoint. I was making a general statement that is applicable to all of us.

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

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

Mr. CONNALLY. I yield.

Mr. GEORGE. The Senator from Texas neglected to say what he might well have said, that in Mr. Hamilton's famous paper on manufactures he pointed out that the antidote to the industrial tariff was a bounty to the producers of raw materials—that is to say, the farmers.

Mr. CONNALLY. Absolutely. I thank the Senator from Georgia for that suggestion. Mr. Hamilton, when he was Secretary of the Treasury, in his famous report as Secretary of the Treasury on manufactures and industry in the United

States, advocated the payment by the Government of an export bounty on raw materials which could not be amply protected with a tariff; and Senators will recall that in 1929, when we had pending here in the Senate, under Mr. Hoover, the export-debenture amendment to the old farm bill, the late Senator from Idaho, Mr. Borah, made an elaborate speech in advocacy of it; and frequent reference was made in the debates to the doctrines of Mr. Hamilton in that regard. The Senator from Nebraska [Mr. NORRIS] made an address along the same line; and, if I mistake not, the Senator from Wisconsin [Mr. LA FOLLETTE] voted, at least—I do not know whether or not he spoke; I am sure he did not, because, if he had, I would have remembered it—on that side of the question.

If we are going to have subsidies, and we have them all around us, why does the Senator from Ohio ignore all these other subsidies—subsidies to the shipping interests, and subsidies to the manufacturing interests, and subsidies to the other great industrial interests? The Senator from Ohio walks along and ignores all of them; and yet when he sees some farmer with the seat of his pants out and his hair sticking up through a hole in his hat, he says, "There is the fellow you are giving a bounty to, and I am going to take it away from him. We must balance the Budget. We must balance the Budget."

Some years ago we adopted, as an amendment to the Agricultural Adjustment Act, what is known as section 32 of that act, which forms the basis of this item in the appropriation bill called Disposal of Surplus Commodities. I had the honor of offering that amendment on the floor of the Senate; and it was predicated upon the very theory of using a portion of the tariff revenues to turn the thing around and pay a bounty or subsidy on agricultural exports. So it was provided in section 32 of the Agricultural Adjustment Act that 30 percent of all tariff revenues should be devoted to that purpose. We wanted more, but the Secretary of Agriculture would not agree to more. Those tariff revenues are wrung out of the consumer of manufactured products, extracted by measures just as forcible as the tax gatherer's. We took for that purpose 30 percent of all these tariff revenues, these bounties; and in the case of the tariff the bounties amount to many times what the revenues are, because they result in all domestic producers getting their revenue here before any foreign commodities come in.

We take 30 percent of that and turn it over to the Secretary of Agriculture, to do what with it? To stimulate the exportation of agricultural commodities and to dispose of the agricultural surpluses here at home. So that this bill, carrying out that doctrine, appropriates $85,000,000 from the Treasury, and the revenues from the tariffs amount to $100,000,000, so that this particular item carries $185,000,000 for the export subsidies, and then for the disposition of surplus commodities at home.

I wish to say that the State of Ohio, and the city of Cleveland, and other great cities, have been the beneficiaries of this Surplus Commodities Corporation, probably to an extent to which no other State in the Union has been the beneficiary, because the relief agencies in Cleveland, for instance, were broken down, and the Department of Agriculture, through the Surplus Commodities Corporation, has placed at their disposal, I am informed, a very substantial amount of agricultural food products, paid for out of the sum which is now damned and denounced as a subsidy. Yes; it is a subsidy, a very small subsidy.

What has happened in the case of cotton, in which the Senator from Texas is particularly interested? The export subsidy on cotton and cotton products was announced on July 23, 1939, to be effective on July 27. The rate of payment was set at 1.5 cents per pound of lint cotton, net weight, with comparable payments on the cotton content of cotton products exported. It was announced that payments would be made on cotton exported on or before June 30, 1940, with a provision made for payments on cotton exported through July 31, 1940, if the cotton is sold for export on or before June 30, 1940. A total of slightly over $41,000,000 was allocated for these payments.

By November 30, exporters had shipped or declared for shipment 4,332,000 bales of cotton. It was evident from this figure that the available funds were about three-fourths gone, and a further rush of export declarations followed. On December 5 the Secretary announced a reduction in the rate of payment effective December 6 to 0.75 cent per pound, to enable payments on a larger number of bales. Further heavy declarations in the next 2 days brought the total since inauguration of the program to 5,150,000 bales, or about 600,000 bales in 2 days. On December 7 it was again necessary to reduce the rate, and it was cut to 0.4 cent effective December 8. On December 11, the rate was again cut to 0.2 cent and on January 30 the rate was reduced to zero. Sales and deliveries as of January 29 were 6,214,000 bales, which included the equivalent of 333,000 bales of cotton products. The rate on cotton products was continued, and it was announced that funds remaining were sufficient to make payments on cotton products equivalent to approximately 70,000 bales.

After the subsidy was announced American cotton declined in foreign markets and the price relationship was favorable for increased sales for export. In August 1939 Indian Oomra No. 1 fine was 72.6 percent of American Middling at Liverpool. By January 1940 this percentage had increased to 83.1. Since January there has been some decline in the price of Indian compared with American cotton. These price relationships for past seasons and recent months are shown in some statistics supplied me by the Department of Agriculture which, I ask unanimous consent to have inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

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

Prices at Liverpool as percentage of American Middling, ⅞ inch

Item	Indian Oomra No. 1 Fine	Egyptian F. G. F. Uppers	Brazilian Fair Sao Paulo
10-year average, 1927–36	78.0	117.9	97.7
1936–37	74.4	119.0	96.6
1937–38	77.1	126.7	98.7
1938–39	70.4	116.5	94.9
1939–40:			
August	72.6	111.7	92.2
September	76.3	111.4	95.5
October	78.9	112.9	98.1
November	81.2	108.9	99.4
December	82.7	111.7	100.0
January	83.1	118.2	100.5
February	80.8	124.9	101.5
Mar. 1	81.4	126.2	102.5
Mar. 8	80.9	126.1	100.6
Mar. 15	82.4	133.7	101.3

Exports for the first 7 months of this season are twice as large as a year ago. The following table shows exports for 7 months, and for the season for the past 10 years:

Exports of American cotton

Year	7 months, August–February	Season, August–July
	Bales	*Bales*
1930–31	4,912,000	6,760,000
1931–32	5,925,000	8,708,000
1932–33	5,597,000	8,419,000
1933–34	5,548,000	7,534,000
1934–35	3,255,000	4,798,000
1935–36	4,410,000	5,973,000
1936–37	3,921,000	5,440,000
1937–38	4,231,000	5,598,000
1938–39	2,456,000	3,327,000
1939–40	4,916,000	----------

Mr. CONNALLY. Mr. President, indications at this time point to total exports for this season of approximately six and one-half million bales, exclusive of cotton shipped under the rubber-cotton barter agreement. About 240,000 bales have been shipped to date under the barter deal, but shipments are not being made at the present time, due to lack of freight space.

Exports of American cotton during the first 6 months of the present war and the 6 months preceding the war, as compared to the same figures in 1914–15 season, are shown in the following table:

Date	Exports	Percentage increase
Before and after start of World War:	*Bales*	
February 1914 to July 1914	2,652,400	
August 1914 to January 1915	3,910,800	+47.4
Before and after start of present war:		
March 1939 to August 1939	1,090,100	
September 1939 to February 1940	4,698,800	+331.0

Mr. President, these statistics reveal that by means of the subsidy the price of American cotton in the foreign countries, in the currencies of those countries, was reduced as compared to foreign cotton, and as a result we were able to sell American cotton successfully in competition with Indian cotton and Brazilian cotton and other foreign growths which we have been fearing would destroy the market for American cotton. These tabulations show the variations and the fluctuations in the percentages of foreign cotton compared with American cotton, and also reveal the volume of exports brought about by reason of the subsidy.

Therefore, Mr. President, this particular surplus-commodities appropriation on page 83 is a wise one. We have not reached it in consideration of the bill for a vote, but the Senator from Ohio, always looking ahead, brought the matter up before we really reached it.

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

Mr. CONNALLY. I yield.

Mr. RUSSELL. I do not like to interrupt the Senator from Texas in his very able remarks, but I would not want to have the impression left that these export subsidy payments were applied only with respect to cotton.

Mr. CONNALLY. Oh, no.

Mr. RUSSELL. I might point out to the Senator from Texas that $35,500,000 was used for the encouragement of wheat and flour exports, and also the exports of tobacco, fruits, nuts, and butter, which received the benefit of the export-bounty program. Therefore it was calculated to be beneficial to a number of commodities, one of which, at least, is produced in every agricultural section of the country.

Mr. CONNALLY. I thank the Senator. In the beginning of my remarks I stated that I was mentioning cotton because I was particularly concerned with cotton. But I do thank the Senator from Georgia because he discloses that these export subsidies are applied to a large number of other agricultural commodities. I think the subsidy was applied to wheat before it was applied to cotton. Wheat was the first commodity, I believe, to which it was applied.

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

Mr. CONNALLY. I yield.

Mr. BANKHEAD. In addition to the raw cotton figures which the Senator has pointed out, let me bring to his attention the fact that almost double the amount of cotton goods was exported, on which an export bounty was paid.

Mr. CONNALLY. Yes; when the export bounty was applied to cotton, of course a similar bounty, graduated according to valuations, was placed on cotton textiles and manufactured cotton goods, so that we have also exported cotton goods and textiles to quite an extent. Mr. President, I hope this demonstration from the record of the advantage of the export subsidy in connection with the disposal of agricultural surpluses will have some effect upon the mind of the Senator from Ohio, and cause him not to be too hard on the American farmer when it comes to these so-called subsidies.

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

Mr. CONNALLY. I yield.

Mr. TAFT. I think the Senator from Texas misunderstood my position. I did not oppose export subsidies, I did not even oppose subsidies in general. So far as the export subsidies are concerned, I thoroughly agree with the Senator from Texas.

Mr. CONNALLY. I thank the Senator. I have never had as rapid and as quick a convert in my life as I have had in the case of the Senator from Ohio, and I thank him very much.

Mr. TAFT. I was trying to point out to the Senator that I am not a convert, that the Senator from Texas was advocating exactly what I had advocated in my speech, so far as subsidies are concerned. I merely pointed out the danger of that policy, and the wisdom of holding down the subsidies, so far as cash payments are concerned, to as reasonable a sum as possible.

