National Labor Relations Board and the Wage and Hour Administration; to the Committee on Labor.

7202. Also, petition of the International Association of Machinists, protesting against reduction in appropriations for National Labor Relations Board and Wage and Hour Administration; to the Committee on Labor.

7203. Also, petition of the United Federal Workers of America, New York Regional Council, supporting House bill 6327, which will allow automatic increases in salary for customs employees; to the Committee on Ways and Means.

7204. Also, petition of the New York State Industrial Union Council of the Congress of Industrial Organizations, representing 900,000 members, protesting against reduction of appropriations for National Labor Relations Board and Wage and Hour Administration; to the Committee on Labor.

7205. Also, petition of the Transport Workers Union of America, opposing reduction in appropriation for National Labor Relations Board and Wage and Hour Administration; to the Committee on Labor.

7206. Also, petition of the New York Joint Board, Textile Workers' Union of America, opposing reduction in appropriations for the National Labor Relations Board and Wage and Hour Administration; to the Committee on Labor.

7207. Also, petition of the Steel Workers Organizing Committee, opposing reduction in appropriation bill for National Labor Relations Board and Wage and Hour Administration; to the Committee on Labor.

7208. Also, petition of the Utility Workers Organizing Committee, opposing reduction in appropriations for National Labor Relations Board and Wage and Hour Administration; to the Committee on Labor.

7209. By Mr. MARTIN J. KENNEDY: Petition of the American Communications Association, New York City, Postal Local 36-A, concerning reduced appropriations for the National Labor Relations Board and Wage and Hour Administration; to the Committee on Appropriations.

7210. Also, petition of the International Association of Machinists, Washington, D. C., concerning reductions in the budgets of the Wage and Hour Division of the Department of Labor and the National Labor Relations Board; to the Committee on Appropriations.

7211. Also, petition of the United Cigar Workers Union, Local No. 273, New York City, concerning reduction in appropriations for the National Labor Relations Board and the Wage and Hour Administration; to the Committee on Appropriations.

7212. Also, petition of the United Cannery Agricultural Workers, District No. 7, New York, concerning reduction in appropriations for the National Labor Relations Board and Wage and Hour Administration; to the Committee on Appropriations.

7213. By Mr. KEOGH: Petition of the New York State Industrial Union Council, opposing any reduction of appropriation for National Labor Relations Board and Wage and Hour Division; to the Committee on Labor.

7214. Also, petition of Michael J. Quill, Transport Workers Union of America, opposing any reduction in appropriation for National Labor Relations Board and Wage and Hour Division; to the Committee on Labor.

7215. Also, petition of the International Association of Machinists, Washington, D. C., concerning reductions of the Wage and Hour Division and National Labor Relations Board; to the Committee on Labor.

7216. Also, petition of Central Queens Allied Civic Council, Inc., Jamaica, Queens County, N. Y., favoring the Barry bill (H. R. 7636), providing for a 2-cent postage rate on first-class mail matter within the boundaries of the county of Queens, N. Y.; to the Committee on the Post Office and Post Roads.

7217. Also, petition of the Union Bag and Paper Corporation, New York City, concerning the Sugar Act of 1937; to the Committee on Foreign Affairs.

7218. Also, petition of the Furriers Joint Council of New York City, opposing any reduction in appropriation for the National Labor Relations Board and Wage and Hour Division; to the Committee on Labor.

7219. Also, petition of the Utility Workers Organizing Committee, opposing any reduction in appropriation for National Labor Relations Board and Wage and Hour Division; to the Committee on Labor.

7220. By Mr. RAYBURN: Petition of sundry citizens of Fannin County, Tex., to restore the disability allowance to veterans of the World War who were cut off the rolls by the Economy Act; to the Committee on World War Veterans' Legislation.

7221. By Mr. TINKHAM: Petition of sundry residents of Massachusetts favoring enactment of the General Welfare Act (H. R. 5620); to the Committee on Ways and Means.

7222. By the SPEAKER: Petition of the United Furniture Workers of America, Local 616, Congress of Industrial Organizations, New Castle, Ind., petitioning consideration of their resolution with reference to Senate bill 591 concerning the United States Federal Housing Authority; to the Committee on Banking and Currency.

7223. Also, petition of the Mary Jemison Chapter, National Society, Daughters of the American Colonists, New York, N. Y., petitioning consideration of their resolution with reference to set aside August 25 as "Mary Ball, Mother of Washington Day"; to be observed annually with proper ceremonies throughout the Nation, in commemoration of Mary Ball Washington, the mother of George Washington, the Father of his Country; to the Committee on the Judiciary.

7224. Also, petition of L. R. Bowker, of Rock Island, Ill., and others, petitioning consideration of their resolution with reference to the Hatch bill (S. 3046); to the Committee on the Judiciary.

7225. Also, petition of the International Association of Bridge, Structural and Ornamental Iron Workers, Local 172, petitioning consideration of their resolution with reference to United States Housing Authority program; to the Committee on Banking and Currency.

7226. Also, petition of the United Cannery, Agricultural, Packing, and Allied Workers of America, Congress of Industrial Organizations, Local No. 32, Elwood, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

SENATE

THURSDAY, MARCH 28, 1940

(Legislative day of Monday, March 4, 1940)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O Lord, our heavenly Father, the high and mighty Ruler of the universe, who dost from Thy throne behold all the dwellers upon earth: Most heartily we beseech Thee, with Thy favor to behold and bless Thy servant the President of the United States, and all others in authority; and so replenish them with the grace of Thy Holy Spirit, that they may always incline to Thy will, and walk in Thy way. Endue them plenteously with heavenly gifts; grant them in health and prosperity long to live; and finally, after this life, to attain everlasting joy and felicity; through Jesus Christ 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 Wednesday, March 27, 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 a bill (H. R. 7806) to authorize the striking of an

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appropriate medal in commemoration of the three hundredth anniversary of the establishment of Greenwich, Conn., as a town, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1955. An act to authorize the Secretary of Agriculture to delegate certain regulatory functions; and

H. R. 6724. An act to provide for the prompt deportation of aliens engaging in espionage or sabotage, alien criminals, and other undesirable aliens.

CALL OF THE ROLL

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

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Nebraska [Mr. BURKE], the Senator from Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Illinois [Mr. SLATTERY], the Senator from Missouri [Mr. TRUMAN] are absent from the Senate on public business.

The Senator from Montana [Mr. WHEELER] is unavoidably detained from the Senate.

The PRESIDENT pro tempore. Eighty-five Senators having answered to their names, a quorum is present.

ALFRED G. BALLS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Alfred G. Balls, former special disbursing agent, Alaska Railroad, Anchorage, Alaska, which, with the accompanying paper, was referred to the Committee on Claims.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, War, Justice, the Post Office, the Navy, the Interior, Agriculture, Commerce, and Labor (3), the Federal Security Agency, the Federal Works Agency (2), and the Government Printing Office, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

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

EXTENSION OF TIME FOR JOINT COMMITTEE ON FORESTRY TO REPORT

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 51, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the time for making the report of the Joint Committee on Forestry (established pursuant to S. Con. Res. 31, 75th Cong.) is hereby extended to April 1, 1941, and any amounts available for the expenses of such committee shall be available for expenditure until such date.

Mr. BANKHEAD. Mr. President, the same day House Concurrent Resolution 51 was passed the Senate passed an exactly similar resolution. They have crossed each other. Each House has passed a concurrent resolution, but the same resolution has not passed both Houses. There is no opposition to the measure. There is nothing in it but an extension of time for filing the report. I ask unanimous consent for the present consideration and adoption of the House concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of the Illinois Department of the Polish American Council for Relief in Poland, Chicago, Ill., praying that the rendering of all aid and relief from the American people for the peoples of Poland and Czechoslovakia be supervised through American agencies and not through the German Red Cross, which was referred to the Committee on Foreign Relations.

Mr. WILEY presented a resolution of the Board of Supervisors of Milwaukee County, Wis., protesting against reduction of the appropriation for the W. P. A. and consequent increase of the relief load in Milwaukee County, which was referred to the Committee on Appropriations.

Mr. BARBOUR presented the following concurrent resolution of the Legislature of the State of New Jersey, which was referred to the Committee on Agriculture and Forestry:

Whereas beach erosion in several of the municipalities bordering along the Atlantic Ocean in the State of New Jersey and particularly along the shores of Cape May County is continuing to an alarming extent, causing destruction of bathing beaches and valuable property of the public; and

Whereas these beaches are visited by large numbers of people in the summer months from all parts of the Nation seeking health and recreation; and

Whereas valuable tax property is being destroyed and finances of the municipalities are not sufficient to successfully combat this erosion; and

Whereas the loss caused by this erosion is one of national significance: Now, therefore, be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring), That the Congress of the United States is hereby memorialized to recognize the condition as set forth in the preamble of this resolution as one of national significance, and that such proper steps be taken to appropriate moneys sufficient in amount to give such financial aid as may be necessary to cope with the problem and directly aid the prevention of further erosion; and be it further

Resolved, That true copies of this resolution, signed by the speaker and attested by the clerk, be forthwith transmitted to the Representatives of New Jersey in both Houses of Congress, the President of the Senate and the Speaker of the House of Representatives.

Mr. BARBOUR also presented the following resolution of the House of Assembly of the State of New Jersey, which was referred to the Committee on Commerce:

Whereas the Federal Government is about to take the decennial census of the inhabitants of the United States; and

Whereas advance information indicates it is proposed to extend the data to be collected to a point that will prove embarrassing to and violate the privacy of the citizens of this country; and

Whereas there is a growing resentment from the people of New Jersey against certain of the proposed questions which they are to be interrogated upon, the claim being that they transgress their constitutional rights and privileges and tend to destroy the secrecy of their personal affairs: Now, therefore, be it

Resolved, That we members of the House of Assembly of the State of New Jersey, having the best interests of our citizens at heart, do hereby oppose this proposed infringement upon the privacy of the personal affairs of our citizens; and be it further

Resolved, That we urge our Representatives in Congress to support any move to prevent any such imposition and unnecessary snooping into the private affairs of the people of this country; and be it still further

Resolved, That a copy of this resolution signed by the speaker and attested by the clerk be forwarded promptly to each Representative in Congress from the State of New Jersey and to the Vice President of the United States and Speaker of the House of Representatives in Congress.

The VICE PRESIDENT laid before the Senate a resolution identical with the foregoing, which was referred to the Committee on Commerce.

REPORTS OF COMMITTEES

Mr. CHANDLER, from the Committee on the Judiciary, to which was referred the bill (S. 2303) authorizing the continuance of the Prison Industries Reorganization Administration, established by Executive Order No. 7194, of September 26, 1935, to June 30, 1941, reported it without amendment and submitted a report (No. 1348) thereon.

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 993) for the relief of J. H. Wootton, reported it with amendments and submitted a report (No. 1349) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 3233) for the relief of C. T. Jensen, reported it with an amendment and submitted a report (No. 1350) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 4561) for the relief of Mrs. George C. Hamilton and Nanette Anderson, reported it with an amendment and submitted a report (No. 1351) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 5812. A bill for the relief of Marguerite P. Carmack (Rept. No. 1352); and

H. R. 5866. A bill for the relief of Howard Daury (Rept. No. 1353).

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (H. R. 658) for the relief of the estate of Dr. B. L. Pursifull, Grace Pursifull, Eugene Pursifull, Ralph Pursifull, Bobby Pursifull, and Dora Little, reported it with amendments and submitted a report (No. 1354) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2487. A bill for the relief of Krikor Haroutunian (Rept. No. 1355);

H. R. 5928. A bill for the relief of Ella Ragotski (Rept. No. 1356); and

H. R. 7855. A bill for the relief of Morrison-Knudson Co., Inc., and W. C. Cole (Rept. No. 1357).

Mr. TYDINGS, from the Committee on the District of Columbia, to which was referred the bill (H. R. 3838) to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed, reported it without amendment and submitted a report (No. 1358) thereon.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

BILLS INTRODUCED

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

By Mr. BULOW:

S. 3681 (by request). A bill to amend section 8 (a) of the Independent Offices Appropriation Act approved June 16, 1933, to conform with the amendment of the Independent Offices Appropriation Act, approved June 30, 1935; to the Committee on Civil Service.

By Mr. CHANDLER:

S. 3682. A bill for the relief of the estate of Dr. A. G. Lovell; to the Committee on Claims.

By Mr. KING (for Mr. WHEELER):

S. 3683. A bill to remove the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects; to the Committee on Agriculture and Forestry.

By Mr. SCHWELLENBACH (for Mr. BURKE):

S. 3684. A bill to provide for the reimbursement of certain officers and men of the Coast and Geodetic Survey for the value of personal effects lost, damaged, or destroyed in a fire aboard the Coast and Geodetic Survey launch *Mikawe* at Norfolk, Va., on October 27, 1939; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 3685. A bill to amend the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 28, 1938; to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 7806) to authorize the striking of an appropriate medal in commemoration of the three-hundredth anniversary of the establishment of Greenwich, Conn., as a town, was read twice by its title and referred to the Committee on Banking and Currency.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—AMENDMENT

Mr. ADAMS submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which was ordered to lie on the table and to be printed.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. WAGNER submitted an amendment proposing to appropriate not to exceed $20,000 for the establishment and maintenance of a mine rescue station to serve the New York and New England area, intended to be proposed by him to House bill 8745, the Interior Department appropriation bill, 1941, which was referred to the Committee on Appropriations and ordered to be printed.