Mr. CONNALLY. I agree with those glittering generalities of the Senator from Ohio, of course. I should be glad if we did not have to have subsidies. I should be glad myself if some people could do as old Adam did. He would walk out in the orchard and pluck off some fruit, and go back and lie down in the shade until late in the evening, and then go out and patter around in the limpid brook. That would be wonderful. But the devil of it is that we do not live in that kind of a world. Adam made a mistake, and we have been suffering ever since because of his indiscretion. [Laughter.] I wish we did not have any subsidies; but, so long as we are subsidizing some industries, justice requires that we give the other industries, which are supplying those subsidies, at least a little refund in the form of a subsidy.

Everyone admits that agriculture has always borne the burden of the tariff. It was intended in the beginning that it should, because this is an agricultural nation, and the early statesmen wanted to build up industry. So they said, "Now, if we are to have any industry, we will have to make the farmers pay some duties in order to encourage and stimulate industry and manufacturing," and the farmers have been bearing that burden for 150 years.

It has only been since the present administration came into power that we have had any agricultural subsidies. The senior Senator from Oregon [Mr. McNARY] introduced, during the old administration, the famous McNary-Haugen bill, which contained at least some basis of the subsidy idea; but it never got by. None of his Presidents would approve it. So it has only been under this administration that agriculture has been getting back a little of the accumulations and the tontine arrangements and the endowment policies on which they have been paying for 150 years. They are just getting back a little dividend on what their grandfathers and their great-grandfathers and their great-great-grandfathers have paid in the form of tariff taxes; and because, with agriculture prostrate, some of the folks during the depression have been getting back a little dividend, a small fraction of the dividends on what the generations before them had paid in the form of tariff bounties, people get excited and want to balance the Budget all of a sudden.

Mr. President, my great-great-grandfather lived in Virginia and North Carolina. He was a farmer and he paid tariff taxes. My great-grandfather was another farmer. He moved from North Carolina to Georgia, and he paid tariff taxes. Three or four years ago I went to Georgia and found my grandfather's place, and he had been a farmer, and he had paid tariff taxes. My father went to Texas in 1859, where he was a farmer, and he did not have any slaves, having left those back in Georgia, and he had to dig the taxes out of the ground with his own sweat and his own blood, and he paid tariff taxes.

Mr. President, we demand that farmers get back a little nibble, just a nibble, just a little dribble, just a little piece of these tariff bounties we have been paying, because if we ever needed them, we need them now.

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

Mr. CONNALLY. I yield.

Mr. ELLENDER. I am in thorough sympathy with what the Senator is saying, and I feel that funds should be provided so as to give to the farmer his just share of the national income. He should be placed on a parity with other groups that receive subsidies via the tariff.

I was very much interested in the figures presented by the Senator with respect to export subsidies. As I recall,

$41,000,000 were allocated for export subsidy payments and the expenditure of that sum helped to increase our exports of cotton in excess of 6,000,000 bales.

In connection with the expenditure of that sum let me call the Senate's attention to the amount paid by the consumers of cotton goods imported in this country in 1928. I quote from a compilation made by the United States Tariff Commission in 1930 entitled, "Comparison of Rates of Duty in the Tariff Act of 1930 and in the Tariff Act of 1922." Bear in mind that the sum I am going to quote represents tariff subsidies paid on imported manufactured cotton goods for the protection of manufacturers of cotton goods in this country. The value of dutiable imports for consumption in 1928 of manufactured cotton goods was $48,300,609 and the duties thereon aggregated $19,451,364, or the equivalent ad valorem rate of 40.27 percent. Think of it, Senators. I am not advocating that manufacturers be not protected, but I merely cite this instance to show the disadvantage in which the farmer, the producer of the raw product, is placed. He is compelled to pay a subsidy to the manufacturer of his own raw product. I could cite numerous instances, all of which go to show that the farmer receives little protection and he is severely handicapped by having to pay subsidies on what he consumes. Some method must be devised to afford farmers like protection, otherwise he is bound to remain in distress.

I thank the Senator for his kind indulgence.

Mr. CONNALLY. I thank the Senator for his contribution.

Mr. RUSSELL. Mr. President, I hope we can get a vote on the parity payment at this time.

GRAND RIVER DAM, OKLA.

Mr. LEE. Mr. President, under the threadbare excuse of fighting for States' rights the Governor of Oklahoma has been fighting and is now fighting the battles of the utilities. Some of us have been fighting to get public power at cheap rates for the benefit of the people. But Governor Phillips has opposed the two hydroelectric power projects in Oklahoma from the day of his inauguration as Governor. However, he has been pretending to oppose these two dams on the flimsy excuse of upholding States' rights. But at last be has come out from behind that smoke screen and declared openly that he is fighting on the side of the private utilities.

I wish to read a quotation from him appearing in the Oklahoma City Times, published in Oklahoma City, the issue of March 13, 1940, the orange-colored edition. The Governor is quoted as saying:

> I am not going to spend a huge pile of Oklahoma money rebuilding roads for a dam that will compete with a private power corporation.

The next sentence in the article reads as follows:

> The Public Service Co. at Tulsa serves the area in which the dam is located.

Mr. President, we in Oklahoma appreciate what the Federal Government has done and is doing there. The action of the Governor does not represent the attitude of the people of Oklahoma. They appreciate what the Federal Government has done. They are looking forward eagerly to the construction and completion of this dam, and are not in sympathy with the Governor in his effort to prevent it from being completed. He has but one purpose, as he has had all the time, in stopping the construction of these two dams. He is fighting the battles of the private utilities. Regardless of what the Governor says about paying for highways, or rights of the State, these charges are intended to cloud the real issue, which is power.

There is but one question at issue in this controversy, and that is whether or not the people of Oklahoma shall have cheap electricity.

I want them to have it, but Governor Phillips is opposed to a "dam that will compete with a private power corporation."

PROPOSED MERGER OF WESTERN UNION AND POSTAL TELEGRAPH & CABLE CO.

Mr. MINTON. Mr. President, I do not want to delay a vote on the important pending amendment. It will take me only a minute to direct the attention of the Senate to another matter.

Some time ago a special committee of the Senate was appointed to investigate the affairs of the Postal Telegraph Co. The Federal Communications Commission has reported to Congress that it is necessary for defense and for other public reasons that there be a merger of Western Union and Postal Telegraph & Cable Co.

If there is to be such a merger, it is important that it be in the interest of the rate-paying public, the employees of the company, and the legitimate investors who received the stock of the reorganized telegraph company for their bonds and, conversely, that it not be for the benefit of bankers, financial lawyers, and stock manipulators.

Obviously there is no point in trying to protect the public interest, the interests of labor, and the interests of legitimate investors, after professional reorganizers and stock speculators, with the aid of lawyers, have so manhandled the situation as to leave those interests at their mercy. That is the difficulty with most investigations. They are in the nature of locking the barn after the horse has been stolen.

In this prospective telegraph merger, we have an opportunity to protect the public interest now.

That opportunity is present now because the reorganization proceeding is still open in the Federal Court for the Southern District of New York and the Securities and Exchange Commission has been invited in to make an investigation so it may advise the court concerning the distribution of funds of the Postal Telegraph & Cable Co. amounting to $625,000, which the reorganizers now claim for their fees.

If the investigation of the Securities and Exchange Commission is to be confined to mere arithmetical computations, a valuable opportunity will be lost.

On the other hand, if the Securities and Exchange Commission develops this situation to the full, it should disclose facts which will become important in protecting the public interest in connection with the proposed merger while the plan of reorganization is still before the court, for under the Chandler Act Congress has provided that a plan may be amended in the interests of security holders, without formalities of any kind, even after it has been confirmed.

If the Security and Exchange Commission makes a complete investigation, it will ascertain how a banking firm which owned only $243,000 of a $50,000,000 publicly held bond issue, how committees whose members owned as of January 31, 1939, in all only $133,200 of additional bonds of that issue, have been able to seize practical control of the reorganized Postal Telegraph & Cable Corporation. The stockholders are wiped out. The Securities and Exchange Commission will ascertain who arranged for the organization of the major bondholders' committee which controlled the reorganization and why that major committee soliciting the support of publicly held bonds is reported by a financial service to have represented at the very outset $2,000,000 of the bondholdings of the late Clarence Mackay, the most prominent of the Postal and International Telephone & Telegraph insiders. The Securities and Exchange Commission will inquire into the representation of the debtor, the old Postal Telegraph Co., by a prominent firm of Wall Street lawyers who resigned 6 months later in order to represent the trustees appointed by the court.

That is to say, this large firm was first attorneys for the debtor, the Postal Telegraph Co., and then 6 months later resigned to become attorneys for the trustee.

It will likewise inquire into the dealings had by committee members and their firms and their customers in the bonds of Postal Telegraph & Cable Corporation.

When we have the facts concerning these matters, we will understand why this reorganization took 5 years to complete, at a cost of a million dollars or more, and we will have some of the reasons why the value of the holdings of its investors fell to 10 cents on the dollar and why the investors had to take what the controlling financial interests were willing to give them.

If the Securities and Exchange Commission is diligent and exhaustive in its inquiry, it will avoid a situaton analogous to that whch now confronts bondholders of the Munson Steamship Co. In that case, as a result of a reorganization in the same court by some of those who have been active in the Postal reorganization, certain reorganizers of Munson sold out their interests and turned control of this steamship company and its million and a half dollars in cash over to speculators who have taken the company out of the steamship business and now propose to use the former bondholders' million and a half dollars for other speculative ventures of their own which bear no relationship to the steamship business.

More important, we will avoid the control of this publicly owned company by banking and speculative professional interests who will control it for purposes of merger in derogation of the public and national interests.

In the Munson case the court may be able to do nothing because it has lost jurisdiction. In the Postal case the judge, if he cooperates with the Securities and Exchange Commission, can still protect the public interest.

However if the Securities and Exchange Commission does not or cannot make an adequate investigation into the reorganization proceedings so as to disclose what has occurred in the past and thus guard the public in the merger proceedings still to be had, I hope that the special investigating committee appointed by the Senate will proceed, and I am sure that under the leadership of the distinguished chairman of that committee, the Senator from Montana [Mr. WHEELER], the committee will proceed.

AGRICULTURAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 82, line 15.

Mr. RUSSELL. I ask for the yeas and nays.

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

Mr. CLARK of Missouri (when Mr. TRUMAN's name was called). My colleague [Mr. TRUMAN] is unavoidably detained from the Senate on official business. If present he would vote "aye."

The roll call was concluded.

Mr. RUSSELL. The junior Senator from Missouri [Mr. TRUMAN], who is a member of the subcommittee handling this bill, if present would vote "aye" on this question. I regret that the Senator from Missouri is unavoidably detained, for no member of the subcommittee was more loyal in his attendance on the hearings, or more interested in an endeavor to have the bill drafted for the best interest of the farmers of the country than the junior Senator from Missouri.

Mr. MINTON. I announce that the Senator from Utah [Mr. KING], and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Illinois [Mr. SLATTERY], and the Senator from North Carolina [Mr. REYNOLDS] are detained on important public business.

The Senator from South Carolina [Mr. SMITH] is unavoidably detained.

I am advised that if present and voting these Senators would vote "aye."

The Senator from Florida [Mr. ANDREWS], the Senator from West Virginia [Mr. HOLT], and the Senator from New Jersey [Mr. SMATHERS] are necessarily absent.

The Senator from Utah [Mr. KING] is paired with the Senator from Maryland [Mr. TYDINGS], who is detained on official business. I am advised that if present and voting, the Senator from Utah would vote "yea," and the Senator from Maryland would vote "nay."

The result was announced—yeas 63, nays 19, as follows:

YEAS—63

Adams	Donahey	Johnson, Colo.	Pepper
Ashurst	Downey	La Follette	Pittman
Bankhead	Ellender	Lee	Reed
Barkley	Frazier	Lucas	Russell
Bilbo	George	McCarran	Schwartz
Bone	Gillette	McKellar	Schwellenbach
Bulow	Green	McNary	Sheppard
Byrnes	Guffey	Maloney	Shipstead
Capper	Gurney	Mead	Stewart
Caraway	Harrison	Miller	Thomas, Idaho
Chandler	Hatch	Minton	Thomas, Okla.
Chavez	Hayden	Murray	Thomas, Utah
Clark, Idaho	Herring	Neely	Van Nuys
Clark, Mo.	Hill	Norris	Wagner
Connally	Holman	Nye	Wheeler
Davis	Johnson, Calif.	O'Mahoney	

NAYS—19

Austin	Byrd	Hale	Townsend
Bailey	Danaher	Hughes	Vandenberg
Barbour	Gerry	Lodge	Walsh
Bridges	Gibson	Taft	White
Brown	Glass	Tobey	

NOT VOTING—14

Andrews	Lundeen	Slattery	Tydings
Burke	Overton	Smathers	Wiley
Holt	Radcliffe	Smith	
King	Reynolds	Truman	

So the committee amendment, on page 82, line 15, was agreed to, as follows:

PARITY PAYMENTS

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, $212,000,000: *Provided, however,* That in expending the appropriation in this paragraph 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: *Provided further,* That such payments with respect to any such commodity 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 1940 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program.

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

The next amendment was, on page 83, after line 5, to insert:

DISPOSAL OF SURPLUS COMMODITIES

To enable the Secretary of Agriculture to further carry out the provisions of section 32, as amended, of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935, and subject to all provisions of law relating to the expenditure of funds appropriated by such section, $85,000,000. Such sum shall be immediately available and shall be in addition to, and not in substitution for, other appropriations made by such section or for the purpose of such section: *Provided,* That not in excess of 25 percent of the funds herein made available may be devoted to any one agricultural commodity: *Provided further,* That said 25-percent provision and the like provision in said section 32, as amended, shall not apply to amounts devoted to a stamp plan for the removal of surplus agricultural commodities from funds made available hereby and by said section 32, and, notwithstanding expenditures under such stamp plan, the 25-percent provision shall continue to be calculated on the aggregate amount available hereunder and under said section 32.

Mr. LA FOLLETTE. Mr. President, in line 12, on page 83 in the committee amendment, I move to strike out "$85,000,000" and insert "$113,000,000."

Mr. RUSSELL. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, I have no desire to interfere with any remarks the Senator from Wisconsin may wish to make. However, I have a point of order to submit against the amendment suggested by the Senator from Wisconsin.

Mr. LA FOLLETTE. I will yield to the Senator for the purpose of making his point of order if he desires to make one.

The PRESIDING OFFICER. The Senator from Georgia will state the point of order.

Mr. RUSSELL. I make a point of order against this amendment under rule XVI, which states that—

All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item

of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session; or unless the same be moved by direction of a standing or select committee of the Senate or proposed in pursuance of an estimate submitted in accordance with law.

Mr. President, the provisions of section 32 of the Agricultural Adjustment Act of August 24, 1935, are limited to the appropriations which result from a permanent allocation of 30 percent of the amount of the customs receipts in any one year. In accordance with my interpretation of rule XVI, the committee has recommended an increase in that amount; but if I understand and have the proper construction of rule XVI, any amendment offered from the floor still further to increase the amount recommended by the Committee on Appropriations would be subject to a point of order.

The PRESIDING OFFICER. The Chair will be glad to hear from the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I recognize that the statement which has just been made by the Senator from Georgia is not made because he is not sympathetic with the purposes of the Surplus Commodities Corporation or the activities which have been carried on under section 32 of the Agricultural Adjustment Act, but because he feels constrained to do so as chairman of the subcommittee in charge of the bill.

I should like to say that I believe this particular proposal presents a novel question insofar as the rules of the Senate and their interpretation are concerned. Ordinarily authorizations for appropriations provide either a specific sum of money, or they provide that Congress is authorized to appropriate so much thereof as it may deem necessary to effectuate the purposes of the statute. But, as Senators will note, section 32 of the act of 1935 provides an appropriation of 30 percent of the customs receipts. Obviously, Mr. President, that is a variable amount. It is an amount dependent upon the goods imported in any particular calendar year and the duties imposed upon those goods by the Congress. It is my contention that Congress having in this instance provided an indefinite sum of money insofar as actual dollars are concerned it lies within the power of Congress to augment those funds to carry out the purpose of the existing law.

I shall be very glad to hear the ruling of the Chair in regard to the matter.

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

Mr. LA FOLLETTE. I yield.

Mr. CONNALLY. Does the Senator's amendment relate to the figure "$85,000,000"?

Mr. LA FOLLETTE. It does.

Mr. CONNALLY. It seems to me the Senator's amendment is in order, because it is an amendment to a committee amendment, and not an amendment to the bill itself.

Mr. LA FOLLETTE. The point made by the Senator from Georgia [Mr. RUSSELL] is that under rule XVI a standing committee of the Senate is given specific authority to propose amendments which are in excess of Budget estimates, or to carry out existing law, or in accordance with the other exception mentioned in the rule. However, I base my contention on the argument that the situation is a novel one, in view of the fact that Congress did not authorize as it customarily does, a specific sum of money, or a sum sufficient therefor, but authorized 30 percent of the customs receipts, which is a variable sum; and that therefore the amendment does not come within the prohibition of the rule.

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

Mr. LA FOLLETTE. I yield.

Mr. CONNALLY. I do not think that is the point at all. An amendment has been offered to the committee amendment. Is it contended that the committee amendment may not be amended, may not be increased, or may not be decreased? The committee amendment is an amendment to the bill. The committee amendment says, "We recommend $85,000,000." That amendment is subject to amendment, as is any other amendment. I do not see why we may not increase or decrease the amount.

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

Mr. CONNALLY. I yield.

Mr. RUSSELL. The Senator from Texas has correctly stated the rule of the Senate. The rule may be erroneous, but it is the rule. When a recommendation in excess of the authorization of law is made by the committee, very clearly under the provisions of rule XVI, the point of order against the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] should be sustained.

Mr. President, as the Senator from Wisconsin has stated—and I appreciate his statement—I have always favored appropriations to carry out the provisions of section 32 of the Agricultural Adjustment Act. However, I do think the Senator's amendment increases this item disproportionately and I am opposed to increasing the amount provided in the committee amendment. I am specifically charged by the rule with making a point of order against any amendment in violation of rule XVI; and the point of order is made pursuant to that rule.

The Senator from Wisconsin pins his hope of avoiding the point of order on the peculiar nature of the appropriation which is made pursuant to section 32. The Senator says that this is an indefinite appropriation. Mr. President, the appropriation is not indefinite. It is definite, and fixed at 30 percent of whatever amount is taken in the calendar year as customs receipts. The appropriation does not apply to the fiscal year. Congress knows, when it convenes in January, how much is available, because section 32 applies to the calendar year.

It is true that the amount is variable, because the customs receipts vary from year to year, but the amount is not indefinite. It is definite and fixed by law.

As I see the matter, Mr. President, the amendment offered by the Senator from Wisconsin falls within the category of the amendments prohibited by rule XVI.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to be heard further?

Mr. LA FOLLETTE. No; I am ready to take the decision of the Chair.

Mr. CONNALLY. Mr. President, I am no parliamentary authority, but it seems to me that the Senate ought to be right on this question before it establishes a precedent.

What is the purpose of the rule? The purpose of the rule is that when an appropriation bill is brought in, objection may be made to any item in it unless it is authorized by law. That is one question. So rule XVI was devised to get around that difficulty. Let us see what the rule is:

All general appropriation bills shall be referred to the Committee on Appropriations—

That is all right—

and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill—

There is nothing in the bill. The committee amendment is not in the bill. If we adopted the figure of $85,000,000, it would be merely an amendment. The committee amendment is in order because the Committee on Appropriations offers it. It is before the Senate for consideration. What does consideration mean? Do we have to swallow it just as it is? May it not be amended, just as any other provision may be amended?—

the effect of which will be to increase an appropriation already contained in the bill—

There is nothing now in the bill, so the amendment is in order under a later provision—

or to add a new item of appropriation—

That language does not apply—

unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session.

When the Senate has passed a bill, but the House has not passed it, we are authorized to offer an amendment to carry out the provisions of something we have already done.

Or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

That situation does not apply in this instance. The item was not submitted by the Bureau of the Budget. The Bureau of the Budget had nothing to do with it. So the only clause which is applicable is the language—

Or unless the same be moved by direction of a standing or select committee of the Senate.

The $85,000,000 is in order as an amendment because it is offered by the Committee on Appropriations; but I defy anyone to say to me that any committee or any Member of the Senate can present an amendment or a provision in the bill which the Senate may not amend, if it so desires. All the rule means is that the $85,000,000 amendment is in order; and, being in order, it is subject to the action of the Senate to increase it, decrease it, or eliminate it altogether, as we see fit. That position is absolutely fundamental, as I see it.

Mr. President, I am not talking about technicalities. I am talking about the philosophical, fundamental principles of legislative procedure. I have never yet seen an amendment which may not be amended. If $85,000,000 is in order, a nickel is in order. If $85,000,000 is in order, then $90,000,000 is in order.

The PRESIDING OFFICER. Does the Senator from Georgia desire to be heard further?