ADDRESS BY SENATOR VANDENBERG ON THE ISSUES IN THE NOVEMBER ELECTION

[Mr. McNARY asked and obtained leave to have printed in the RECORD a radio address on the issues in the November election delivered by Senator VANDENBERG on Monday, March 25, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR MINTON ON HATCH BILL

[Mr. BANKHEAD asked and obtained leave to have printed in the RECORD a radio address on the subject of the Hatch bill, delivered by Senator MINTON, which appears in the Appendix.]

SENATOR GUFFEY, OF PENNSYLVANIA

[Mr. HUGHES asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Record of March 28, 1940, under the heading "Why GUFFEY should be renominated," which appears in the Appendix.]

EDITORIALS PERTAINING TO THE CENSUS

[Mr. TOBEY asked and obtained leave to have printed in the RECORD editorials pertaining to the 1940 census from the Cincinnati Times-Star, the Easton (Pa.) Express, the St. Louis Globe-Democrat, the Salem (Oreg.) Journal, the Concord (N. H.) Monitor, the Oregon Journal, the Kennebec Journal, the New York Sun, the Colorado Springs Gazette, the Bayonne (N. J.) Times, and the Ashland (Ky.) Independent, which appear in the Appendix.]

OPINION OF SUPREME COURT IN ETHYL GASOLINE CORPORATION ET AL. AGAINST UNITED STATES

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD the opinion of the Supreme Court of the United States in the case of Ethyl Gasoline Corporation et al. against the United States of America, which appears in the Appendix.]

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

[Mr. MEAD asked and obtained leave to have printed in the RECORD a letter from the Buffalo Chamber of Commerce, of Buffalo, N. Y., and a telegram from Mrs. Joseph Palmer, president of the East Aurora (N. Y.) League of Women Voters, relative to the proposed extension of the Reciprocal Trade Agreements Act, which appear in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD a letter from F. E. Mollin, secretary-treasurer of the American National Live Stock Association; an article from National Wool Clip for March 15, 1940; and an article printed in the Grand Forks Herald of February 25, 1940, entitled "Trade Pacts Damaging Agriculture, Buttz Says," all relating to the subject of reciprocal-trade agreements, which appear in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS—EDITORIAL FROM DES MOINES REGISTER

[Mr. HERRING asked and obtained leave to have printed in the RECORD an editorial from the Des Moines Register entitled "Do We Repudiate Dolliver?" pertaining to the Trade Agreements Act, which appears in the Appendix.]

EDITORIAL BY PAUL BLOCK ON BUSINESS RECOVERY

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial by Paul Block on the subject of business recovery published in the Pittsburgh Post-Gazette of March 25, 1940, which appears in the Appendix.]

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. GEORGE. Mr. President, I hope to be as brief this morning as I may. In order to accomplish that purpose I shall confine myself to a discussion of the question of the delegation of power under the Reciprocal Trade Agreements Act.

In approaching the question of what is and what is not a forbidden delegation of legislative power, it is essential to remember that this is a matter which cannot be settled by the mere application of a rigid formula. The particular legal principle involved is laid down in the first line of article I of the Constitution, where it is stated that—

> All legislative powers herein granted shall be vested in a Congress of the United States. * * *

Our courts and great jurists have recognized that this is one of the constitutional questions which, under our system of government, can be answered wisely only when the general legal principle has been illuminated by the underlying realities of our statecraft.

Coming directly to the Hampton case, Mr. President, Mr. Chief Justice Taft brought the whole question into clear focus in that case when he spoke of the flexible provisions of the act of 1922, as follows (*Hampton Co.* v. *United States*, 276 U. S. 394):

> In determining what it [the Congress] may do in seeking assistance from another branch [the Executive], the extent and character of that assistance must be fixed according to common sense and the inherent necessities of the governmental coordination.

Further quoting:

> If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not forbidden delegation of legislative power.

The vital relationship of the Trade Agreements Act to the "common sense and inherent necessities of the governmental coordination," of which Mr. Chief Justice Taft spoke, is fully seen when we think of this act in its true bearing as an exercise by Congress of the power to regulate commerce rather than as a taxing measure. There cannot be the slightest doubt that this is the light in which the act would be appraised by our courts, as I attempted to show yesterday.

There is no need to review here the situation which required Congress to take this step to protect and promote our overseas commerce. The record of congressional consideration of this measure in 1934, 1937, and 1940 gives concrete and unmistakable meaning to the express statement in the act that it is a measure "for the purpose of expanding foreign markets for the products of the United States."

Mr. President, it will be recalled that reference was made yesterday to the University of Illinois case; and I do not care to quote the language which I cited yesterday, but I do wish to quote a little further from the opinion in that case. This was said with reference to the Tariff Act:

> The purpose to regulate foreign commerce permeates the entire congressional plan. The revenue resulting from the duties "is an incident to such exercise of the power. It flows from but does not create the power."

The Trade Agreements Act is essentially an effort to regulate our foreign commerce so as to restore a mutual and beneficial flow of trade. As the greatest business community in the world, perhaps, we certainly know that there can be no one-way trade lane, that trade must be mutually profitable in order to be sustained at all.

Mr. Chief Justice Hughes, in the quotation which I have already read, said further:

> Congress may, and undoubtedly does, in its tariff legislation consider the conditions of foreign trade in all its aspects and effects. Its requirements are not the less regulatory because they are not prohibitory or retaliatory.

In enacting the so-called flexible tariff provisions in 1922 and 1930 Congress was primarily concerned with attempting to regulate imports in accordance with difference in costs of production at home and abroad, a theory running through those two tariff acts. During recent years the situation of world trade was such that it was imperative for Congress to address itself quickly and effectively to another vital aspect of our foreign commerce theretofore largely neglected, namely, the distribution of our goods in foreign markets. That was a point which I undertook to emphasize in my address yesterday.

The Trade Agreements Act rests upon the principle of bargaining to open foreign channels of distribution and markets so as to restore a normal flow of trade. This could not be accomplished by merely dealing with tariff duties, which are only one means of regulating the flow of international trade. In fact, in many cases the principal restrictions to our trade encountered in other countries have not been tariffs but rather quotas, exchange control, and other more stringent forms of governmental regulation.

This is well illustrated in the Netherlands agreement. The Netherlands maintain a very low tariff, a tariff which might be properly described as a tariff for revenue. The general level of the Netherlands duties on exports from the United States to the Netherlands is probably in the neighborhood of 10 to 12 percent, but there were other measures which were adopted and which had to be guarded against in the agreement in order to continue the flow of commerce and trade with that government.

Mr. President, the Trade Agreements Act was designed to and in practice has permitted us to deal with all those varying types of trade regulation which have been used by other governments. Likewise, on our part we have in the trade agreements, whenever necessary, used such devices as customs quotas in order to permit the restoration of trade, and at the same time to safeguard the normal flow of trade from untoward developments.

Yesterday, at the conclusion of what I stated in the Senate, the question arose as to whether any court review was possible under the reciprocal-trade agreements. Some facts have been brought to my attention, and on further reflection I think there is no question of doubt that the quotas proclaimed by the President, imposed under the Trade Agreements Act, open the way for a definite and clear test of the validity and constitutionality of the Trade Agreements Act.

Under section 514 of the Tariff Act I think, on reflection, the conclusion is compelled that when imports from a given country reach the level of the quota fixed by the United States, and any importer is then denied the right to bring in further merchandise of a particular description, the way is open in the courts for a fair, square, direct, and immediate test of the constitutionality of the whole act, because the quotas have been fixed, as well as duties modified or changed within the 50 percent range, up or down, under the Trade Agreements Act.

Perhaps there are other ways in which the question can be raised, but I do not believe there is a doubt that the question

can be raised, and can be raised now, because the quota imposed upon certain Canadian imports certainly will reach, if it has not already reached, the limit of the quota. The moment that limit is reached, it is open to any importer, or to any person desiring to import a further quantity of the articles subject to the quota, to raise the question of validity of the quota imposed under the Trade Agreements Act.

Mr. President, the Congress could not effectively deal with this situation in any other way than by setting up a flexible procedure which could operate through negotiations with the various foreign countries. We all understand that there must be a certain amount of flexibility in handling any problem by negotiation. This point I tried to emphasize yesterday in the debate.

Let us see, now, whether the principle declared in the Trade Agreements Act is an intelligible principle laid down by the legislative branch of the Government within the rule in the Hampton case, in which case there was a unanimous decision of the Supreme Court. The Trade Agreements Act has but one purpose—and I invite Senators who are now present to follow what I am about to say as closely as they can, in view of other things which may be somewhat distracting. The Trade Agreements Act has but one purpose, namely, "expanding foreign markets for the products of the United States." The Congress has prescribed the limitations and policies to which the President must conform in carrying out this purpose through the negotiation of foreign trade agreements. The law fixes a basic limitation, in the first place, of 50 percent within which tariff modifications may be made. Within this basic limitation, the President must adhere to the policy prescribed in the act of—

> Regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production, and so that foreign markets will be made available * * * by affording corresponding market opportunities for foreign products in the United States.

Thus, the adjustments made must be determined, within the basic 50-percent limitation, by both "the characteristics and needs of various branches of American production" and the "corresponding market opportunities" which are made available to American producers by the concessions secured from the other government in the agreement.

The tariff adjustments made under the act are subject both to the basic limitation of 50-percent changes and the facts found in regard to the needs and characteristics of various branches of American production. The actual determination of the rates within these two limitations is governed by the corresponding market opportunities for American producers which the other government makes available by its concessions. In short, within the bargaining range fixed by the two limitations mentioned above, the trade-agreement tariff rates and the other provisions for regulating the flow of our foreign commerce are determined pursuant to the intelligible principle of bargaining for "corresponding market opportunities."

Mr. President, the act provides further that only such tariff modifications may be made as are required or appropriate to carry out any foreign trade agreement. This means that only those products may be affected which are of sufficient interest to a foreign country to warrant its agreeing on its part to grant compensatory concessions on our exports.

It will be seen that the bargaining process prescribed in the act constitutes a very definite limitation on the items which may be dealt with at all, as well as a standard or principle, as has been stated above, which guides the Executive in determining the actual reductions which are to be made.

Finally, it is to be noted that no agreement may be entered into unless the President finds as a fact that existing duties or other import restrictions of the United States or of the foreign country in question are unduly burdening and restricting the foreign trade of the United States, and that the purpose of the act will be promoted by such an agreement.

It can be stated emphatically that the experience of the past 6 years, during which some 20 trade agreements have been concluded, has demonstrated that these limitations and standards have real significance in guiding the action of the Executive in carrying out the policy laid down by Congress.

In the first place, the basic 50-percent limitation prescribed by the law has cut the field of possible action in half. Secondly, before negotiations are commenced with any country the interdepartmental trade agreements organization, which is made up of experts representing the Tariff Commission, and the Departments of State, Agriculture, Commerce, and Treasury, and other interested Government agencies, makes a thorough study of each product which might be the subject of a concession by this country to the other country. In the case of each such item the characteristics and needs of various branches of American production are carefully studied and as the result of these studies some items are eliminated from consideration entirely, on other items the particular reductions which might be justified, within the 50-percent range of action, are determined by the facts found with respect to the characteristics and needs of domestic production.

At this point, Mr. President, I wish to insert the statement of Commissioner Fox, of the Tariff Commission, before the Committee on Ways and Means, descriptive of the factual inquiries made and of the actual steps taken in the negotiation of a reciprocal-tariff agreement.

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

The statement is as follows:

> Under the reciprocal trade agreements program, involving as it does complex and highly technical problems, there has been developed an effective procedure for gathering and analyzing factual data, and a system of checks and balances has been evolved. To insure the proper consideration of the material gathered, a number of agencies have been set up. Before any agreement is formulated, these agencies examine thoroughly all available information bearing on the trade between the United States and the country with which negotiations are under consideration. To this work are assigned competent technical, economic, and other experts, who review and sift the mass of pertinent information furnished by domestic producers, trade associations, and others interested in the commodities that may be affected.
>
> Since the trade agreements program was initiated during the depression, each agreement had to be planned with extreme caution. The selection of commodities on which the rates of duty were to be reduced demanded meticulous care. To effect any modification of trade barriers by foreign countries the United States had to reduce some of the tariffs, but tariffs could not be indiscriminately reduced. The level to which particular rates could be lowered and the effect of each change had to be judiciously weighed. This could best be done by experts and organizations qualified to examine objectively the economic and competitive factors affecting the trade in each commodity.
>
> Since tariff revision by Executive authority through negotiations with foreign governments represents a new procedure in American administrative practice, new machinery had to be created. New agencies had to be set up and a new procedure developed for handling the work. Direct responsibility for the work is vested in the Department of State, which has charge of the actual negotiations of all agreements. All departments interested, however, are represented on interdepartmental committees; these committees assist in the preparation of the necessary material, review all data, consider all problems, and make decisions subject to approval by higher officials. As a result of the 5 years' operation of the trade agreements program, there is now closer cooperation between the departments in foreign trade matters than ever before.
>
> The agencies and steps involved in the trade-agreements procedure are as follows:
>
> A. Agencies:
>
> 1. Trade Agreements Division.
> 2. Interdepartmental Trade Agreements Committee.
> (a) Country subcommittees.
> (b) Commodity subcommittees.
> (c) Special subcommittees.
> 3. Committee for Reciprocity Information.
>
> B. Procedure:
>
> 1. Exploration.
> 2. Formal notice of intention to negotiate.
> 3. Hearings by Committee for Reciprocity Information.
> 4. Studies by committees.
> 5. Negotiations.
> 6. Proclamation.
>
> From our observation, no other country in the world has our facilities for gathering the underlying facts. In a number of the agreements negotiated there were instances of our having more complete information regarding trade matters for the particular country than did its negotiators.
>
> A. AGENCIES
>
> 1. Trade Agreements Division of State Department: Upon the passage of the Reciprocal Trade Agreements Act, the Department

of State created a new division, that of Trade Agreements. This Division handles all trade-agreement matters in the Department of State and coordinates the trade-agreement activities of the different departments. The Chief of this Division is Mr. Harry Hawkins. In 30 years' experience inside and outside the Government, I have met few men more conscientious or with finer character and greater ability than Mr. Hawkins.