Mr. RUSSELL. Mr. President, I do not desire to present any further argument. Of course, all of rule XVI is in derogation of general parliamentary law, as the Senator from Missouri suggests. There are any number of times when amendments are not in order. There are any number of rules applying to other parliamentary situations before the Senate which clearly make amendments out of order. No amendment may be accepted in the third degree. It is nothing unusual for the objection of one Senator to defeat an amendment in the third degree. That could happen under the rules even if every other Member of the Senate were in favor of the proposal. If the amendment were in the third degree, one objection would defeat it.

Mr. President, I am charged with the responsibility of making the point of order under rule XVI, and I submit the matter to the Chair for decision.

The PRESIDING OFFICER (Mr. HILL in the chair). The Chair is ready to rule.

Upon an examination of section 32 of the Agricultural Adjustment Act of August 24, 1935, the Chair finds that that section reads as follows:

There is hereby appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, an amount equal to 30 percent of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year.

The Chair does not feel that under that language there is any authority or any provision for making any appropriation other than the appropriation which section 32 of that act makes; to wit, 30 percent of the gross receipts.

The Chair must admit that the argument of the Senator from Texas is plausible; but if the Senate will examine rule XVI, it will find, as the Senator from Georgia has made clear, that it provides that—

No amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation—

Unless there be authority in the law for such appropriation; and we do not find that authority in section 32 of the act of 1935, or anywhere else, for that matter—

or unless the same be moved by direction of a standing or select committee of the Senate.

If under the rule a Member of the Senate has no right to move to increase an appropriation already in the bill, certainly a Member of the Senate has no right to move to increase what is suggested or proposed as an amendment; and certainly if a Member of the Senate has no right to offer an amendment as a new item, he has no right to offer an amendment such as is proposed by the Senator from Wisconsin.

The Chair therefore feels——

Mr. CONNALLY. Mr. President, before the Chair rules, will the Chair hear me for a moment?

The PRESIDING OFFICER. The Chair is ready to rule.

Mr. CONNALLY. I realize that. I can tell. [Laughter.]

The PRESIDING OFFICER. The Chair wishes to be as merciful as possible.

Mr. CONNALLY. The Senator from Texas has no personal interest in this matter.

The PRESIDING OFFICER. The Chair recognizes that fact.

Mr. CONNALLY. But the Senator from Texas has an interest in the rules and procedure of the Senate.

I desire to suggest to the Chair this proposition: An amendment which is not in order, but to which no Senator raises a point of order, is, then, before the Senate. That sort of an amendment may always be amended. The only point of order that may be made here is against the $85,000,000. It is not in order at all; but no Senator has raised the point of order against it.

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

The PRESIDING OFFICER. The Chair will advise the Senator from Texas that the amendment of $85,000,000 is really in order, because it is offered under the exception, which is that a standing or select committee may offer such an amendment.

Mr. CONNALLY. All right. Then the rule proceeds:

Or unless the same be moved by direction of a standing or select committee of the Senate.

And, like the laws of the Medes and Persians, that cannot be changed by the Senate itself. This rule is directed at the offering of an amendment to a bill. Under the rule, it is said that the amendment is in order. If it is in order at all, it is in order to be considered by the Senate. Does anyone mean to tell me that a committee of the Senate, which is its servant, may bring in something here, even though it is out of order, but if no Senator raises the point of order it is in order under this rule, and it is holy, and no one can touch it? The Senate cannot touch it. The master is smaller than the servant.

When did the Committee on Appropriations become so big that it is bigger than the Senate of the United States?

Mr. RUSSELL. Mr. President, all the powers of the Committee on Appropriations under rule XVI were expressly and explicitly conferred upon that committee by all of the Senate of the United States. The committee did not make the rule.

Mr. CONNALLY. That is true.

Mr. RUSSELL. The Senate said to its servant, its creature, the humble, much-abused Committee on Appropriations, "Here is a rule—rule XVI," and specifically charged the Senator in charge of a bill with making a point of order under that rule.

Mr. CONNALLY. I am not reflecting on the Committee on Appropriations. I am not reflecting on any committee, but all in the world this rule means is that the committee may propose an amendment. They have proposed it in the sum of $85,000,000. That amendment is here to be considered. What does consideration mean? Does it mean that we have to swallow the amendment as the committee have fixed it, or does it mean that we may amend it? We may amend any amendment that is before the Senate to be considered. The Senate has no rule as to germaneness except the majority vote, which frequently permits the insertion of matter not germane at all.

I see where the Chair is headed for; but when the future historian comes to delve around among the ruins of the Capitol, I want him to find some little fragment of evidence that the Senator from Texas interposed his objection to this sort of a ruling.

The PRESIDING OFFICER. The Chair is ready to rule.

It is very clear from rule XVI that the amendment suggested by the Senator from Wisconsin [Mr. LA FOLLETTE] would not be in order even to a provision in the bill. It is not in order to a proposed amendment to the bill.

For the reasons the Chair has stated, the Chair feels compelled to sustain the point of order, and does sustain the point of order.

Mr. LA FOLLETTE. Mr. President, I desire most respectfully to appeal from the decision of the Chair.

The PRESIDING OFFICER. The question is, shall the decision of the Chair stand as the judgment of the Senate?

Mr. LA FOLLETTE. I should like to ask the Senator from Kentucky [Mr. BARKLEY] what his plans are, because I intend to avail myself of the opportunity to debate this question, and I desire to know whether or not he intends to go on further this evening.

Mr. BARKLEY. Mr. President, I had hoped, of course, as we all had, that we might conclude the consideration of the bill today; but that is obviously impossible, because there are one or two other amendments which will take some time. So I had felt that we probably could very well recess until 11 o'clock tomorrow, in the hope that we may finish the bill tomorrow.

Mr. LA FOLLETTE. I hope I may be recognized when the Senate convenes.

Mr. RUSSELL. Mr. President, I urge our leader not to move a recess at this time. There are other pressing matters.

Mr. BARKLEY. I am not anxious to recess at this time. I stated that it is obvious that we cannot conclude the consideration of the bill tonight.

Mr. RUSSELL. No; I do not think we can conclude its consideration tonight.

Mr. BARKLEY. But if there are other matters which can be disposed of tonight, certainly I am willing to stay here.

Mr. BYRNES. Mr. President, can we not dispose of this matter?

Mr. BARKLEY. I understand that the Senator from Wisconsin wishes to discuss it at some length. I am perfectly willing to stay here and let the Senator do so this afternoon; but if we could dispose of other matters, and suspend that one for the rest of the afternoon, and not in any way cause the Senator to lose his rights, we might make some progress.

Mr. LA FOLLETTE. It would be agreeable so far as the Senator from Wisconsin is concerned if we could obtain unanimous consent to let the appeal and this item go over until tomorrow and have other matters disposed of, since the Senate wants to continue in session.

Mr. RUSSELL. Mr. President, my attention was diverted for a moment. Did the Senator from Kentucky make any statement as to his wishes in the matter?

Mr. BARKLEY. My wishes are subject to those of the Senator from Wisconsin. Would the Senator be willing to have us fix a time tomorrow at which to vote on his appeal?

Mr. LA FOLLETTE. I prefer not to have a time fixed, Mr. President.

Mr. BARKLEY. The Senator probably has as good an audience now as he will have in the morning if he wants to go ahead with his argument.

Mr. LA FOLLETTE. Mr. President, unless the Senate wants to stay and dispose of this matter tonight, I ask that it may go over until tomorrow; but I am perfectly willing to have an agreement entered into that this matter shall be temporarily laid aside, if the Senator wants to proceed further with the bill.

Mr. RUSSELL. Mr. President, there are but a few other committee amendments to be acted on. If the Senate is willing to remain in session for a while this afternoon, I should be glad to have some of those amendments disposed of.

Mr. McNARY. Mr. President, there are a few amendments only left to be disposed of, and if the Senate will take a recess now until 11 o'clock tomorrow, certainly we can finish the consideration of the bill some time tomorrow afternoon.

Mr. RUSSELL. It will be agreeable to me in view of the fact that the able minority leader and the distinguished majority leader and the able Senator from Wisconsin agree to have the pending matter go over. I ask unanimous consent that this amendment may be passed over until tomorrow, and that the Senate proceed with some of the other committee amendments.

The PRESIDING OFFICER. Without objection, the amendment referred to will be passed over.

Mr. McNARY. Mr. President, I have no objection to that, but may we not take a recess now until tomorrow at 11 o'clock? There are many Senators who wish to attend to their office work, and we can finish the consideration of the bill tomorrow certainly.

Mr. RUSSELL. I withdraw the request for unanimous consent, then, because I think that if we are to carry the pending amendment over until tomorrow, we should proceed in order. If the Senator from Kentucky is willing, he might move a recess.

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it take a recess until 11 a. m. tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I present an amendment to the pending bill, which I intend to offer for consideration at the proper time. I ask that the amendment be published in the RECORD, and that it be followed by a list of the payments which have been made to sugar producers, as furnished me by the Department of Agriculture.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Without objection, the amendment and the statement referred to by the Senator from Virginia will be printed in the RECORD.

The amendment and statement are as follows:

(Amendment intended to be proposed by Mr. BYRD to the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.)

On page 82, line 14, before the period, insert a colon and the following:

"*Provided further*, That no part of the amount herein appropriated shall be available for making total conditional payments in excess of $5,000 to any one person, firm, partnership, or corporation in connection with the 1940 sugar program."

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C., March 20, 1940.

Hon. H. F. BYRD,
United States Senate.

DEAR MR. BYRD: As stated in my letter of this date, enclosed herewith are lists of payees receiving payments in excess of $10,000 under the 1937 sugar program. There is also enclosed a tabulation showing the estimated number of such payees and the estimated amount to be paid to them under the 1938 sugar program.

Very truly yours,

R. M. EVANS, *Administrator.*

Sugar Act of 1937—Payees receiving payments in excess of $10,000 each

	1938 program	
	Number of payees	Total amount paid
Southern region:		
Florida	8	$670,644.15
Louisiana	60	1,825,063.69
Western region:		
California	49	801,315.23
Idaho	1	14,854.58
Kansas	1	17,664.97
Nevada	1	12,163.46
Oregon	1	11,370.06
Wyoming	2	56,603.70
Insular region:		
Hawaii	38	8,091,854.66
Puerto Rico	92	5,230,334.10

PUERTO RICAN SUGAR PAYMENTS OF $10,000 OR OVER MADE PUBLIC FOR 1937 PROGRAM

The list of payments follows:

Geronomo Vallecillo, Box 3835, San Juan	$14,240.10
Buena Vista Agricultural & Dairy Co., Carolina	20,717.00
Finlay Bros. and Waymouth Trading Co., Vega Alta	105,039.00
Nevares Hermanos, Toa Baja	20,961.65
Compania Azucarera Del Toa, Toa Baja	124,234.00
William Rodriguez Garzot, trustee for the heirs of the estate of Faustino R. Fuertes, deceased, Bayamon	11,302.00

Faustino Fernandez Box 111 Naguabo	$10,755.30
Rafael Torrech Rios, Bayamon	10,538.60
Asociacion Agricola De Bayamon, Bayamon	46,908.20
Jaime Fonalledas Cordova, trustee for the heirs of Jaime Fonalledas, deceased, Toa Baja	43,068.35
Clara E. Livingston, Dorado	11,067.70
Felix E. Tio, Bayamon	12,173.20
Rubert Hermanos, Inc., San Vincente	163,147.75
Central Vannina, Inc., Rio Piedras	102,927.00
Pinero Hermanos, Box 151, Carolina, P. R	13,356.80
Central Victoria, Inc., Carolina	71,135.00
Luis Cerra Becerril, Box 39, Hato Rey	19,821.35
Nicolas Iturregui, Rio Piedras	11,072.10
Nicolas Cartagena, Box 146, Caguas	10,338.40
Antonio Longo, Caguas	10,555.10
Miguel Figuerola, Box 504, Caguas	13,975.00
Rafael Calderon, Loiza	30,484.10
Leoncio Velazquez, Box 126, Caguas	30,084.05
Cipriano Manrique, Box 305, Caguas	14,847.30
Eastern Sugar Associates, Caguas	469,796.00
Behn Bros. Association, Qda, Palmas Naguabo	22,235.30
The Fajardo Sugar Growers Association, Fajardo	565,610.60
Mariano Arroyo, trustee for the heirs of the estate of S. Fentefrias, deceased, Ceiba	11,560.50
Efren Rotger Santiago, Naguabo	12,180.90
Antonion Mendez, Naguabo	14,455.70
Rafael Ma. Gonzales, Box 85, Gurabo	13,615.30
Ramon L. Berrios, Box 23, Gurabo	10,142.60
Francisco Gardona, Box 177, Juncos	10,574.90
Juan Avalo Garcia, Box 282, Juncos	13,961.80
Faustino Fernandez, Box 111, Naguabo	22,046.30
Domingo Quintana Colon, Yabucoa	12,314.00
J. B. Carrion, trustee for the heirs of the estate of Antonio Roig, deceased, Box 456, Humacao	332,885.00
Luis Toro Perez, Post Office Box 26, Yabucoa	10,148.10
Luis Vila Santana, Box 68, Yabucoa	10,626.60
Alberto Esteves, Aguadilla	28,208.75
Central Coloso Ind., Aguada	149,222.65
Diego G. Gonzalez, Isabela	10,811.40
Rafael H. Lopez, Aguadilla	18,142.40
A. Guillemard, trustee for the heirs of Matea Frjardo Cardona, deceased, Hormigueros	81,169.00
Alfredo Ramirez de Arellano, executor of the estate of Luis A. Fajardo, deceased, Central Igualdad	36,270.65
Alfredo Ramirez Rosell, Mayaguez	96,549.00
Ubaldino Ramirez de Arellano, Mayaguez	17,346.50
Miguel A. Garcia Mendez, Mayaguez	14,486.50
Mayaguez Sugar Co., Inc., Mayaguez	73,313.00
J. L. P. Valdivieso, Ponce	15,595.30
Eduardo Mendez, Jr., trustee for the heirs of the estate of Eduardo Mendez, deceased, San Sebastian	18,892.66
Plata Sugar Co., Inc., San Sebastian	49,608.80
Jayuya Development Co., Post-Office Box 145, Jayuya	22,549.25
Antonio Marques Arbona, Arecibo	42,271.40
Delfin Rodriguez Carlo, Box 87, Sbana Grande	10,756.40
A. Guillemard, trustee for the heirs of Mateo Fajardo Davila, deceased, Mayaguez	20,833.55
Rusell and Co. Sucesores, Ensenada	365,228.60
Jose J. Fas, Cabo Rojo	12,431.70
Juan Angel Tio, Box E, Sangerman	20,619.35
J. Otilio Milan, Post-Office Box 101, Aguadilla	13,080.70
Santiago Sambolin Becchi, Post-Office Box 34, Sangerman	10,772.90
Ernesto Quinones Salazar, Post-Office Box 125, Sangerman	11,650.70
Jacobo L. Cabassa, Box 183, Ponce	47,333.45
Juan Lugo Ramirez, Box 27, Sangerman	13,613.10
Mario Mercado E. Hijos, Guayanilla	103,752.00
Carlos Padorant Georgetty, Box 703, Mayaguez	11,948.80
Felix Gonzales Perez, Box 158, Yauco	10,880.70
Manuel Gonzelez Martinez, Salinas	149,548.30
Luce & Co. S. en C., Aguirre	665,211.20
Jesus Stella, Guayanilla	11,630.90
Godreau æ Co. S. en C., Salinas	29,436.20
Sucs, De Elias Godreau & Co., Salinas	34,642.10
Rafael Sauri, Box 1947, Ponce	11,795.90
Suers De, Jose Gonzalez y Co. e C. Guayama	95,619.00
Genar Cautino, Box 6, Guayama	30,210.05
Nido & Co., Arroyo	11,760.70
Cooperativas Agricolas: Palma, Felicita, Providencia, Bordelaise	59,257.25
Sucesion J. Serralles, Ponce	247,281.59
Wirshing & Co. S. en C., Ponce	116,367.81
Central Alianza, Inc., Box 66, Arecibo	26,458.40
Aldea Agricultural Corporation, Vega Baja	14,517.30
Central Cambalache, Inc., Arecibo	169,166.00
Rafael Capo, Arecibo	10,055.70
Antonio Valdes Rios, Barceloneta	10,538.60
Compania Giorgetti S. Enc., Arecibo	195,319.50
Angel Quintero, Arecibo	11,054.50
Quintero and Davila, Manati	39,302.00

ONE THOUSAND NINE HUNDRED AND THIRTY-SEVEN HAWAIIAN SUGAR PAYMENTS OF $10,000 OR OVER MADE PUBLIC FOR 1937 PROGRAM

The list of payments follows:

Waiakea Mill Co., Hilo, Hawaii	$37,407.81
Wailea Milling Co., Ltd., P. O. Box E, Hakalau, Hawaii	17,272.32
The Olaa Sugar Co., Ltd., Olaa, Hawaii	161,756.18
Hilo Sugar Co., Hilo, Hawaii	70,337.13
Kohala Sugar Co., Hawi, Hawaii	155,776.80
Hamakua Mill Co., Paauilo, Hawaii	71,930.49
Peepeekeo Sugar Co., Peepeekeo, Hawaii	39,456.92
Hakalau Plantation Co., Hakalau, Hawaii	67,821.99
Onomea Sugar Co., Papaikou, Hawaii	91,422.34
Laupahoehoe Sugar Co., % Theo. H. Davies & Co., Ltd., Honolulu	68,791.12
Kaiwiki Sugar Co., Ltd., Ookala, Hawaii	55,595.60
Hawaiian Agric. Co., Pahala, Hawaii	134,484.12
Hutchinson Sugar Plantation Co., Naalehu, Hawaii	78,496.73
Hononkaa Sugar Co., Haina, Hawaii	117,555.60
Honomu Sugar Co., Honomu, Hawaii	29,592.90
Paauhau Sugar Plantation Co., Paauhau, Hawaii	55,029.31
Grove Farm Co., Ltd., Puhi, Kauai	42,989.51
Gay & Robinson, Makaweli, Kauai	25,506.21
Waimea Sugar Mill Co., Ltd., Waimea, Kauai	19,414.67
Kilauea Sugar Plantation, Kilauea, Kauai	35,541.05
Wm. Hyde Rice, Ltd., Lihue, Kauai	16,055.18
The Lihue Plantation Co., Ltd., Lihue, Kauai	184,678.32
Hawaiian Sugar Co., Makaweli, Kauai	106,982.45
The Koloa Sugar Co., Koloa, Kauai	38,260.58
McBryde Sugar Co., Ltd., Eleele, Kauai	79,753.70
Hawaiian Commercial & Sugar Co., Ltd., Puunene, Maui	340,525.58
Kaeleku Sugar Co., Ltd., Hana, Maui	28,733.15
Maui Agric. Co., Ltd., Paia, Maui	149,400.59
Pioneer Mill Co., Ltd., Lahaina, Maui	164,858.38
Wailuku Sugar Co., Wailuku, Maui	146,535.73
Kahuku Plantation Co., Kahuku, Oahu	86,984.50
Ewa Plantation Co., Ewa, Hawaii	283,888.97
Honolulu Plantation Co., Aiea, Oahu	141,321.53
Oahu Sugar Co., Ltd., Waipahu, Oahu	262,357.45
Waialua Agric. Co., Ltd., Waialua, Hawaii	253,320.94
Waianae Co., Waianae, Oahu	34,020.95
Waimanalo Sugar Co., Waimanalo, Oahu	61,150.05
Kekaha Sugar Co., Ltd., Kekaha, Kauai	179,020.68

AGRICULTURAL ADJUSTMENT ADMINISTRATION MAKES PUBLIC SUGAR-BEET PAYMENTS OF $10,000 OR OVER FOR 1937 PROGRAM

The lists of payments by regions and States follows:

NORTH CENTRAL DIVISION

Indiana: Central Sugar Co., Decatur	$19,897.13
Ohio: The Central Sugar Co., Decatur, Ind	17,068.86

WESTERN DIVISION

California:	
Browning, J. L., Colusa County	18,237.31
H. P. Garin Co., Contra Costa County	42,848.17
Giffen, Russell, Fresno County	16,841.67
O'Neill, J. E., Fresno County	13,575.39
McFadden Bros., Monterey County	10,246.24
Sterling Co., the Lester, Monterey County	10,817.66
Amen, Henry, Sacramento County	15,976.55
Leedy & Leedy, Sacramento County	11,306.68
Nyland, A. S., San Benito County	11,564.36
California Delta Farms, Inc., San Joaquin County	12,717.51
Empire Farms, Inc., San Joaquin County	36,879.04
French, D. F., San Joaquin County	10,500.10
Fujita, J., San Joaquin County	12,083.44
Island Farm Co., San Joaquin County	10,094.59
McDonald Island Farms, Ltd., San Joaquin County	17,714.51
Morgan, O. H., San Joaquin County	15,190.05
Scheckler, G. F., San Joaquin County	15,793.16
Totman, Clifford, San Joaquin County	13,088.84
Tutton, Stanley W., San Joaquin County	10,381.10
Weyl-Zuckerman & Co., San Joaquin County	18,300.87
Central Produce Co., Santa Barbara County	11,291.74
Hiramatsu, N., Santa Barbara County	11,180.55
Nishimura, George, Santa Barbara County	10,221.67
California Packing Corporation, Solano County	18,596.42
Oeste, C. T., and Knaggs, George, Solano County	11,105.27
Vieira, Jose, Solano County	10,499.24
Christensen, Arnold E., Sutter County	13,295.90
Lavis, Carlson & Ziegler, Sutter County	11,832.13
Richards, T. H., Sutter County	12,500.26
American Crystal Sugar Co., Ventura County	28,317.42
Carden, Morris and R. E., Yolo County	21,871.13
Greer, A. J., Yolo County	13,396.02
Greer, F. J., & Sons, Yolo County	14,865.72
Harris, W. C., and Thomas, C. D., Yolo County	16,520.02
Heringer, John; Heringer, M. G.; Heringer, A. G.; and Heringer, S. F., Yolo County	30,073.87
Kunze, Dewey & Everett, Yolo County	10,962.14