2. Interdepartmental Trade Agreements Committee: This committee is composed of representatives of the Departments of State, Commerce, Agriculture, and Treasury, and of the United States Tariff Commission. The Chief of the Trade Agreements Division of the State Department is its chairman.

The Interdepartmental Trade Agreements Committee directs all necessary studies, reviews the reports and recommendations of its subcommittees, and approves, subject to final approval by the Secretary of State and the President, all details of the agreements. This committee in turn has organized a number of supporting committees, the most important of which are the "country" committees.

(a) Country subcommittees: For each country with which a trade agreement is contemplated, or is in process, a subcommittee is organized. It is composed of representatives from the various departments. Each country committee prepares reports giving the economic background and the trade between the United States and the country with which an agreement is contemplated, together with a detailed analysis of the economic factors pertinent to each commodity concerning which a concession is to be considered.

The representatives of the Tariff Commission supply these committees with data concerning each import item on which a concession may be granted to the particular country. The representatives of the Commerce Department furnish the data on export items on which the United States may request concessions. Experts of the Department of State prepare the so-called general provisions of each trade agreement, and the Department of Agriculture furnishes special information on agricultural commodities. The representatives of the Treasury supply information on customs and tariff classifications.

The country and trade-agreements committee are in a position to take a realistic view of the concessions the particular country is likely to demand and of its attitude toward our requests, for the committee, usually has sitting with them, during the preparation and review of the basic material, and sometimes during the negotiations, the American commercial attaché stationed in that country. The country subcommittees report directly to the Trade Agreements Interdepartmental Committee. I want to point out, too, that the members of these country committees do not have an easy time when they come before the Interdepartmental Trade Agreements Committee. They must be prepared on the basic economic facts to be considered and they must be able to defend any suggestion they make. And, likewise, the trade-agreements committee must be able to justify its recommendations before the higher officials.

These country subcommittees continue in existence even after the trade agreement has been consummated, watching carefully the import and export trade with the particular country and being ready to help solve any trade agreement problem that may arise pertaining to the country. It must be obvious that the members of the country committees, selected in the first instance for their expert knowledge, have had the opportunity to become thoroughly versed in the trade of the country and the economic problems relating thereto.

Some idea of the comprehensiveness of the study made for each country may be had from a statement concerning the volume of material gathered for the agreement with Belgium. The summarized analytical data on the commodities for which concessions to Belgium were to be considered covered 15 large volumes each the size of a large telephone book and filled one section of a standard office bookcase. Although concessions were ultimately made to Belgium on only 47 items, studies were made for 165 commodities on which concessions might conceivably have been made to that country. Many of these items were rejected for concessions by the various committees even though no representations respecting them had been made by interested parties.

Following the proclamation of practically every trade agreement made, the United States Tariff Commission has prepared a document containing digests of the trade data with respect to products on which concessions were made to the particular country. Such documents have been prepared for Belgium, Brazil, Canada (two), Czechoslovakia, Finland, the Netherlands, Sweden, Switzerland, Turkey, and the United Kingdom.

The United States Tariff Commission is a fact-finding and fact-reporting agency. It is now, and has been ever since its creation in 1916, an independent organization. At all times, the major task of its staff of experts is to keep abreast of developments in their respective fields in the United States and elsewhere and to have up-to-date information respecting them. The Commission is thus always prepared to serve the Congress and the President with data on any tariff or import item and to cooperate with other Government departments or agencies in matters pertaining to import and foreign trade.

It may be of interest for me to describe how a digest of information for any particular product is prepared in the Tariff Commission before its representative on the country committee submits it to that committee. The digest is prepared in the first instance by an economist working in conjunction with a commodity expert. It is then reviewed by the chief of the commodity division concerned and by another economist, then examined by the Commission's planning and reviewing committee, then finally reviewed by a subcommittee of the Commissioners. During the past year this subcommittee of Commissioners happens to be composed of the three Republican members of the Commission. The digest is then submitted by the representative of the Commission to the particular country committee for consideration and for suggestions as to changes in duty, the Tariff Commission representative being one of the committee.

The meetings of the country committee are held in the Tariff Commission offices when import items are considered, and commodity experts familiar with the subjects under consideration are invariably called into the meeting for consultation and participation in the discussion. These experts are also present when the subjects are considered by the interdepartmental trade-agreements committee. Oftentimes, when there is need for information in addition to the large fund already available in the Tariff Commission's files, a commodity expert and an economist are sent into the field to consult with the domestic producers and importers in order to obtain such additional information.

The nature of the information covered for any particular product in the digest prepared by the Tariff Commission for the country committee may also be of interest. Not all of the items which I am going to list are included for each product, but certainly all that have any pertinency to the product and for which data are available. The list I am going to read really constitutes a check list, the purpose of which is to make certain that all economic phases of each product are covered.

PRODUCT A

Concessions sought by country M.
Representations made through Committee for Reciprocity Information:
  Opposing a reduction in duty.
  Favoring a reduction in duty.
Rank of country M as supplier.
Status: Present over-all picture of trade between United States and country M.
Bargaining importance.
Description and uses of product.
Present duty and tariff history.
Equivalent ad valorem over a period of years.
Effectiveness of duty, including its relation to other duties.
Relations of duty to domestic control programs.
Raw material and domestic sources of supply.
Domestic consumption and markets.
Localization of foreign competition.
Domestic production.
Cost of production and competitive factors, such as methods of production, comparability as to quality, technological changes, and other similar factors.
Imports.
Principal sources of imports.
Importance of United States market to foreign suppliers.
Foreign controls of prices and markets, including cartel operations.
Exports.
Selection of country for bargaining.
Competitive conditions and probable effect of concessions.
Reclassification, compensatory rates, and customs administrative problems.
Other pertinent economic factors favorable to making concession and unfavorable to making concession.

(b) Commodity subcommittees: For the most important commodities or groups of commodities there are also "commodity" committees upon which technical exports from the various governmental departments serve. These committees assemble all essential information with respect to their commodities, and study the effects which changes in rates of duty on these commodities might have upon the economic situation in the industry or upon other industries.

I hold in my hand the textile commodity report with reference to Belgium. In this report is given a detailed story with respect to every textile item on which Belgium might conceivably ask a concession from us, and also a detailed story with respect to each textile item respecting items on which we might get a concession from Belgium. As a result of that sort of a study made by commodity experts, the various committees are able to get a realistic picture of each particular commodity or group of commodities.

(c) Special subcommittees: The special subcommittees were appointed to study complicated economic problems such as quotas, monetary and foreign exchange, and tariff reclassifications.

3. Committee for Reciprocity Information: I turn now to the Committee that we have heard discussed a number of times today, the Committee for Reciprocity Information—another important instrument for carrying out the trade-agreements program. This Committee, created by Executive order of June 27, 1934, is composed of the Vice Chairman of the Tariff Commission, who is the Committee Chairmain, and representatives of the Departments of State, Agriculture, Commerce, and Treasury.

Upon the announcement that a trade agreement is to be undertaken with a particular country, a date for a public hearing is set, 30 or more days thereafter, and a date for the filing of briefs. The purpose of this hearing is to give an opportunity to interested parties (producers, importers, exporters, and consumers) to appear and present information upon the particular subjects in which they are interested. In the hearings held thus far and in the briefs filed thus far, parties at interest have usually set forth the reasons why particular rates of duty should or should not be reduced, have called attention to specific restrictions in foreign countries which

deterred the flow of trade, and have attempted to show what concessions should be sought from the foreign country with which negotiations are undertaken. Transcripts of each hearing, together with all briefs submitted and all correspondence on each subject, are summarized carefully by the technical experts and economists of the Tariff Commission, and the summarized statements are circulated among the members of the country and trade-agreements committees, and other interested Government officials. This new service assures consideration of the representations of all interested parties.

I hold in my hand here the digest of the hearings of the agreement with Belgium. The first part, the green sheets, consists of summary statements of the witnesses in regard to export items. The yellow sheets in the back, and you see there are very many more of them, cover the statements of witnesses who appeared in regard to import items.

Now, in addition to these statements, a brief summary of all correspondence is circulated among the members of the Committee for Reciprocity Information. Nobody ever appears, files a brief, or sends a letter to that Committee in regard to any trade-agreement matter without the information so submitted being summarized and put before the people who are going to have anything at all to do with the trade agreements.

Besides the summaries above referred to the original briefs and letters are available to those who are going to have a part in the negotiations and in the working up of the agreement.

In addition to its formal hearings, the Committee for Reciprocity Information holds many conferences with interested parties. The Chairman and executive secretary of the Committee are constantly available for interviews with persons having questions to ask concerning trade-agreement matters.

During the last 5 years the Committee for Reciprocity Information has been reorganized and its personnel strengthened. Practically all members are now also members of the Trade Agreements Committee. When a hearing is announced, there is published a list of the commodities for the use of interested parties in order that they may know definitely the import items which may be involved in the negotiations. These are only a few of the many improvements which have been made in procedure during the last 5 years.

Service on these various committees has brought together men and women who are peculiarly qualified to deal with the subjects under consideration. To them the records and information, both public and confidential, of the various Departments have been made available. On numerous occasions technical Government experts have been called before these committees as consultants. Most of the members of these committees, together with a large supporting staff in a number of the Government Departments, devote all of their time—days, nights, and holidays over considerable periods—to trade-agreements work. It is their main job.

Now, as to the procedure under the trade-agreements program. I shall describe briefly these six steps listed here. But before I leave the question of agencies, I want to say that what is done in the trade agreements by any of these trade-agreement agencies and in any of those proceedings is no mystery. It is the very same thing that the members of the Ways and Means Committee do. They are conscientious in the service they render their country.

You may not always agree with the result, but as far as the procedure is concerned I don't think there is any possibility of disagreement.

B. PROCEDURE

First then as to exploration. When an interest is manifested in a particular trade agreement, the interdepartmental trade agreement committee has a special study made for the particular country. If this special study leads to the conclusion that an agreement is feasible, the possibility of making such a trade arrangement is explored through diplomatic channels. Without publicity all phases of the trade relations between the two countries are analyzed and the problems outlined. During these explorations a friendly search is made for solutions to these problems.

Now, let us, without revealing anything out of school, assume that we face the period prior to the announcement of the British trade agreement. Don't you believe for one moment that the question of preference didn't come up and that had England been unwilling to modify those preferential treatments you would never have had the second step—an announcement to negotiate. So during this first exploratory period some of the outstanding difficulties are often cleared away. If they can't be cleared no one hears about it. If they can we go on to the next step.

Now, the second step is the formal notice of intention to negotiate and the publication of a list of concession items. When it is determined that an agreement is possible, a formal notice of intention to negotiate is published by the Secretary of State, together with a list of products on which the United States will consider granting concessions. This list is sometimes supplemented by other lists, but not all products in the list will finally be included in the trade agreement, should one be consummated. Simultaneously the Committee for Reciprocity Information issues notice of the date of public hearing and of the last date for submission of briefs.

Then comes the third step—the public hearings by the Committee for Reciprocity Information, at which interested parties are given an opportunity to present their cases. These are followed, as I have indicated, by many conferences and interviews.

Studies by committees: After the members of the country committee have carefully reviewed all available data gathered for it by the experts of the various departments, or presented by interested parties before the Committee for Reciprocity Information, or prepared by special committees organized from time to time, they report to the Trade Agreements Committee. Their report gives the essential economic background for the particular country, the outstanding restrictions that should be removed or modified, and detailed economic information and recommendations concerning each commodity on which it is suggested that a concession be granted to, or requested from, the other country. After considering this report, the Trade Agreements Committee prepares a special report, setting forth the concessions which it recommends, for review by State Department and other high Government officials and for final approval by the President of the United States.

Actual negotiations: Now, the next step is the actual negotiations. One of the gentlemen on the committee this morning asked: "Why don't you at the very beginning, at the early part of the operations, choose negotiators?" Well, our method is far superior. A few members of the Country and Trade Agreements Committees, serving as negotiators, undertake actual negotiations with representatives of the foreign country. One of the negotiating group is invariably an experienced negotiator from the Department of State who has previously served as a member of the country committee. After months of conferences during which many problems are referred back to the Country and Trade Agreements Committees, a tentative trade agreement is prepared. This is given careful review by both the particular country committee and the Trade Agreements Committee before it is recommended for official acceptance.