California—Continued.	
Parella, C., Yolo County	$13,147.63
Reiff, Paul, & Burger Bros., Yolo County	14,730.02
Studarns, C. C., Yolo County	11,849.78
Stuhimuller Bros., Yolo County	10,657.29
Wilson, George H., Yolo County	11,698.01
Wray, F. P., Yolo County	12,483.53
Yelland & Merwin, Yolo County	16,061.30
The Grand Junction Sugar Co., Alameda County	43,852.32
Lacy Bros.:	
Contra Costa County	12,820.33
San Joaquin County	29,960.01
	42,780.34
Newhall Land & Farming Co.:	
Sutter County	19,279.03
Ventura County	12,501.24
	31,780.27
Idaho: The Utah-Idaho Sugar Co.:	
Bingham County	4,067.23
Bonneville County	6,445.70
Jefferson County	492.53
Madison County	142.29
	11,147.75
Kansas: The Garden City Co., Garden City:	
Finney County	13,929.09
Kearny County	786.85
	14,715.94
Washington: Poplar Land Co.:	
Snohomish County	18,844.72
Wyoming: Grand Junction Sugar Co.:	
Goshen County	186.54
Sheridan County	4,811.02
Washakie County	41,245.98
	46,243.54

MAINLAND CANE SUGAR PAYMENTS OF $10,000 OR OVER MADE PUBLIC FOR 1937 PROGRAM

The list of payments by States follows:

SOUTHERN DIVISION

Florida: United States Sugar Corporation, Clewiston	$430,420.97
Louisiana:	
Godchaux Sugar Co., Inc., Assumption Parish	112,722.89
B. & D. Thibaut, Napoleonville, Assumption Parish	26,170.86
Orange Grove Planting, Jeanerette, Iberia Parish	12,653.14
Harry L. Laws & Co., Inc., Cinclare, West Baton Rouge Parish	34,793.45
M. A. Patout & Son, Ltd., Jeanerette, Iberia Parish	10,690.21
Triangle Farms, Inc., McCall, Ascension Parish	25,836.43
C. J. Savoie, Belle Rose, Assumption Parish	14,444.69
Slack Bros, Inc., Rosedale, Iberville Parish	14,687.35
San Francisco Plt. & Mfg. Co., Ltd., Lions, St. John the Baptist Parish	19,283.46
N. J. Kahao, Kahns, West Baton Rouge Parish	12,448.75
Caire & Graugnard, Edgard, St. John the Baptist Parish	25,022.13
Delgado Albania Plt. Commission, Jeanerette, St. Mary Parish	15,099.61
John M. Caffery, Franklin, St. Mary Parish	23,938.27
Catherine Sugar Co., Inc., Lobdell, West Baton Rouge Parish	17,299.94
Westover Planting Co., Ltd., Kahns, West Baton Rouge Parish	26,086.53
Edward J. Gay P. & M. Co., Ltd., Plaquemine, Iberville Parish	30,197.03
Waguespack Planting Co., Vacherie, St. James Parish	11,967.94
Realty Operators, Inc., box 910, New Orleans, Terrebonne Parish	146,176.06
Alma Plantation Co., Ltd., Lakeland, Pointe Coupes Parish	23,881.20
Milliken & Farwell, Inc., 1002 Whitney Bank Building, New Orleans, West Baton Rouge Parish	67,193.41
Laurel Valley Sugars, Inc., R. F. D., Thibodaux, Lafourche Parish	17,479.83
T. Lanaux Sons, Lucy, St. John the Baptist Parish	17,302.44
The South Coast Corporation, 1204 Carondelet Bldg., New Orleans, Terrebonne Parish	195,698.76
Haas Investment Co., Inc., Bunkie, Avoyelles Parish	14,500.96
Valentine Sugars, Inc., Lockport, Lafourche Parish	19,561.96
Louisiana—Continued.	
Sterling Sugars, Inc., Franklin, St. Mary Parish	$62,679.41
W. Prescott Foster, Franklin, St. Mary Parish	52,956.42
Louisiana State Penitentiary, Baton Rouge, West Feliciana Parish	62,566.59
Levert St. John, Inc., St. Martinville, St. Martin Parish	26,887.47
A. Wilbert's Sons Lumber & Shingle Co., Plaquemine, Iberville Parish	74,714.00
St. Paul Bourgeois & Co., Jeanerette, Iberia Parish	15,271.40

LIST OF PAYMENTS OF $10,000 OR MORE TO PARTICIPANTS IN THE 1937 SUGAR PROGRAM, INCLUDED IN PRESS RELEASE OF OCTOBER 18, 1938.

Minnesota: Henry Wiedmann, Sabin, Clay County	$11,840.64
Louisiana:	
Charles A. Farwell, New Orleans, Ascension Parish	12,828.81
Palo Alto Co., Inc., Donaldsonville, Ascension Parish	10,791.94
Estate of E. G. Robichaux, Labadieville, Assumption Parish	28,805.75
E. T. Robichaux Co., Ltd., per John Leche, president, Labadieville, Assumption Parish	17,308.50
Blanchard Planting Co., Ltd., Tallien, Assumption Parish	15,475.63
Bergeron and Walton, partnership, route No. 1, Napoleonville, Assumption Parish	12,785.10
Armalise Planting Co., Ltd., Paincourtville, Assumption Parish	15,880.60
Dugas and LeBlanc, Ltd., Paincourtville, Assumption Parish	37,454.06
J. Supple's Sons Planting Co., Ltd., Bayou Goula, Iberville Parish	23,513.86
Successor of Mrs. Leona S. Soniat, White Castle, Iberville Parish	16,205.57
J. B. Levert Land Co., Thibodaux, Lafourche Parish	19,616.69
Caldwell Sugars, Inc., Thibodaux, Lafourche Parish	22,969.99
Shadyside Co., Ltd., Star Route No. A, Franklin, St. Mary Parish	30,713.69
The Maryland Co., Inc., Star Route No. A, Franklin, St. Mary Parish	10,061.27
H. Wilkinson, Port Allen, West Baton Rouge Parish	27,207.90
Devall Co., Inc., Chamberlin, West Baton Rouge Parish	15,561.75

DEATH OF CHARLES F. PACE

Mr. BARKLEY. Mr. President, before we take a recess, I wish to call the attention of the Senate to the very sad news of the death of one of the outstanding employees of the Senate of the United States. I refer to Mr. Charles F. Pace, the financial clerk of the Senate.

The Senate of the United States, and I daresay the Government of the United States, never had a more faithful and more zealous and more honorable employee than was Charles F. Pace. He came into the service of the Senate in 1913, first as an index clerk. Then he was appointed chief clerk in the Senate Post Office, and then assistant financial clerk, and in 1916 he became financial clerk of the Senate.

All of those who have served in the Senate for any length of time and who knew Mr. Pace will agree with me that a more efficient and more courteous, a more accurate and honest man never served within our knowledge. He was so meticulous in the discharge of his duties that he was sensitive of any criticism or any assertion which in any way reflected upon his efficiency or the character of the performance of his duties.

Mr. Pace was born in Florida, and came to Washington largely at the instance of the late distinguished Senator Fletcher of Florida. He was a graduate of Georgetown University and of Georgetown Law School, and practiced law in Florida for a time before coming into the Government service. As we have all known, he has been in ill health for a year, and has been away from his office and from the performance of his duties for the last 3 months. We received word today of his death.

I am sure that I speak for the entire Senate when I say that we regret Mr. Pace's untimely end, that we honor his memory, and we wish perpetual peace to his soul. I ask that when the Senate take a recess today it do so in further honor and respect to the memory of Mr. Pace.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEPPER. Mr. President, I wish to express the very deep thanks of the people of the State of Florida to our able leader the Senator from Kentucky [Mr. BARKLEY] for

the considerate words he has uttered this afternoon relative to Charles F. Pace. There are heavy hearts in Florida today because of the passing of this noble and beloved man and devoted public servant.

CENSUS QUESTIONNAIRES

Mr. PEPPER. Mr. President, in connection with the Tobey resolution I wish to offer for printing in the RECORD a statement showing the warning issued to census employees by the Census Bureau to be identical with the warning issued by the Civil Service Commission to civil-service employees of the United States Government.

In addition to that, I should like to offer for the RECORD a letter to the New York Times dated March 11, 1940, by William Fielding Ogburn, a distinguished professor of the University of Chicago, on the same subject.

I also have here a communication from the Director of the Census, Mr. W. L. Austin, to the Senator from New Hampshire [Mr. TOBEY], dated March 19, 1940, which I should like to have printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the requests of the Senator from Florida?

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

[Post conspicuously]

[Department of Commerce, Bureau of the Census]

WARNING

POLITICAL ACTIVITY OF CENSUS EMPLOYEES PROHIBITED

THE LAW

(Excerpt from the Hatch Act)

It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects (sec. 9 (a), act of August 2, 1939—Public, No. 252, 76th Cong.).

The law quoted above prohibits active participation in politics by all employees of the Census Bureau. Activity in connection with municipal, county, State, or national elections, primary or regular, or in behalf of any party, candidate, or any measure to be voted upon, is prohibited. The restrictions regarding political activity apply to temporary employees, employees on leave of absence, with or without pay, and substitute employees during their periods of active employment.

Among the forms of political activity which are prohibited are:

Serving on or for any political committee, party, or other similar organization.

Serving as officer of a political club, as member or officer of any of its committees, addressing such a club or being active in organizing it.

Serving in connection with preparation for, organizing, or conducting a political meeting or rally, addressing such a meeting, or taking any other active part therein except as a spectator.