I want to make another point concerning the committees that I have described and the procedure which I have indicated. Let us assume that the men who are assigned in the first place to a country committee or to any step in the proceedings are dumbbells. And we try not to pick dumbbells. We choose men for their particular expertness. Certainly by the time they are through working on a particular country they have become thoroughly versed, not only in the problems of that country but with respect to the problems in our country of the products which that country supplies us.

The proclamation: Finally, the President of the United States, after his review and formal approval of the agreement by the foreign government, issues a proclamation putting the agreement into effect and prescribing the date for its enforcement.

The new rates apply to all countries except those whose treatment of American commerce the President has found to be discriminatory, or such as tends to defeat the purposes of the Trade Agreements Act.

This recital of procedure should suffice to show that, before any trade agreement is formulated, all available information regarding our trade with the country concerned is carefully scrutinized. Technical, economic, and other experts in the several departments are consulted, and all information furnished by interested parties is carefully reviewed. It must be obvious that there are many and varying points of view and that there is a great deal of study, deliberation, and debate before final decision in any matter is reached. Some decisions represent a compromise of conflicting views, but no decision is reached without carefully weighing the economic consequences of each action or consideration of the general public's interest.

Opinions may differ as to the merits of any particular action taken under the trade-agreements program, but it is difficult to see how anyone familiar with the procedure which I have outlined can fail to be impressed by its thoroughness. Those who have carefully followed the trade-agreements program admit that a new tariff technique far in advance of previous methods is being developed.

The trade-agreements program has an excellent personnel, a good, constantly improving procedure, and scientific technique; it assumes a rational, common-sense attitude; there are adequate checks and balances; a keen desire to be guided by general public interest; and increasing evidence that every action is being watched to safeguard and protect the legitimate interests of American producers, agriculture, and labor.

May I, in conclusion, read the following statement:

"I will also stress the fact that in carrying out the trade-agreement policy by Mr. Hull, great credit should be given to the fact there has been no suspicion of political influence regarding the reduction in duties on any article placed on the reciprocal-trading list. I believe that everyone who has had occasion to contact the staff that makes up the schedules must admit that regardless of whether we approve of the policy or not, the agreements are prepared solely from the viewpoint of endeavoring to increase foreign trade with the least injury to domestic industries."

This statement was made by none other than Mr. William L. Munro, president of the American Tariff League at the annual meeting of that organization in 1938.

Mr. GEORGE. Mr. President, in many cases these determinations with respect to the characteristics and needs actually fix a further limitation in the case of particular items which narrows the range of the negotiations much more than the basic 50-percent limit. Thereafter, and only within the range fixed either by the basic limit of 50-percent change or the limitation fixed by the characteristics and needs of each

branch of production, depending upon which is the more restrictive limitation, the actual negotiations take place. Within the range fixed by these limitations the actual reductions made in our duties are determined by the principle of bargaining for reciprocal concessions which will afford corresponding market opportunities. That is almost identically the legislative principle declared in the tariff act which was discussed yesterday, and which was reviewed by the Supreme Court of the United States.

In many cases this bargaining standard has itself cut down the amount of the reduction which we might otherwise have made within the limitations fixed by the 50-percent base or the facts found with respect to the characteristics and needs of domestic production. If the other country is not willing to grant us concessions which in one form or another give us corresponding market opportunities, then the very application of this bargaining standard results in our cutting down the size of the concessions which we would otherwise be warranted in granting.

In short, negotiations under the Trade Agreements Act with respect to the reduction of our tariff rates are never carried on below the limits fixed by the 50-percent base and the characteristics and needs found to be applicable to specific items; and within the bargaining range established by these limits the actual reductions are made only in accordance with the corresponding market opportunities which are afforded to American export products by the other country's concessions.

Manifestly, these limitations and standards constitute an intelligible principle or standard for the guidance of the Executive which, in the words of Chief Justice Taft, accords with "common sense and the inherent necessities of the governmental coordination." These limitations and standards compare very favorably with the standards contained in the flexible provisions of the Tariff Acts of 1922 and 1930 which authorized the Executive to adjust tariff rates on the basis of the difference between the cost of production of goods in the United States and foreign countries, or to change tariff rates or to exclude articles from importation on the basis of findings of—

> Unfair methods of competition and unfair acts * * * the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated * * * or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce.

The quotation is from the Tariff Act of 1930.

These provisions were upheld by the courts in the case of *Hampton Co.* v. *United States* (276 U. S. 394), *Frischer* v. *Bakelite Corp.* (39 Fed. (2d) 247), and *Frischer* v. *Elting* (60 Fed. (2d) 711). I believe the latter case was a circuit court of appeals decision.

The same favorable comparison is to be found between the standards of the Trade Agreements Act and the reciprocally unequal and unreasonable standard of the reciprocity provisions of the Dingley Act of 1890, which was upheld in the case of *Field* v. *Clark* (143 U. S. 649). Certainly the standards laid down in the Trade Agreements Act are no degree less precise than the "just and reasonable" and "necessary or desirable in the public interest" standards which have been prescribed for the guidance of the Interstate Commerce Commission in regulating railroad rates under the interstate-commerce clause and which have been upheld by the courts. In the case of Federal Communications Commission against Pottsville Broadcasting Co., decided by the Supreme Court January 29, 1940, Mr. Justice Frankfurter said with respect to the statutory provisions governing the regulation of broadcasting—and I invite the careful attention of Senators who are present to this excerpt:

> In granting or withholding permits for the construction of stations, and in granting, denying, modifying, or revoking licenses for the operation of stations—

And this is the only intelligible principle laid down in the act—

> public convenience, interest, or necessity was the touchstone for the exercise of the Commission's authority. While this criterion is as concrete as the complicated factors for judgment in such a field of delegated authority permit, it serves as a supple instrument for the exercise of discretion by the expert body which Congress has charged to carry out its legislative policy. * * *

Thus, even tested by the constitutional principles which govern legislation which does not involve international affairs the Trade Agreements Act is clearly supported by the precedents and the court decisions. However, as has been stated above, this act is in fact directly and importantly related to our international affairs. The Trade Agreements Act was predicated upon the vital necessity of adopting a procedure which would permit Congress to fulfill its responsibility to regulate our foreign commerce so as to relieve and protect our overseas trade from excessive and arbitrary interference by foreign governments. The express purpose of the act is to expand foreign markets for American products; and this purpose is to be achieved, and under the circumstances can only be achieved, by negotiations with the foreign governments which control and regulate access to those markets. Viewed in this light alone the act stands squarely within the bounds of the Constitution as laid down by the Supreme Court in the case of *United States* v. *Curtiss-Wright Export Corporation* (299 U. S. 304 (1936)), where it was stated that:

> It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved.

Some opponents of the trade-agreements program have attempted to distinguish the Curtiss-Wright case. It has been said that no question of delegation of power was involved, as the Executive was merely exercising his constitutional powers in the field of foreign affairs. This clearly is not so. The action taken by the President in prohibiting the sale of arms and munitions of war in the United States to the countries engaged in armed conflict in the Chaco was solely an exercise of the power which was delegated to him by the Congress. The Executive, in the field of foreign affairs, or elsewhere, has no authority himself to prohibit sales or to lay embargoes—he gets that power only when and as Congress vests it in him. The delegation-of-power issue was directly raised in the Curtiss-Wright case. Mr. Justice Sutherland stated the issue as follows:

> It is contended that by the joint resolution the going into effect and continued operation of the resolution was conditioned (a) upon the President's judgment as to its beneficial effect upon the reestablishment of peace between the countries engaged in armed conflict in the Chaco; (b) upon the making of a proclamation, which was left to his unfettered discretion, thus constituting an attempted substitution of the President's will for that of Congress; (c) upon the making of a proclamation putting an end to the operation of the resolution, which again was left to the President's unfettered discretion; and (d) further, that the extent of its operation in particular cases was subject to limitation and exception by the President, controlled by no standard. In each of these particulars appellees urge that Congress abdicated its essential functions and delegated them to the Executive.

The Court rejected each of these contentions, stating that—

> Both upon principle and in accordance with precedent, we conclude there is sufficient warrant for the broad discretion vested in the President.

The foreign-affairs aspect of this case related to the fact that the President was authorized to exercise the power by proclamation only after he had found that such action might contribute to the reestablishment of peace between those countries, and after he had consulted with other governments with a view to securing their cooperation. In the case of the Trade Agreements Act the conduct of our foreign affairs is, if anything, more directly involved, since the authority granted to the President can only be exercised through international agreements. Likewise, contrary to the suggestion made by some, there is a direct parallel between the objectives of the arms-embargo resolution and the Trade Agreements Act—both are primarily and directly concerned with effecting a change in a foreign situation. In the case of the

arms embargo the purpose was to contribute to peace in the Chaco by prohibiting the sale of arms in the United States. In the Trade Agreements Act the purpose is to restore and protect our markets in foreign countries by permitting the sale of certain foreign goods in this country through carefully regulated reductions of our tariffs. The striking parallel between these two acts on the constitutional question is inescapable as long as the purpose and true nature of the trade-agreements program is kept in mind. It is a program for the restoration of a flow of foreign trade, and the adjustment of our tariffs is merely a means of effecting that objective and not the objective.

Mr. President, I wish to read very briefly from an opinion in which the Court held that the delegation of power was an unauthorized delegation and that, therefore, the particular provision of the act under consideration was void. I do not care to read at length, although the opinion is an exhaustive one. The opinion is by the able Chief Justice of the Supreme Court.

Mr. President, we often find what the law is by reading a case which holds to the contrary of what we have immediately under consideration. I think that a reading of the case of *Panama Refining Co.* v. *Ryan* (293 U. S. 388) at the October 1934 term of the Supreme Court illustrates the point I have tried to make. The Chief Justice, speaking for the Court in that case, found that section 9 (c) of the old National Recovery Administration Act constituted an attempt unlawfully to delegate legislative powers. The Chief Justice says of that section:

> Section 9 (c) * * * does not attempt to control the production of petroleum and petroleum products within a State. It does not seek to lay down rules for the guidance of State legislatures or State officers. It leaves to the States and to their constituted authorities the determination of what production shall be permitted. It does not qualify the President's authority by reference to the basis or extent of the State's limitation of production. Section 9 (c) does not state whether, or in what circumstances, or under what conditions the President is to prohibit the transportation of the amount of petroleum or petroleum products produced in excess of the State's permission.

Let me read that again:

> Section 9 (c) does not state whether, or in what circumstances, or under what conditions the President is to prohibit the transportation of the amount of petroleum or petroleum products produced in excess of the State's permission.

It establishes no criterion to govern the President's course. It does not require any finding by the President as a condition of his action. The Congress, in section 9 (c), thus declares no policy as to the transportation of the excess production. So far as this section is concerned, it gives to the President an unlimited authority to determine the policy and to lay down the prohibition, or not to lay it down, as he may see fit. And disobedience to his order is made a crime punishable by fine and imprisonment.

Even in that case there was a dissent, although it seems that the Court stood upon perfectly sound ground. There was a dissent by that eminent Associate Justice, now deceased, Mr. Justice Cardozo, in which he said that it was the duty of the Court not merely to scrutinize the language of the particular section but to look through the entire act to find, if possible, whether or not the legislative branch of the Government had laid down an intelligible principle. He thought that he had found such an intelligible principle; but it is to be noted, Mr. President, as the Supreme Court said in that case, that even when the President found facts to exist which he was not required to find, he then had the final decision as to whether he would issue his proclamation prohibiting the transportation of petroleum or petroleum products in interstate commerce, or whether he would withhold such proclamation. In that case, as I see it, the Congress clearly had not placed any duty upon the President after having laid down an intelligible principle for his guidance.

Mr. President, I think there is a misconception—which I formerly held—in regard to the delegation of legislative power. I hold to the view—and I think it is a correct one—that Congress may not delegate legislative power. In its true sense legislative power must be retained by the Congress. I think there has been a misconception—and I confess that I also have held to that view, as I have just said—of what the Congress must do in order to delegate its proper power. We have talked about yardsticks. In none of the opinions is there any requirement for an exact yardstick. It is true that in some cases the Court has said, "Here is an exact measure, a standard which we can apply." However, in the case which directly reaches this question, the Hampton case, the Chief Justice, speaking for the whole Court, said:

> It may be that it is difficult to fix with exactness this difference—

That is, the difference between the cost of production abroad and the cost of production at home—

> but the difference which is sought in the statute is perfectly clear and perfectly intelligible.

Mr. President, I very well remember the testimony of Chairman O'Brien, a Republican member of the Tariff Commission under the Hoover administration, who in his appearance before the Finance Committee said that it was practically impossible exactly to measure the cost of production abroad against the cost of production of an article at home.

Continuing to quote from the Chief Justice in the Hampton case:

> Because of the difficulty in practically determining what that difference is, Congress seemed to have doubted that the information in its possession was such as to enable it to make the adjustment accurately, and also to have apprehended that with changing conditions the difference might vary in such a way that some readjustments would be necessary to give effect to the principle on which the statute proceeds. To avoid such difficulties, Congress adopted in section 315 the method of describing with clearness what its policy and plan was and then authorizing a member of the executive branch to carry out this policy and plan.

Mr. President, to repeat what I have already said, or what I have already quoted, the rule laid down is not a yardstick, is not a fixed standard, a definite standard which may be applied with mathematical precision; but the rule is:

> If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rate is directed to conform, such legislative action is not a forbidden delegation of legislative power. If it is thought wise to vary the customs duty according to changing conditions of production at home and abroad, it may authorize the Chief Executive to carry out this purpose, with the advisory assistance of a Tariff Commission appointed under congressional authority.
>
> This conclusion is amply sustained by a case in which there was no advisory commission furnished the President—a case to which this Court gave the fullest consideration nearly 40 years ago.

Citing the case of Field against Clark.

In this decision the basic principle bearing directly on the point of analogy between the Court decision sustaining the Interstate Commerce Act and the flexible provision in the Tariff Act is repeated and is emphasized.

So, Mr. President, I pass from the consideration of the two legal questions involved in this case with the statement that undoubtedly in the Trade Agreements Act an intelligible principle is laid down. It is first said that the whole field of negotiation must be cut in half, because the President cannot raise rates more than 50 percent, and he cannot reduce rates more than 50 percent. In the second place, the field is again circumscribed by the competitive circumstances and needs of the producer in the United States, by competitive conditions, using a shorter term; and, in the third place, the field is further restricted by prescribing that the kind of bargaining which may be made, within the limitations indicated, shall be such as will procure equal treatment of our exports into the foreign country with which the trade agreement is made. Finally, Mr. President, the legislature has said that not one piece of machinery in the Trade Agreements Act can be made to turn unless the President shall find as a fact that the tariff duties or restrictions upon our commerce imposed under our Tariff Act, or the duties or restrictions imposed by the foreign country, are unduly burdening the flow of our foreign commerce.

There is an intelligible principle; I have no doubt in my own mind that it is an intelligible principle. It is difficult of application, perhaps impossible of exact application, as

the Court said in the Hampton case and as Commissioner O'Brien admitted in his testimony before the Finance Committee; yet the intelligible principle is there, and a body of expert men, working conscientiously under the direction of the Departments of State, Commerce, Agriculture, and Treasury, and the Tariff Commission, representing particularly the State Department and the President of the United States, can apply the intelligible principle enunciated in this act.

Mr. CLARK of Missouri. Mr. President, I do not wish to interrupt the Senator's train of thought.

Mr. GEORGE. I am glad to yield.

Mr. CLARK of Missouri. I simply desire to call the Senator's attention to the fact that Chief Justice Taft was President of the United States in 1910, and he suggested the very same standard long before the Hampton case, when he said in 1910:

When we understand that the cost of production differs in one country abroad from that in another, and that it changes from year to year and from month to month, we must realize that the precise difference in cost of production sought is not capable of definite ascertainment, and that all that even the most scientific person can do in his investigation is, after consideration of many facts which he learns, to exercise his best judgment in reaching a conclusion.

So it seems that before the Hampton case was decided the same standard was set up.

Mr. GEORGE. I thank the Senator for reading from President Taft, because it illustrates the whole meaning of his decision when he finally reached the conclusion that there is not an exact yardstick, not a standard that can be mathematically administered, but there is an intelligible principle which lies within the power of the Congress to lay down. That is the legislative act, and the mere administration of that act is in the body selected by the Congress to carry out its will.

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

Mr. GEORGE. I yield.

Mr. LUCAS. In order to amplify what the Senator from Georgia is now discussing and what the Senator from Missouri has said, I wish to make this observation.

Thomas W. Page, who at one time was Chairman of the Tariff Commission, in discussing the cost-of-production formula at the time the Hampton case was under consideration, said:

To use as the basis of a general tariff act a thing so fleeting, evasive, and shadowy would be neither right nor possible.

Mr. GEORGE. I think that is correct.

Now, Mr. President, I am about to conclude. I apologize to the Senate for having detained it so long.

Yesterday the distinguished Senator from Michigan [Mr. VANDENBERG], near the conclusion of his address, took occasion to refer to the equality of treatment provided in the most-favored-nation clause of the numerous agreements we have negotiated, and took occasion also to call attention to the fact that in the present disturbed condition of the world, with war raging in so many different quarters, it would be unwise to renew this authority in the President.

In the hearings before the Finance Committee, the distinguished Senator raised this precise question. He raised it while Mr. Rogers was appearing before the committee. Mr. Rogers is not only a member of the Senator's party but he was Assistant Secretary of State in charge of commercial treaties during the Hoover administration. Senator VANDENBERG propounded this question:

Senator VANDENBERG. I so completely agree with your statement about the need for flexibility in the present and prospective condition of the world that I do not see how in the world you can rely on as narrow an instrumentality as the trade agreements, which deal almost solely with rates, to meet the impacts we are going to confront. You have already said that the external world is shot through with what you call mercantilism already, bilateral agreements—1,500 of them in the last few years—extreme protectionism; self-containment all around, blocked exchange, embargoes, subsidies—how are you going to deal with all those menaces to our trade through the relative inflexibility even of a trade-agreements program?

Mr. Rogers answered:

Every choice of a political policy, Senator, is a choice between a bundle of strengths and weaknesses. Any political policy has its weaknesses. This is a question of the net result proportionately of the strengths and weaknesses, and the varying types of policy we can follow. My judgment is, as I was trying to say, that the weaknesses for the United States, particularly in a bilateral bargaining policy, are infinitely greater than the obvious weaknesses connected with the most-favored-nation reciprocity policy.

Senator VANDENBERG. But in a world which is distressed with all of these other artificial interferences, which both of us agree exist to a tremendous degree at the present time, and constantly multiplying, in that kind of a world—first, a world at war, and second, a world facing a subsequent readjustment which will be bitterly competitive—in that kind of a world, it seems to me, that when we pursue the unconditional most-favored-nation policy, we are just bound to get the worst of it.

Yesterday the distinguished Senator from Michigan said "we would lose our shirts."

Continuing his own language in the hearings—

We are the ones who maintain the ideal which you speak, and the other fellow takes our shirt.

Even in the hearings the Senator from Michigan had discovered that we were about "to lose our shirts."

Mr. Rogers replied:

If we abandon the principle of equality, which is the word meant by the most-favored-nation clause—if we abandon the principle of equality and proceed to strike special bargains with any country you please, country A at the present moment, our whole structure of economics, international economics, falls in a moment.

I will not read further, but I think Mr. Rogers' statement in the hearings is a rather satisfactory reply to the argument advanced by the distinguished Senator from Michigan.

Mr. President, I have not dealt with the merits of the trade agreements concluded under the Reciprocal Trade Agreements Act. I regret that I did not have the opportunity to devote myself exclusively to that side of the question. I will not now attempt to go into it, beyond the statement that when the war period to which the distinguished Senator from Michigan yesterday referred shall have passed and the world is again attempting to make necessary readjustments, unquestionably international trade relations will be much out of joint; and even before peace shall finally come it is imperative, in my judgment, to retain the only instrumentality, the Trade Agreements Act, under which we can make necessary adjustments even in the twenty-odd trade agreements which have been negotiated and are now in operation between this country and other countries.

It may be that in the rapidly changing circumstances of the time it will become vitally necessary to supplement the agreements already in existence by other agreements in order to protect our interests. If the Trade Agreements Act shall expire, then not only will there be no machinery under which that process can be carried forward but there will be no law which will authorize our Government to attempt to protect itself even against the existing trade agreements which so many distinguished Members of the Senate seem to fear are working great injury to our trade, to our commerce, and to our own domestic affairs.

Mr. President, when the history of the time between 1934 and this hour shall be written coolly and deliberately, it will be found, I dare say, that the Trade Agreements Act advanced by that able and patient and devoted statesman, the distinguished Secretary of State, Hon. Cordell Hull, and energetically supported by the President of the United States, is the only step taken by any great commercial nation during this hectic period looking to the readjustment of trade and commerce between the nations of the earth on anything like an equitable basis that would give us such a flow and volume of commerce, without injury to our own industry and to our own standards, as to make possible a tolerable condition in the commercial relations of the great industrial and commercial countries of the globe.

Mr. AUSTIN obtained the floor.

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

Mr. AUSTIN. I yield.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

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

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

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

The PRESIDENT pro tempore. Eighty-five Senators having answered to their names, a quorum is present.

Mr. AUSTIN. Mr. President, I am glad I have had the opportunity to listen to all the distinguished debate by the great Senator from Georgia [Mr. GEORGE], for whose opinion I have the utmost respect, not only on account of his great background of legal learning and natural ability, but also because I have found him, in my brief service in the United States Senate, to be a very fair, judicial statesman, who brings to the discussion of our problems here an unusually candid and nonpartison consideration. I think that from his point of view—that is, upon the consideration of powers which I call subordinate powers—his argument is an excellent one. If I could start with the assumption he makes, and add it to my characterization of the powers which he describes, I could follow him. The great difficulty which I encounter at the outset is that I believe the Senate now is concerned not with subordinate powers but with dominant powers—powers not created by any Congress or any parliament on earth. They are the vital, the paramount, the essential things which constitute sovereignty, and they came to the people of the United States because sovereignty never dies. They were not endowed upon the people of the United States. They were never granted to the Federal Government by the States. The powers with which we are dealing today are powers superior to any form of law. They descended to us as a living thing when we cut off our relations with our forefathers across the sea.

We gained no powers by revolution. Our successful revolution merely continued sovereignty which theretofore had existed on this continent in the person of the King, and at that particular time a tyrant, George III.

To me this is one of the most interesting periods of my experience as a United States Senator. I think no more important question has ever engaged my interest than the amendment proposed by the Senator from Nevada [Mr. PITTMAN]. If these undertakings made between the United States and foreign lands are treaties, we have no choice at all, it is not for us to say by statute whether we will or will not ratify them. Why? Because when it devolved upon the people of this country, at the successful termination of the revolution, to administer sovereignty, the people said, "There are certain powers of sovereignty which we will restrict in their operation. We will say that this tyrannical exercise of sovereignty shall never again be possible, for we will divide up the sovereign powers so that no one man and no one department of government can exercise them all."

We were especially careful about sovereignty which concerned the vital matter of foreign relations. We hedged that around by unusual and extraordinary limitations and safeguards. We put two checks on that power. We provided that the Congress should not meddle in the negotiation of our foreign arrangements. We gave the Executive of the United States of America that part of sovereignty which concerned itself with day to day relations with foreign countries, and we did not allow any other department of the Government to interfere with the negotiation of our relations with our neighbors in the world.

The President of the United States has the exclusive authority to negotiate treaties, but when it comes to the consummation of an agreement between another nation and our Nation, having to do with substantial and dominant affairs vital to the life and sovereignty of this Nation, then there is a check upon the transaction at once, and the Senate of the United States is called into the transaction and brought to the table, and it is only by and with the advice and consent of the Senate that treaties are made. They must be negotiated by the President, and they must be made by the President and Senate combined. Why? Because the sovereigns—that is, the people of the United States—considered so important this matter of their relations to Great Britain, a former enemy, and to all other nations which are foreign, that they must secure and safeguard their liberty from destruction by the interference of foreign domination, foreign "isms," foreign influence, foreign power, foreign economics, foreign religion, foreign philosophy, and everything else that was foreign. The life of the Republic as it was viewed then, and as I view it now, depended upon this safeguard, that every individual in the United States shall have representation, through the Senators here assembled under the Constitution, upon the conclusion of an agreement with a foreign country relating to a measure of great public interest, a primary right, a dominant power of the United States.

Why did they say that the Senate should confirm treaties, and that the House should originate legislation which would levy taxes? Obviously these two powers were hitched up in such a way that they could work only if they worked in harmony, but always separately as to the origin of the legislation which affected vitally the liberty and perhaps the safety of the people of this country.

Mr. President, it is the recognition of that difference which constitutes the reason involved here. We say that if these arrangements constitute treaties, then these arrangements are void and invalid unless they have the ratification of the Senate, and there is not a man within the sound of my voice who will deny that. And why? Because it is written? No. Because it is reason. It is because everyone recognizes the fundamental necessity of safeguarding affairs so transcendent as international contracts, to run for a period of time, affecting the public welfare against the possibility of error or of fraud, or of any of those adventitious circumstances which might injuriously affect the result of the exercise of this great and dominant power by one single department of the Government of the United States.

So we have this postulate—and it is something for which I have searched the reports on this legislation and failed to find; it is something I have hearkened for throughout all these debates and failed to hear—that we cannot avoid recognition of the distinction between dominant and subordinate powers when we are handling this amendment, and if we conclude that we are dealing with dominant powers our duty is marked out; there is no evading it.

Choose whichever we wish, ultimately that duty will be effectuated in some way. That duty is that when it comes to a dominant power Congress may not delegate it at all. What is the use talking about yardsticks and standards when we are dealing with a primary power, with several primary powers, as a matter of fact—legislation, taxation, commerce between foreign nations and ourselves, and treaty making. Mention the last, and we know we have named the most important and vital and essentially sovereign power of the American form of government, and we know that is so because of the effect of treaties upon the life and welfare of the Nation.

Montesquieu said that reason is the spirit of the law, that if there be no reason, there is no law. So, Mr. President, that is our situation now in determining whether these are treaties. Who will challenge Vattel as an authority on international law? Who will question the extracts from Vattel quoted by the distinguished Senator from Georgia?

They speak with a venerable soundness which will endure throughout all time, and the recognition of the fact that we may have agreements between nations will not be disputed.

All history shows that mankind depends on agreements between nations not having the dignity or the formality of treaties, to carry on certain transactions which are as clearly marked as the importance of their object makes them.