Engaging in political discussions or conferences while on duty, or canvassing a district or soliciting political support for any party, faction, candidate, or measure.

Manifesting offensive activity at the polls, at primary or regular elections, soliciting votes, assisting voters to mark ballots, or helping to get out the voters on registration or election days.

Acting as recorder, checker, watcher, or challenger of any party or faction.

Assisting in counting the vote, or engaging in any other activity at the polls except marking and depositing the employee's own ballot.

Serving in any position of election officer.

Publishing or being connected editorially or managerially with any political newspaper or writing for publication or publishing any letter or article, signed or unsigned, in favor of or against any political party, candidate, faction, or measure.

Becoming a candidate for nomination or election to or holding office—Federal, State, or local.

Distributing campaign literature or material.

Circulating, but not signing, political petitions, including initiative and referendum, recall, and nomination petitions.

Assuming political leadership or becoming prominently identified with any political movement, party, or faction, or with the success or failure of any candidate for election to public office.

The right to express privately their political opinions is reserved to Census employees.

POLITICAL ASSESSMENTS, SOLICITATIONS, AND DISCRIMINATIONS

Sections 118, 119, 120, and 121 of the Criminal Code (43 Stat. 1073 and 35 Stat. 1110), provide that no legislative officer, officer-elect, or candidate for election, and no executive or judicial officer or employee shall solicit or receive or be concerned in soliciting or receiving any money or contribution for political purposes from any other officer or employee of the Government; that no solicitation or receipt of political assessments shall be made by any person in any room or building occupied in the discharge of official duties by any officer or employee of the United States; that no officer or employee shall be discharged or demoted for refusing to make any contribution for political purposes; and that no officer or employee of the Government shall directly or indirectly give or hand over to any other officer or employee in the service of the United States or to any Member of or Delegate to Congress any money or other valuable thing for the promotion of any political object whatever.

Section 122 of the Criminal Code provides that whoever shall violate any provision of the four sections above mentioned shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

Sections 149 and 150, title 18, of the United States Code (44 Stat. 918) provide that it shall be unlawful to pay, or offer to promise to pay, any sum of money, or any other thing of value, to any person, firm, or corporation in consideration of the use or promise to use any influence, whatsoever, to procure any appointive office under the Government of the United States for any person whatsoever; and that it shall be unlawful to solicit or receive from anyone whatsoever, either as political contribution, or for personal emolument, any sum of money or thing of value, whatsoever, in consideration of the promise of support, or use of influence, or for the support or influence of the payee, in behalf of the person paying the money, or any other person, in obtaining any appointive office under the Government of the United States. Section 151 of this title provides that anyone convicted of violating these two sections shall be punished by imprisonment of not more than 1 year or by a fine of not more than $1,000, or by both such fine and imprisonment.

These instructions must be followed by all Census employees.

W. L. AUSTIN,
Director of the Census.

[Post conspicuously]

[United States Civil Service Commission, Washington, D. C.]

WARNING—POLITICAL ACTIVITY OF FEDERAL EMPLOYEES PROHIBITED

THE LAW

It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects. (Sec. 9 (a), act of August 2, 1939—Public, No. 252, 76th Cong.)

THE CIVIL-SERVICE RULES

No person in the executive civil service shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. Persons who by the provisions of these rules are in the competitive classified service, while retaining the right to vote as they please and to express privately their opinions on all political subjects, shall take no active part in political management or in political campaigns.

The law and the rule quoted above prohibit active participation in politics by all employees of the executive branch of the Federal Government, both those who are in the competitive classified service and those who are not in the competitive classified service. Activity in connection with municipal, county, State, or national elections, primary or regular, or in behalf of any party, candidate, or any measure to be voted upon, is prohibited. The restrictions regarding political activity apply to temporary employees, employees on leave of absence, with or without pay, and substitute employees during their periods of active employment.

Among the forms of political activity which are prohibited are:

Serving on or for any political committee, party, or other similar organization.

Serving as officer of a political club, as member or officer of any of its committees, addressing such a club or being active in organizing it.

Serving in connection with preparation for, organizing, or conducting a political meeting or rally, addressing such a meeting, or taking any other active part therein except as a spectator.

Engaging in political discussions or conferences while on duty, or canvassing a district or soliciting political support for any party, faction, candidate, or measure.

Manifesting offensive activity at the polls, at primary or regular elections, soliciting votes, assisting voters to mark ballots, or helping to get out the voters on registration or election days.

Acting as recorder, checker, watcher, or challenger of any party or faction.

Assisting in counting the vote, or engaging in any other activity at the polls except marking and depositing the employee's own ballot.

Serving in any position of election officer.

Publishing or being connected editorially or managerially with any political newspaper or writing for publication or publishing any letter or article, signed or unsigned, in favor of or against any political party, candidate, faction, or measure.

Becoming a candidate for nomination or election to or holding office, Federal, State, or local.

Distributing campaign literature or material.

Circulating, but not signing, political petitions, including initiative and referendum, recall, and nomination petitions.

Assuming political leadership or becoming prominently identified with any political movement, party, or faction, or with the success or failure of any candidate for election to public office.

EXPRESSIONS OF OPINION

The right to express political opinions is reserved to Federal employees. Those employees who are in the classified civil service are required by the civil-service rules to confine themselves to a private expression of opinion.

POLITICAL ASSESSMENTS, SOLICITATIONS, AND DISCRIMINATIONS

Sections 118, 119, 120, and 121 of the Criminal Code (35 Stat. 1110), provide that no legislative officer, officer-elect, or candidate for election, and no executive or judicial officer or employee, shall solicit or receive or be concerned in soliciting or receiving any money or contribution for political purposes from any other officer or employee of the Government; that no solicitation or receipt of political assessments shall be made by any person in any room or building occupied in the discharge of official duties by any officer or employee of the United States; that no officer or employee shall be discharged or demoted for refusing to make any contribution for political purposes; and that no officer or employee of the Government shall directly of indirectly give or hand over to any other officer or employee in the service of the United States or to any Member or Delegate to Congress any money or other valuable thing for the promotion of any political object whatever.

Section 122 of the Criminal Code provides that whoever shall violate any provision of the four sections shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

Sections 149 and 150 of the United States Code (44 Stat. 918) provide that it shall be unlawful to pay or offer or promise to pay any sum of money, or any other thing of value, to any person, firm, or corporation in consideration of the use or promise to use any influence whatsoever to procure any appointive office under the Government of the United States for any person whatsoever; and that it shall be unlawful to solicit or receive from anyone whatsoever, either as political contribution or for personal emolument, any sum of money or thing of value whatsoever in consideration of the promise of support, or use of influence, or for the support or influence of the payee, in behalf of the person paying the money, or any other person, in obtaining any appointive office under the Government of the United States. Section 151 of the United States Code provides that anyone convicted of violating these two sections shall be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000, or by both such fine and imprisonment.

Further information is contained in Form 1236, a copy of which may be obtained from the Commission, its district managers, or any local civil-service board.

It is the duty of any person having knowledge of the violation of any of the foregoing provisions of the civil-service rules or Criminal Code to submit the facts to the United States Civil Service Commission, Washington, D. C.

UNITED STATES CIVIL SERVICE COMMISSION.

MARCH 11, 1940.

The EDITOR OF THE NEW YORK TIMES,
New York, N. Y.

DEAR SIR: The New York Times of Sunday, March 10, reports that a United States Senator advises by radio that citizens refuse to answer census questions which they consider an invasion of their privacy; that is, to break a law which makes them liable to fine or imprisonment. The legislator, to whom is entrusted the making of the laws, would seem to have rendered his full measure of service in this political year of 1940. I do not wish to comment further on the respect for law or the functions of a lawmaker, but rather to indicate an issue that has not yet, I believe, appeared in the public discussions of the census controversy. I refer to the damage to the census, an enterprise which is a difficult enough undertaking at all times.

The census has great difficulty, for instance, in even counting the numbers accurately in this age of travel. The Bureau of the Census, a nonpolitical body, spends years in trying to make the data more accurate, by conducting training schools, by giving psychological tests to enumerators, etc. Everyone should want reliable census data. A multiplication table, for instance, is needed by both Republicans and Democrats. But if a false multiplication table would serve political ends, I suppose there would be many who would falsify the multiplication table for political purposes. There are supposed to be standards below which one does not go even in fighting.

To build up clubs to resist the census, as Senator TOBEY is reported to be doing, may well destroy the reliability of the whole census. The census is the greatest single scientific undertaking by our Government. Upon it, as a base, rests all social science. There are tens of thousands of articles, books, and researches made on the census materials. The value of the census to business is incalculable. The science of marketing would be hamstrung without it, and its service is great to advertisers who are a necessity to newspapers. The knowledge of the census is as important to scientists and businessmen as a knowledge of concrete and steel is to engineers. Grand Coulee could not be built on defective concrete nor can a modern state function with inaccurate and unreliable census data. Every modern nation conducts an elaborate census.

As to the questions on wealth and income, they are of particular value to businessmen—if they are complete and accurate. They appear in the censuses of the world. We've had them before in previous censuses. We already collect data on incomes above $5,000. We have asked questions on income and wealth of farmers in censuses taken in the administrations of other Presidents, yet no one seems to have suffered in small communities from snooping, nor have objections been raised on these income questions. The present questions on income merely extend the inquiry to wage earners.

We admire our democracy. We go to war for it. But it should be realized that it cannot be run effectively without a census, nor with an inaccurate and unreliable one. It is a serious thing to destroy the confidence of the people in the census.

Sincerely yours,

WILLIAM F. OGBURN,
University of Chicago.

MARCH 19, 1940.

MY DEAR SENATOR TOBEY: Now that the little census blitzkrieg which you led so gallantly seems about to have spent its force, and since we are approaching the Easter season, when the spirit of charity and forgiveness should prevail, I am writing to ask you to join with me in binding up the wounds.

I am appealing to you to do this in the interest of a good census, and especially in the interest of more than 3,000 progressive cities whose chambers of commerce and leading citizens have organized to cooperate locally to see that the coming census is a good one. For, remember, these cities are about to have photographs taken which must be their official likenesses for the next 10 years, and it is important to them that the likenesses be sharply in focus.

These are the things which you can generously do now which will demonstrate that Americans, although partisans, can really get together for the common good after they have indulged in their political fun:

1. Write a letter, please, to Mrs. J. Warren Burgess, president of the Federation of Women's Clubs of Tulsa, Okla., telling her that you were in error when you announced over the radio that the census schedule of 1940 contained the question, "Have you ever been divorced?" Explain to her that you were in error in needlessly arousing the ire of many women, resulting in many violent protests to Members of Congress over a question which is not even in the schedule. Kindly explain to her that the question touching on this subject in the 1940 census is the same that has appeared in census schedules since 1890, and requires simply an indication of the "marital condition" of each person—man and woman—as of April 1, 1940. Each person will be listed as "single," "married," "widowed," or "divorced." If a divorced person is remarried, he or she will simply report "married," and there will be no probing into previous marital history. There will be no question on "how many times divorced," as you stated over the radio.

2. Please admit in your next radio address that when you stated that certain questions on occupation were asked only of men, and not of women, you were completely in error, as the fact is that all employed persons, both male and female, will be asked to indicate the occupation and industry in which they were employed during the week preceding the census, and unemployed persons, both male and female, will indicate the occupation and industry in which they were last employed. Please be generous enough to admit, therefore, that this question has no relation to mobilization for war but is intended simply to get basic statistics on the Nation's industrial and occupational skill.

3. Please be generous enough to admit that a large proportion of unemployment involves persons engaged in part-time employment and irregular employment, and that the best measure of the degree of such unemployment is the amount of wage income earned during the year. Be fair enough to explain that the main purpose of this inquiry on wages and salaries is to get a measure of this twilight zone between employment and unemployment; that the question on income involves only persons whose income is $5,000 and less and does not include income from dividends, interest, and other nonwage sources. It would be very helpful, in removing partisanship from the discussion of this question, if you would tell your followers that the congressional act directing the Census Bureau to make "inquiries on unemployment" was passed by a Congress controlled by your own party in 1929 and signed by a President of your own party.

4. Please be good enough to admit that the inquiry on home-mortgage data is not new in this census; that a Congress and a President (Benjamin Harrison), controlled by your own party, in 1890 directed the Census Bureau to obtain this information and that no survey of housing conditions in the United States could be complete without this essential information.

5. Please be frank enough to state the recognized truth that bath and toilet facilities in any home are, perhaps, the most important characteristics to indicate the kind of abode; that they are vital facts in arriving at or justifying claimed values; and that no housing census would be complete without them. Please explain that municipalities, public utilities, real-estate men, bankers, and health authorities need these statistics to govern extensions of facilities in cities, and that these inquiries are for the public good.

6. Won't you please help to make your followers understand that the Census Bureau through 150 years has never violated the law

requiring secrecy; that all of its executive staff, except the Director, is civil service; that the present Director, although a Democrat, has spent 40 years in the service, rising from a clerkship to the top; that he received most of his promotions during administrations of your own party; that he became Assistant Director during the administration of President Hoover; that even now our Assistant Director is a Massachusetts Republican, and that our Chief Statistician for Population, who entered the service 30 years ago during the Taft administration, and the man who probably has had more to do in framing the income questions than any other man, is a Maine Republican?

7. Please be fair enough to admit that if there is any justified criticism over the manner of selecting local enumerators, such correction would be a responsibility of Congress, and that all censuses except one since 1870 have been conducted by a field force selected by your own party. I appeal to you in this manner because the quality and completeness of these 10-year surveys are of vital interest to men and women of all parties. They cannot be completely successful without public cooperation and to arouse public resistance through incorrect statements and improper implications is taking a desperate chance with public welfare.

With a sincere desire to have your cooperation rather than your opposition, I appeal to you to join in making the 1940 census successful. I appeal to you without any resentment for what has happened, for I realize that to err is human, to forgive divine.

Respectfully yours,

W. L. AUSTIN, *Director*.

HON. CHARLES W. TOBEY,
United States Senate, Washington, D. C.

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 REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. HILL in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of David A. Pine to be associate justice of the District Court of the United States for the District of Columbia.

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

The legislative clerk read the nomination of Edward M. Curran to be United States attorney for the District of Columbia.

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

The legislative clerk read the nomination of John E. Hushing to be United States marshal for the district of the Canal Zone.

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

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of Carl R. Arnold to be Production Credit Commissioner.

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

The legislative clerk read the nomination of Roy M. Green to be Land Bank Commissioner.

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

POSTMASTERS

The legislative clerk read the nomination of Dorothy B. Keeling, to be postmaster at Camp Taylor, Ky., which had been passed over.

Mr. McKELLAR. Mr. President, I ask that this nomination be passed over again.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the other nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That concludes the executive calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until tomorrow at 11 o'clock out of respect to the memory of Charles F. Pace, the late financial clerk of the Senate.

The motion was unanimously agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess, the recess being under the order previously made, until tomorrow, Thursday, March 21, 1940, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20 (legislative day of March 4), 1940

ASSOCIATE JUSTICE OF THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

David A. Pine to be an associate justice of the District Court of the United States for the District of Columbia.

UNITED STATES ATTORNEY

Edward M. Curran to be United States attorney for the District of Columbia.

UNITED STATES MARSHAL

John E. Hushing to be United States marshal for the district of the Canal Zone.

FARM CREDIT ADMINISTRATION

Carl R. Arnold to be production credit commissioner in the Farm Credit Administration.

Roy M. Green to be land-bank commissioner in the Farm Credit Administration.

APPOINTMENTS IN THE REGULAR ARMY

Clifford Lee Corbin to be assistant to the quartermaster general, with the rank of brigadier general.

Joseph Edward Barzynski to be assistant to the quartermaster general, with the rank of brigadier general.

Charles Dudley Hartman to be assistant to the quartermaster general, with the rank of brigadier general.

APPOINTMENT TO TEMPORARY RANK IN THE AIR CORPS, IN THE REGULAR ARMY

Walter Grant Bryte, Jr., to be major.

PROMOTIONS IN THE REGULAR ARMY

Thomas Hay Nixon to be major, Ordnance Department.
James McKinzie Thompson to be captain, Air Corps.
Gerald Hoyle to be captain, Air Corps.
Arthur Francis Merewether to be captain, Air Corps.
Jarred Vincent Crabb to be captain, Air Corps.
Tom William Scott to be captain, Air Corps.
John Hubert Davies to be captain, Air Corps.
Anthony Quintus Mustoe to be captain, Air Corps.
Edwin William Rawlings to be captain, Air Corps.
Julius Kahn Lacey to be captain, Air Corps.
Theodore Bernard Anderson to be captain, Air Corps.
George Frank McGuire to be captain, Air Corps.
Oliver Stanton Picher to be captain, Air Corps.
Dyke Francis Meyer to be captain, Air Corps.
Hugh Francis McCaffery to be captain, Air Corps.
Minthorne Woolsey Reed to be captain, Air Corps.
Morley Frederick Slaght to be captain, Air Corps.
Roy Dale Butler to be captain, Air Corps.
Berkeley Everett Nelson to be captain, Air Corps.
Archibald Johnston Hanna to be captain, Air Corps.
Richard August Grussendorf to be captain, Air Corps.

John Hiett Ives to be captain, Air Corps.
Frederick Earl Calhoun to be captain, Air Corps.
Carl Ralph Feldmann to be captain, Air Corps.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

Raymond Hartwell Fleming to be brigadier general, National Guard of the United States.

POSTMASTERS

NORTH CAROLINA

Margueritte G. Blanchard, Woodland.

OKLAHOMA

Ben Cox, Boise City.
Louis F. Dievert, Covington.
Ray M. Hubbert, Fargo.
Elmer C. Hoops, Fort Cobb.
Howard J. Dunavant, Jet.
Robert F. Rind, Pine Valley.
James M. Crabtree, Weatherford.
Fred Allison, Westville.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 20, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God of heaven and earth, in this varied world of ours, quivering with the unexpected, tremulous with breaking wonders, swift with speaking horrors, veiled with unplucked mysteries, help us to say: It is God's world and good for man to be in it. O let it not be too much with us to lay waste our powers. Heavenly Father, some of us are journeying through the earlier years, some are rushing through the noontide of prime, and yet others are on the summit of age. As we face toward the sealed mysteries, we pray for Thy blessings of grace, love, and communion to be with us. O eternal Christ of God, holy Saviour, in sinful tendencies, in human unworthiness, we would bear with Thee the scourge and the cross. The very breath of the Almighty is moving on, the hush of expectation is upon the air as our Lord enfolds the world in His deathless arms of love and mercy. O grant us the spirit of devotion, the courage to confess our undying faith; do Thou comfort us with the thoughts that overleap the flight of time and give us vision of our immortal destiny. We rejoice that it is Thine only begotten Son that harmonizes the soul with its universe, and its Maker for time and eternity. In His holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees 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. 8641) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, to provide supplemental appropriations for such fiscal year, and for other purposes"; that it further insists upon its amendments to said bill, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1398. An act to amend the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, as amended, to increase the penalties for peacetime violations of such act.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a table on the national debt.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a statement by Mr. Joseph McFadden, union delegate, Franklin Sugar Refining Co., at a meeting called by the mayor of Philadelphia on December 14, 1939.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address I delivered in Chicago.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief statement in the New York Post on the activity of the W. P. A. throughout the United States.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, newspaper dispatches yesterday and today carried certain utterances reported to be delivered by the Honorable James H. R. Cromwell, United States Minister to the Dominion of Canada, in a speech before the Canadian and Empire Clubs of Toronto, Canada, March 19, 1940, in which our Minister is quoted as attacking the isolationist's policy of the United States in the present European war, and asserting that one of the warring powers of Europe, to wit, Germany "Frankly and openly seeks to destroy the institutions and social and economic order upon which the United States is founded."

I have just introduced a resolution directing the Foreign Affairs Committee of the House of Representatives to conduct an investigation to determine the truth or falsity of such statements, and if they be true that they recommend to the President of the United States that the said James H. R. Cromwell be recalled forthwith. I append at this point in the RECORD the said resolution:

Whereas newspaper dispatches today report that in a speech on March 19, 1940, delivered before the Canadian and Empire Clubs at Toronto, Canada, Hon. James H. R. Cromwell, United States Minister to Canada, is quoted as criticizing American isolationists, and asserting that one of the warring powers in Europe openly seeks to destroy the institutions and social and economic order upon which the United States is founded; and

Whereas if such utterances are true, they constitute a flagrant and disgraceful breach of diplomatic conduct, and an affront to our established neutrality affecting all the warring powers of Europe: Therefore be it

Resolved, That the Committee on Foreign Affairs in the House of Representatives do and are hereby directed and authorized to investigate and make inquiry concerning the truth or falsity of such utterances, and if the same be found to be true that said committee make recommendation to the President of the United States that the said James H. R. Cromwell, United States Minister to the Dominion of Canada be recalled forthwith.

Mr. Speaker, it appears that in our Minister to Canada we have the reincarnation of a former Ambassador to Great