Senators will remember this definition by Vattel, which has already been referred to. This was in section 153:

The compacts which have temporary matters for their object are called agreements, conventions, and pactions. They are accomplished by one single act, and not by repeated acts. These compacts are affected in their execution once for all. Treaties receive a successive execution whose duration equals that of the treaty.

Time, therefore, of the effect of the engagement has something to do with the determination of whether that which we enter into is a treaty or a contract. But time is not the only element. All the circumstances surrounding the transaction, especially the effect of the transaction or the contemplated effect of the transaction upon life, upon the public good, these also must be taken into account in considering whether the engagement constitutes a mere agreement or a treaty.

Mr. President, is it because the act itself calls them agreements that we must treat them as agreements? Let me ask to apply all that has been said by the learned Senator from Georgia to the case, if we were to change the word and describe in the act the instruments as "treaties." He would reply, I am sure, "I would not say what I have said as to treaties. I know what I have said as to treaties is fundamentally wrong because I know that treaties must be ratified by the Senate."

I quote from the act of 1930 this small extract:

Is authorized from time to time—
(1) To enter into foreign-trade agreements with foreign governments or instrumentalities thereof.

Now change that to read:

To enter into foreign-trade treaties with foreign governments or instrumentalities thereof.

Would we thus make the engagements authorized by the act treaties? Oh no, Mr. President, we must do something more than hitch a label to these transactions. We must look into the act and see what the scope of the power is, what is contemplated to be done by the President to whom we delegate the power to make these arrangements in order to ascertain whether or not they are treaties. That is a fundamental principle which ought not to require citation, but, since there has been a very full support in decisions for all that has occurred here, I shall call attention to the following from a very early case, that of Wayman et al. against Southard et al., in which Chief Justice Marshall delivered the opinion of the Court. After stating the case, he says:

It will not be contended that Congress can delegate to the courts, or to any other tribunals, powers which are strictly and exclusively legislative.

And again at another place:

The line has not been exactly drawn which separates those important subjects, which must be entirely regulated by the legislature itself, from those of less interest, in which a general provision may be made, and power given to those who are to act under such general provisions to fill up the details.

There is an interpretation of our form of government by one of the greatest jurists this country has ever known, a man who specialized in government, and who is attributed to have had tremendous influence upon the molding of our form of government through his remarkably constructive interpretations of the Constitution. There is the postulate. The line has not been exactly drawn between those primary functions which Congress alone may exercise, and those subordinate functions which may be delegated to some other department of the Government to perform for the Congress. There is the early recognition of something that will be found running like a golden thread through all the jurisprudence of this country from that time to this, so axiomatic that scarcely ever will it be found reproduced in exactly the same language that appears there.

Comment on it was made in the case of *United States* v. *Grimaud* (55 L. Ed., pp. 563, 567), from which I read an extract. This was an opinion delivered by Mr. Justice Lamar:

It must be admitted that it is difficult to define the line which separates legislative power to make laws from administrative authority to make regulations. This difficulty has often been recognized, and was referred to by Mr. Chief Justice Marshall in *Wayman* v. *Southard*, * * * where he was considering the authority of courts to make rules. He there said: "It will not be contended that Congress can delegate to the courts, or to any other tribunals, powers which are strictly and exclusively legislative. But Congress may certainly delegate to others powers which the legislature may rightfully exercise itself." What were these nonlegislative powers which Congress could exercise, but which might also be delegated to others, was not determined, for he said: "The line has not been exactly drawn which separates those important subjects, which must be entirely regulated by the legislature itself, from those of less interest, in which a general provision may be made, and power given to those who are to act under those general provisions to fill up the details.

The same opinion cites Marshall Field & Co. against Clark, a case which is constantly referred to with misapplication, as I believe, a case that will not apply unless it is applied to the delegation of a subordinate power. As I conceive it, this decision relates to the delegation of a legislative act and not to the delegation of the power to make a treaty. But I think Senators will see the application to the case before us now. I read from this language. Again he said:

In *Marshall Field & Co.* v. *Clark*: * * * The legislature cannot delegate its powers to make a law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes or intends to make its own action depend. To deny this would be to stop the wheels of government. There are many things upon which wise and useful legislation must depend which cannot be known to the lawmaking power and must therefore be a subject of inquiry and determination outside of the halls of legislation.

Again at another place he quotes as follows:

That Congress cannot delegate legislative power is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

Mr. President, it is apparent that every time one tests a proposal to ascertain whether or not it contains the delegation of a primary or dominant power he must consider the proposed legislation and see what its probable effect is. Upon what does it intrude—if it intrudes at all—that belongs exclusively to the Congress because of its importance? So I take the Tariff Act of 1930 and point out that, in the first place, it takes something away from Congress. Can an act of Congress give away or completely invalidate a power of Congress? Think that over. Power arises not from what we do. We do not lift ourselves by our own boot straps. If we have power, we take it from the people, from the source of sovereignty.

I am sure we are ready to admit that treaty making is a power of which we cannot divest ourselves. Treaty making, we are confident, is something that the President cannot do alone. Yet by this act we say that the duration of the so-called agreements shall be 3 years and 6 months from the date of making them. Ah, but the time is longer than that, because we also say that the rate of duty applied to each and every article shall be extended in its effect to articles from all countries on earth—not merely the unconditionally most-favored nations and the conditionally favored nations, but all nations. Can we do that? Let us see. I quote:

The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly.

Then we added the following provisions, which amplified what we meant by such duties:

As used in this section, the term "duties and other import restrictions" includes (1) rate and form of import duties and classification of articles; and (2) limitations, prohibitions, charges, and exactions, other than duties, imposed on importation or imposed for the regulation of imports.

Having done that, what about the 3 years and 6 months? When do we come to the end of the obligation which as a

country we have made? Is this a temporary arrangement? We see that by the overlapping which we ourselves make in the act the time involved in which we have divested ourselves of the right to legislate upon duties and import restrictions, rates and forms of import duties, classification of articles, limitations, prohibitions, charges and exactions other than duties, extends to 3 years and 6 months after the date of the last treaty which the United States makes by virtue of the act.

Ah, there is the test! Is it a fundamental power? Is it a primary power? Is it a dominant power? Is it an element of sovereignty that Congress shall legislate with respect to duties and imposts?

Mr. President, the answer is clear. The Constitution of the United States made that matter a primary obligation of the Congress. Not only that, the people hedged that power still further by saying that that kind of legislation shall originate only in one place in the Congress—namely, the House of Representatives, which is always as close to the people as within 2 years of an election. The people said, "We will so tie down this power that we can within 2 years control the purse strings ourselves by changing entirely the personnel of the body which must originate the legislation imposing these duties."

Is that a primary power? Can anyone conceive of anything more essential and vital to sovereignty than the matter of raising revenue or of using duties, imposts, and excises as a means of regulating international trade? What difference does it make whether or not the purpose is to restrict international competition? If we step into that category of powers, namely, the power to levy taxes and imposts, then we can start only in one place with the legislation, and that is in the House of Representatives. Is that a power involved in the act and undertaken to be transmitted to the President? Who can deny it? The act gives the President power "to proclaim such modification of existing duties"—section 350 (a) (2). By making one contract he suspends that power for us for 3 years and 6 months. By making a contract near the end of the time he extends the suspension for 6 years, and so forth. It is absurd; it is ridiculous; it is against reason to claim that the scope of the delegation attempted does not include dominant, essential, vital powers of sovereignty.

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

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

Mr. AUSTIN. I yield.

Mr. CHAVEZ. Would the Senator consider it a delegation of power or an abdication of power?

Mr. AUSTIN. I think it is an attempt to delegate power. It is hardly an abdication, because when we passed the act the assumption was that it was an emergency act, temporary in its nature, and limited in its time. It will be remembered that one section said:

> The authority of the President to enter into foreign-trade agreements under section 1 of this act shall terminate on the expiration of 3 years from the date of the enactment of this act.

So it was not intended to be an abdication. We can scarcely abdicate. I cannot bring myself to admit it anyway. The act was undertaken specifically as an emergency measure, and if the Senator will be patient a moment I shall read what Secretary Hull said about that element when testifying before the Finance Committee of the Senate on April 27, 1934:

> With due respect to this opposing view, it is my judgment that extraordinary conditions call for extraordinary methods of treatment, and that the proposed measure of relief is urgently needed at this time.

Again he said:

> If the exigency requiring the proposed reciprocity trade agreements did not call for reasonably prompt action in many instances, the special and temporary authority asked for would naturally not be sought.

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

Mr. AUSTIN. I yield.

Mr. CHAVEZ. What I am trying to get through my mind is this: If we are to consider trade agreements as treaties, we cannot delegate the power to the Executive, because he already has the power to negotiate treaties. But if we were to have nothing to say with reference to ratifying treaties, would we not be abdicating a power which Congress has over that particular subject?

Mr. AUSTIN. Mr. President, I am certain that if the word is applied in a limited way, that is true. For the time being we divest ourselves of the power to legislate on all the subjects comprehended, including the regulation of international commerce and trade, the levying of excise taxes, and so forth. It will be recalled that the levying of excise taxes is involved. Let me say in passing that that is an internal interference of grave importance. Of course, the fundamental function of entering into treaties with foreign nations is involved. All these things are involved in this delegation.

There is one other thing that is very strange, that by the express terms of the act of 1934 we enabled the President of the United States by what we called an agreement to terminate other treaties. Here it is:

> (b) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity, concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba, concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba.

We do not have to debate, do we, that under the Constitution and the doctrine of inherent sovereignty, the President of the United States, even though he does have the right to negotiate treaties, has not the right to denounce them, amend them, or modify or change them? Congress alone may do that, either through that form of legislation which we all dislike, namely, by treaties duly entered into, negotiated by the President and ratified by the Senate, or by denunciation of the treaty by an act of Congress of both Houses. There is no doubt about it. Then, why question, for a moment, the necessity of the amendment offered by the Senator from Nevada [Mr. PITTMAN]? We must have it because trade agreements are treaties; they are treaties because they involve the exercise of dominant power. They involve the exercise of sovereignty in its highest form. That is why they are treaties, and that is the real reason and sense of it; that is the spirit of the law. Since these are matters that affect the very life and vitality of nationality and the position of the country in the world, since they are that, they require the exercise of the checks and balances which the people placed upon their exercise.

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

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AUSTIN. I yield.

Mr. LUCAS. Does the able Senator from Vermont take the position that the reciprocal-trade agreements are treaties in the true sense of the word?

Mr. AUSTIN. Truly.

Mr. LUCAS. May I ask the Senator this hypothetical question: Assuming that the Senator's views upon that point are in error, and that instead of treaties they are international compacts or executive agreements, as is contended by a number of Senators on the floor, would the Senator say that there are sufficient safeguards or sufficient standards or an intelligible principle written into the legislation which would take care of the delegation of power?

Mr. AUSTIN. I am glad to answer that question candidly. I would answer it with the one word "No," but I should like to explain my answer. The standards are withdrawn by express legislation in the act. There were standards, and those standards were not repealed; they still exist as section 336 of the Revenue Act of 1930. Those standards are still the law, and they are quite exact. In a general way, they are covered by the reference to the equalization of costs of production, but

that in nowise adequately expresses the detail of standardization contained in section 336. All the minute characteristics which must be taken into account in ascertaining the differences in cost of production at home and abroad are set forth in the law. Very well. That is the law today. No effort has been made to repeal it. Here it is. I now read from the act whose temporary term is to be extended:

SEC. 2. (a) Subparagraph (d) of paragraph 369, the last sentence of paragraph 1402, and the provisos to paragraphs 371, 401, 1650, 1687, and 1803 (1) of the Tariff Act of 1930 are repealed.

Now, we come to the action taken on the Trade Agreement Act with respect to section 336 of the Tariff Act of 1930:

The provisions of sections 336 and 516 (b) of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this act, or to any provision of any such agreement.

Where must we look to find out whether there has been laid down a standard to guide an administrative body? If it is assumed it is a minor matter with which we are dealing, and that it does not affect a vital element of our national life, what do we look to? To nothing more than the act. Then, where do we find any standard in the act? We find that the act prescribes the time when the President may start negotiations for an agreement; we can find the purpose for which he is to enter into an agreement; but we cannot find a single standard upon which the (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties imposed on importation or imposed for the regulation of imports can be based.

I am willing to say in passing that outside the fundamental questions involved here, which I regard as vital and as timely for discussion, the matter of detail contained in the several treaties is of little importance; for the conditions in the world have entirely upset old standards, and there is no agreement that can be entered into today that will fend off the exigencies of war, such as quota importations and other restrictions, exchange blocs, and all those things that interfere with the normal flow of trade and commerce. So I say that notwithstanding its unimportance, and notwithstanding that any rule we might have applied, such as the rule which I know many persons think is the only one that would apply now—namely, that the standard shall be the difference between landed costs and costs of production here—it would not be of much value today; and who could foresee for 6 months the events which might change the rate now fixed under such a standard? But there is no standard here.

I had a letter this morning showing how important this matter seems to be to an agricultural segment of our population. The letter is from the American Farm Bureau Federation. In an official resolution they have urged that no trade agreements be consummated without the approval of the Secretaries of State, Commerce, and Agriculture. There is nothing in the act to satisfy them. The act says that the purpose of these treaties shall be to expand foreign markets—

for the products of the United States * * * by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States.

That is a noble objective. Probably it is the same objective that is considered by the federation in its letter to me this morning; but there is no way that is laid out, not even a vague way, not even a general rule laid down, that shall be followed by the President in fixing the rates of these duties, and in fixing the limitations, prohibitions, charges, and other exactions.

Mr. President, it will be observed that in discussing this matter I have treated the abolition of the standard as a part of the evidence showing the importance or magnitude of the function we are trying to delegate. We show that what we are trying to turn over to the President is the whole legislative power. To him is the discretion. If, in his judgment, he can attain the objectives named in the act, if he can serve the purpose named in the act, then, when a certain event occurs, he may start his treaty negotiation.

Mr. WHITE. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

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

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

Mr. AUSTIN. Mr. President, a further examination of this act shows that another repeal of importance in determining whether these are treaties or agreements occurs in the act; namely, section 516 (b); that is, it is a repeal for the time being. It may be said that it is a suspension. At any rate, it makes not to apply one of the vital rights, one of the important privileges of the American citizen, and that is the privilege of appeal.

We so far valued justice in our system that we provided that when a citizen is in conflict with his Government, the distribution of powers shall be such that no injustice shall occur through tyranny of the Government. So we said: If we have an administrative body or an officer out on the borders representing the United States, and he begins to mistreat our people by putting wrong classifications upon our importations, by exacting too great duties, by applying to us embargoes or quotas or any import restrictions that ought not to be applied, we do not have to bow down abjectly and suffer. We have an appeal to a judicial body which will protect the rights of the citizen and give him a hearing.

Mr. President, that is true with respect to all articles in the United States today excepting those articles which come under the trade agreements. As to them the appeal is suspended. Why? It must have been foreseen that we were doing an exceedingly strange thing, in the first place, in letting a foreign country have something to do with fixing a rate of duty on goods which we import, in other words, letting our President deal with a ruler across the seas to find out how much our tariff duties shall be and what import restrictions shall be laid down here to protect our farmers and our workmen, and then allow an appeal to a judicial body in the United States where freedom exists and where justice is administered. That could not be done. That is confounding confusion. No; if we are going part of the way, and let Russia or Germany or any other foreign nation, no matter under what conditions of servitude their workmen are laboring, to step in here and negotiate with the President of the United States on the rates of customs duties and on the conditions of importation we shall put up as a barrier against their competition, we might as well go the whole way and make it thoroughly tyrannical in its aspects. We will remove the right of appeal. So we said: The provisions of section 336 and 516 (b) of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this act or to any provision of any such agreement.

Mr. President, that was the American characteristic of the Tariff Act of 1930, the right to go to a sanctuary when one

is in trouble with his Government, the setting up of a place where one might find justice and not be dependent solely on the fiat of the President of the United States. Is it important or is it subordinate? I have not begun to cover all the details of the exercise of primary functions of government which are involved by this act in our international relations which may be determined under it by the President of the United States alone.

Mr. President, the question of the primary importance of the power that is attempted to be delegated, the clear-cut test of whether these are treaties or not treaties, is repeatedly referred to with respect to all kinds of attempts at delegation of authority. It is not limited to treaty making and the regulation of commerce, whether interstate or international, is not free from the limitation. That, too, is a vital power, and has been held by the Supreme Court of the United States not to be subject to delegation except as to those subordinate actions which are governed by a general rule laid down by the Congress.

Mr. President, I wish to call attention to two or three references which show how the Supreme Court constantly keeps in mind the distinction between vital powers and incidental powers, dominant powers and inferior powers, general powers and the mere filling in of details.

I shall first read from the case of *Bromley* v. *The Collector of Internal Revenue, McCaughn* (280 U. S. 124, p. 137). That case had to do with taxation, as taxation is involved in the measure before the Senate, for the power to tinker with excise taxes, to fix them at the rate they now bear, to promise not to levy them in the future, all such powers are expressly contained in the delegation under the Trade Agreements Act; and no man lives who can say with any probity that that is not taxation. In the Bromley case the Court said:

> So far as the constitutional power to tax is concerned, it would be difficult to state any intelligible distinction, founded either in reason or upon practical consideration of weight, between a tax upon the exercise of the power to give property inter vivos and the disposition of it by legacy, upheld in *Knowlton* v. *Moore, supra,* the succession tax in *Scholey* v. *Rew, supra,* the tax upon the manufacture and sale of colored oleomargarine in *McCray* v. *United States, supra,* the tax upon sales of grain upon an exchange in *Nicol* v. *Ames, supra,* the tax upon sales of shares of stock in *Thomas* v. *United States, supra,* the tax upon the use of foreign-built yachts in *Billings* v. *United States, supra,* the tax upon the use of carriages in *Hylton* v. *United States, supra;* compare *Veazie Bank* v. *Fenno, supra,* 545; *Thomas* v. *United States, supra,* 370.
>
> It is true that in each of these cases the tax was imposed upon the exercise of one of the numerous rights of property, but each is clearly distinguishable from a tax which falls upon the owner merely because he is the owner, regardless of the use or disposition made of his property (see *Billings* v. *United States,* supra; cf. *Pierce* v. *United States* (232 U. S. 290)).
>
> The persistence of this distinction and the justification for it rest upon the historic fact that taxes of this type were not understood to be direct taxes when the Constitution was adopted and, as well, upon the reluctance of this Court to enlarge by construction, limitations upon the sovereign power of taxation by article I, section 8, so vital to the maintenance of the National Government. *Nicol* v. *Ames,* supra, 514, 515.

Mr. President, that citation is a good witness of the vital character of the power to tax with which we are asked to tinker now, and which we are asked to delegate to the President of the United States for another 3 years, under a statute which we were told was solely an emergency measure, intended to be terminated within 3 years, and which would have been wholly uncalled for except for the conditions of the emergency which existed at the time the act was passed.

Chief Justice Hughes, in the "gold clause" cases, made a reference to this recognition of primary power in the following manner:

> But the right to make binding obligations is a competence attaching to sovereignty. In the United States sovereignty resides in the people who act through the organs established by the Constitution.

That is what I have been trying to emphasize.

> The Congress as the instrumentality of sovereignty is endowed with certain powers to be exerted on behalf of the people in the manner and with the effect the Constitution ordains. The Congress cannot invoke the sovereign power of the people to override their will as thus declared. The powers conferred upon the Congress are harmonious. The Constitution gives to the Congress the power to borrow money on the credit of the United States—

See how this power is described:

> an unqualified power, a power vital to the Government, upon which in an extremity its very life may depend. * * * The Congress has not been vested with authority to alter or destroy those obligations * * *.

In the last sentences quoted the Court recognized what constitutes a vital power, a dominant power, a primary power, such as those contained in the scope of the Trade Agreements Act of 1934, delegating to the President of the United States the sole power to extinguish laws in existence, to make treaties with foreign nations so that laws that still existed should not apply; to change the rates of duties, and to levy excise taxes; to promise not to tax, and have this promise last for years, thus divesting Congress of the power to tax during all that time.

How absurd to treat those powers as if they were such subordinate things as we have heard referred to in the debate, such subordinate powers as the power reposed in the Interstate Commerce Commission to require railroads to keep accounts in the manner specified, or to fix in interstate commerce rates of transportation which are just and reasonable; the power of the Commissioner of Internal Revenue to make regulations pertaining to sale of unbranded oleomargarine; the power of the Federal Reserve Board to permit national banks to act as trustees; the power of the Interstate Commerce Commission to suspend rates as to car service. Are these powers vital to the life of the country? Ah, no. We know the difference. We know the difference, not alone because that difference is expressed in the fundamental law, although that ought to teach it to us, for we take an oath to support that law, but we recognize that difference because it is founded in reason. And parties may not, cannot, remove their transactions from the reach of dominant constitutional power simply by making contracts.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Vermont yield to the Senator from Tennessee?

Mr. AUSTIN. I yield.

Mr. McKELLAR. As the Senator knows, I have great respect for his views. I want to ask him a question. Is it the Senator's argument that the only way the power which the Congress has to regulate commerce—which to my mind is full and plenary—can be exercised is by means of tariff laws?

Mr. AUSTIN. I assume that the Senator's question relates to international commerce.

Mr. McKELLAR. To international commerce. The Constitution says that Congress shall have the power to regulate commerce with foreign countries. Is the Senator of the view that it can only regulate it by passing what is known in the ordinary parlance as a tariff law, and it cannot go beyond that?

Mr. AUSTIN. No.

Mr. McKELLAR. Would the Senator elaborate on that idea, as to how the power should be exercised other than by a tariff law?

Mr. AUSTIN. We exercised it in the last extraordinary session of Congress, did we not? We said to all the world "We are willing to make one of the greatest sacrifices any nation has ever made with respect to its commerce, and we will withdraw from the sea lanes our ships that are in danger, and we will not allow a single article which is American, of great or of little value, to get into that zone of trouble."

In other words, there is a way in which we can regulate international commerce by imposing restrictions upon our nationals. Very well. That is only one way. If we find that the civilization of the world has broken down, that wars have devastated property and caused the death of many human beings, and diet is so limited, clothing so poor, shelter of agricultural producers and factory workers and miners and employees of the mills so abject, and their needs so great

that when they come to our shores with a competitive product they offer it at a price that takes away from the products of our own laborers and producers of agricultural products their natural market, then we can regulate that commerce. We can do it in a number of ways.

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

Mr. AUSTIN. I yield.

Mr. McKELLAR. Perhaps I did not express my question clearly. What I meant to ask was, Is it the Senator's idea that we can pass a tariff law under the constitutional provision, fixing rates, but we cannot give to the President or to any agency which we may establish, the power to regulate those rates further by reducing them or increasing them?

Mr. AUSTIN. No; I have not made that claim. Of course, I am aware of the flexible features of the Tariff Act of 1930, by which we said to the President of the United States, "You may raise and lower within certain limitations, provided a fact-finding body of experts finds certain facts." Then we laid down four or five pages of facts he must find in order to take action. In other words, Congress did the legislating and the Tariff Commission and the President did the executing, which is a perfectly normal American act.

Mr. McKELLAR. Mr. President, in a modified way, is that not exactly what is proposed in the Trade Agreements Act?

Mr. AUSTIN. No.

Mr. McKELLAR. It is just a trifle different way of handling it, but in essence and in fact is it not the same thing?

Mr. AUSTIN. Mr. President, I have heard the learned Senator assert his views on that subject, and his question implies that he thinks it is, but I differ. My view is that the act does not contain any general rule; it does not contain even the vaguest of standards. It has no legislative direction in it. It merely states a purpose, and a time when these powers may be exercised, but it does not tell how they shall be exercised, nor does it tell upon what set of circumstances the tariff duties shall be laid down. The power the Senator referred to is a mere beginning of the list of powers contained in this attempt at delegation.

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

Mr. AUSTIN. I yield.

Mr. KING. Perhaps this is not quite germane to the point which the Senator is now discussing, but it seems to me, if the Senator will pardon me, that the obligation rests upon Congress whenever it is dealing with legislation, to remember the fact that our Government was formed, I may say, as a sort of a protest against the assertion of power by an Executive, and in the provisions of the Constitution of the United States our fathers were determined to bind the authorities, to bind the hand of the Executive, and to point out, with proper limitations, and with sufficient clarity, the duties and responsibilities of the tripartite organizations which were set up, namely, the executive, the legislative, and the judiciary.

The fathers had in mind the fact that the great abuses which had resulted in the Revolution, and in the achievement of the independence of the Colonies, grew out of the tyranny of the king, and they determined more than anything else to limit the authority of the Executive.

Therefore, they said that the Congress should have the power to deal with questions of taxation, and with revenue, and with the numerous other questions. It would seem to me that the first thing to which we should address ourselves in the consideration of the legislation is, Are we impinging upon the concept of the fathers when they said that the Executive shall have no power except that which is specifically granted, and that the residue of the power is reserved to the other branches of the Government and to the people themselves?

Mr. AUSTIN. Mr. President, the learned Senator from Utah always contributes something to thought that is worth considering seriously. I am very glad that he has taken the trouble to interpolate these fundamental ideas, for really we are not dealing with precedents here. This is a matter of principle. It rests very largely upon our reasoning. If we cannot see the difference between those acts which are necessary to be kept safeguarded and protected from usurpation or delegation or abdication—if we cannot reason that out for ourselves, then perhaps we are entirely wrong in the assumption that there are any such powers.

The Senator from Utah has laid his finger on something which we recognize, and that is that away back behind the Magna Carta, and of course, therefore, before the separation of authority by our Constitution, three fundamental principles were recognized by our British ancestors, principles which go back so far that no man knows when they did not exist. Those three fundamental principles were: First, that the King could not legislate without the consent of Parliament; second, that he could impose no tax without the consent of Parliament; and third, that he was bound to conduct the executive administration according to the laws of the land. Sometimes a king lost his head when he violated those principles. The people on this continent rebelled and revolted against the tyranny represented by the violation of those principles. Our existence as a nation depended upon the affirmation of those principles. What are we, and who are we, voluntarily to surrender them?

Mr. President, I realize that I have taken much time in very imperfectly presenting my views; but I feel that this is one of the most important issues which I have considered since I came to the Senate. In the amendment offered by the Senator from Nevada [Mr. PITTMAN]—a simple, short amendment requiring that hereafter any agreement entered into under the provisions of the act must be brought back to the Senate for advice and consent before it shall become effective—is wrapped up the safety of the Republic. The great, fundamental acts of sovereignty are all comprehended in the power of negotiating contracts with Great Britain, France, Germany, Italy, Japan, Russia, and other countries—contracts which involve imposts, excises, customs duties, and limitations on commerce, and also involve legislation by us, namely, the legislation ordinarily found necessary for levying excise taxes within the United States. These are all tied up in the joint resolution to extend the power of the President to exercise these great sovereign powers for another 3 years. With my views I cannot conscientiously sit silent and allow the joint resolution to come to a vote without first registering a very strong feeling, a very firm persuasion, that we are about to do something which affects the very life of the Republic.

Mr. President, I desire to supplement in the RECORD some of the citations I have made, particularly bearing upon the theory that the regulation of commerce cannot be delegated by Congress except in respect of minor or subordinate particulars.

In this connection I quote from a letter written by Judge Thomas D. Thacher, former Solicitor General of the United States, to the Senator from Michigan [Mr. VANDENBERG], and published in the CONGRESSIONAL RECORD of June 25, 1935, as follows:

> In *Panama Refining Co.* v. *Ryan* (293 U. S. 388), and in *A. L. Schechter Poultry Corporation* v. *United States* (55 Sup. Ct., 837), the Supreme Court of the United States has recently declared section 9 and section 3 of the National Industrial Recovery Act invalid because of the unconstitutional delegation of legislative power to the President; and the Court has twice declared:
>
> This is a quotation:
>
> Congress cannot delegate legislative power to the President to exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation and expansion of trade or industry.

In other words, merely because it is a matter of trade or industry does not take it out of the realm of what is vitally important to our sovereignty.

I should like to have permission to insert what follows, as it has been marked by me in the quotation from the CONGRESSIONAL RECORD of a former session, volume 79, June 25, 1935. A portion of the quotation I should like to say illustrates the difference between a primary power such as that which is attempted here to be delegated and those subordinate powers which the Court has passed on and said are proper to delegate.

I ask leave to insert at this point a list of citations from cases in which the Court has held such delegation of subordinate powers to be proper.

The PRESIDING OFFICER. Without objection, the request of the Senator from Vermont is granted.

The matter referred to is as follows:

[From the letter of Judge Thacher to Senator VANDENBERG, CONGRESSIONAL RECORD, June 25, 1935]

Upon the principles laid down in the oil and poultry cases, the act clearly appears to be an unconstitutional delegation of legislative power to the President. It is necessary, however, to consider legislation of Congress which has in the past delegated to the President the power to suspend, increase, and decrease customs duties. A summary of this legislation appears in *Norwegian Nitrogen Co.* v. *United States* (288 U. S. 294, at pp. 308–309). Such legislation was under consideration by the Supreme Court in *Hampton & Co.* v. *United States* (276 U. S. 394) and *Field* v. *Clark* (143 U. S. 649) and while in each of these cases the particular delegation of power was sustained as constitutional, the principles upon which such delegations of power must be tested were fully developed and defined by the Court, and these principles controlled decision in the oil and poultry cases.

[From CONGRESSIONAL RECORD, June 25, 1935, p. 10440]

Bromley v. *McCaughn* (280 U. S. 124) and the authorities cited by Justice Stone in that case establish the validity of the proposed tax. As Justice Stone said in the Bromley case, "while taxes levied upon or collected from persons because of their general ownership of property may be taken to be direct, this Court has consistently held, almost from the foundation of the Government, that a tax imposed upon a particular use of property or the exercise of a single power of property incidental to ownership is an excise which need not be apportioned." Since taxes on the right to give property (*Bromley* v. *McCaughn, supra*) to dispose of property by legacy (*Knowlton* v. *Moore*, 178 U. S. 41), to manufacture and sell colored oleomargarine (*McCray* v. *United States*, 195 U. S. 27), to sell grain upon a commodity exchange (*Nicol* v. *Ames*, 173 U. S. 509), to sell shares of stock (*Thomas* v. *United States*, 192 U. S. 363), to use foreign-built yachts (*Billings* v. *United States*, 232 U. S. 261), to use carriages (*Hylton* v. *United State*, 3 Dall. 171), to use certain manufactured articles (sec. 622, Revenue Act of 1932), to process agricultural commodities (sec. 9, Agricultural Adjustment Act) are valid excises, certainly there can be no doubt of the validity of an excise tax imposed upon the owner of furs for the privilege of dressing and dyeing them or having them dressed and dyed for him by another.

Mr. CAPPER obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. CAPPER. I yield.

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

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Eighty-five Senators have answered to their names. A quorum is present.

Mr. CAPPER. Mr. President, I am opposing the extension, through the joint resolution now pending, of the Reciprocal Trade Agreements Act, unless the resolution is amended to require ratification by the Senate of any such agreement before it becomes effective.

I am in favor of increasing our foreign trade, and I favor a general lowering of tariff barriers and the removal or mitigation of other trade barriers in order to attain that objective.

It is not necessary for anyone from the State Department or from a college faculty to shout at me that we cannot hope to sell abroad unless we also buy from abroad. I learned long ago that foreign trade, and also domestic trade, means the exchange of goods and services, not just the sale of commodities.

Mr. President, I am in favor of the United States negotiating and making effective reciprocal trade agreements to attain this worth-while objective.

But I am not willing to sacrifice the American farmer, nor to endanger our form of government, by the kind of futile efforts which have been put forth during the past 5½ years under the present act.

Mr. President, no section of the country is more interested in building up our foreign trade than my own, unless it is the Cotton Belt.

No group of people in our Nation is more vitally interested in restoring foreign trade than are the producers of those surplus crops—wheat, cotton, corn, hogs, tobacco, rice.

We in the Wheat Belt know, as do those in the Cotton Belt, that unless we can regain and retain our foreign markets or a good percentage of the foreign markets for our production, that production must be seriously curtailed for many years to come.

Six years ago, Mr. President, I shut my eyes to the constitutional question involved in the Reciprocal Trade Agreements Act. In spite of grave misgivings because of the fact that the Senate was surrendering a measure of its control over the treaty-making powers granted by the Constitution; in spite of the fact that the Congress was surrendering its power over the purse strings—the taxing power—to the Executive, I voted for the enactment of the original Reciprocal Trade Agreements Act.

I have lived to regret that action.

I had hoped, and the farmers of the country had hoped, that the State Department and the President would use the legislative powers thus vested in them to increase the markets abroad for our surplus farm commodities.

Those hopes have not been realized. On the contrary, the power to lower tariff duties has been used to permit—yes, to encourage—imports of farm commodities of which we ourselves produce surpluses. Under this policy the Federal Surplus Commodities Corporation buys surplus farm products for distribution among relief clients, while at the same time we encourage the importation of additional quantities of such commodities in larger amounts than the Surplus Commodities Corporation buys.

At the same time the State Department encourages and makes possible increased importations of farm commodities which are produced in the United States, the Department of Agriculture pays our farmers for reducing production of farm commodities.

In effect, through the State Department we subsidize farmers of foreign lands to produce more for the American market, while through the Department of Agriculture we subsidize the American farmer to produce less for the American market and to throw away what foreign market he had left.

Mr. President, the American farmer was sacrificed for the benefit of the manufacturing industry during the years we wrote higher and higher tariffs.

That policy was wrong, as we have learned to our sorrow. In the long run I do not believe the manufacturing industry has gained by it, although many individuals in that business have.

But now, what are we doing, through these reciprocal trade agreements, to correct the wrong that was done the farmer by the high protective tariff system.

Mr. President, we are again sacrificing the American farmer for the benefit of the American manufacturer—and the foreign farmer.

The farmer paid the price of high tariffs.

Now he is to pay the price of lowering those high tariffs.

Under higher and higher tariffs the American farmer was penalized so that the American manufacturer could build up his domestic market.

Now farm tariffs are being lowered so that the American manufacturer can build up his foreign market.

I say that is wrong. More than that, it is, in the long run, an unsound public policy, one that will hurt industry as well as agriculture.

Six years ago we were promised—at least that was my understanding—two things:

First. That the reciprocal trade agreements negotiated would result in increased markets for the farmer. Naturally, I took that to mean, as I believe the American farmers took it to mean, that there would be increased foreign markets for the export of American farm products. We certainly did not understand it to mean that there were to be increased American markets for the production of the farmers of other lands.

Second. We were promised by President Roosevelt in a speech delivered, I believe at Baltimore, that the tariff protection on American farm products would not be lowered to the detriment of the American farmer.

As I read the record neither of those promises has been kept.

I am aware of the fact that figures can be misleading, especially trade statistics. I can select certain months and certain years, and certain commodities, and paint a picture in figures that may be true in detail, and yet convey an entirely erroneous impression as to the whole situation. I know this because I have listened to some of the speeches of those favoring the trade agreements—and that is just what those speakers have done.

On the other hand, I believe we can go to the record and get the facts. That is what I have tried to do.

As is generally known, there are two classes of farm commodities which are imported into the United States. Some are competitive, such as cattle, hogs, beef, pork, lard, butter, grains, cotton, and so on—a long list. Some are noncompetitive, such as coffee, rubber, bananas, and other tropical fruits not produced in marketable quantities in the United States.

The Department of Agriculture has divided the farm commodities that are imported into these two classes, and keeps separate records of them.

It would manifestly be unfair, in making comparisons, to include noncompetitive farm commodities, such as coffee, rubber, and so forth, and I would not be guilty of that.

It would be unfair to compare the years 1929 and 1939 to show whether farm exports had increased or decreased under the reciprocal trade agreements. All the world knows that foreign trade was at a peak along about 1929. It was far below the peak last year.

Neither, to my mind, would it be fair to base comparisons solely on 1932 with any trade-agreement years.

After thinking over the matter, I decided that if I should take the last 5 years before the trade agreements were effective, and the first 5 years afterward, and if I should keep competitive and noncompetitive farm imports separated, I might get a fairly accurate picture of what had happened.

I should not be able, even then, to say that any results shown would absolutely be caused by the trade agreements, but at least I should have a picture of what happened along with the trade agreements.

The Bureau of Agricultural Economics, as I understand, makes its crops statistics generally on a fiscal-year basis, that basis corresponding more closely to crop marketing years than do the calendar-year figures. So I got those figures, and here they are:

First, there are competitive farm products for the 5-year period ending June 30, 1934. The Trade Agreements Act was approved in June of 1934, and became effective in September of that year. Here is the record on imports of competitive farm products.

These figures are for fiscal years ending June 30 of the year shown:

Competitive farm imports

Before:	
1930	$889,122,000
1931	512,020,000
1932	374,890,000
1933	282,428,000
1934	418,515,000

Competitive farm imports—Continued

Since:	
1935	$497,892,000
1936	641,622,000
1937	866,775,000
1938	588,316,000
1939	486,140,000

The average for the 5-year period before the trade agreements was $495,395,000 worth of competitive farm products imported.

The average for the 5 years of trade agreements was $616,149,000 of competitive farm products imported.

In other words, imports of competitive farm products in the 5 years under the trade agreements averaged annually $120,754,000 more than for the 5 years before the trade agreements.

Imports of competitive farm products increased 25 percent under the trade agreements. These are the commodities grown for market on American farms.

Now, let us see what the record shows on imports of noncompetitive farm commodities for the same two 5-year periods:

Noncompetitive farm imports

Before:	
1930	$1,010,399,000
1931	649,572,000
1932	459,000,000
1933	331,309,000
1934	420,437,000
Since:	
1935	435,882,000
1936	499,569,000
1937	669,920,000
1938	566,820,000
1939	486,140,000

The average value of noncompetitive farm commodities imported in the 5 years before the trade agreements was $574,143,000 annually.

The average value of noncompetitive farm commodities imported in the 5 years of trade agreements was $536,933,000 annually.

In other words, for the 5 years of the trade agreements the average annual value of noncompetitive farm commodities imported was $37,210,000 less, or a decrease of 7 percent.

What that means is just this:

Under the trade agreements, whether because of them or in spite of them, based on the records of the two 5-year periods, imports of competitive farm commodities increased 25 percent. Imports of noncompetitive farm commodities, which farmers are glad to see come into the United States, decreased 7 percent.

Now, let us see what happened to our farm-export trade during these two 5-year periods—the last 5 years without the trade agreements, the first 5 years under the trade agreements. Here are the figures:

Exports of farm commodities

Before:	
1930	$1,495,823,000
1931	1,038,018,000
1932	752,132,000
1933	589,650,000
1934	787,343,000
Since:	
1935	668,713,000
1936	766,303,000
1937	732,474,000
1938	890,771,000
1939	682,962,000

The average annual value of farm exports for the last 5 years before the trade agreements was $932,593,000.

The average annual value of farm exports for the first 5 years of the trade agreements was $784,244,000.

In other words, the average annual value of farm exports was $184,389,000 less under the trade agreements, or a decrease of approximately 20 percent.

Mr. President, I should not consider it fair to attribute this drop of 20 percent in farm exports during the 5 years of the trade agreements to the trade agreements. In the first place, world trade was less during the second 5 years than during the first 2 years of the first period; also, world prices were lower.

That, however, is not the point.

The significance of these figures is that for the first 5 years of the trade agreements, as compared with the last 5 years before the trade agreements—

Imports of competitive farm commodities increased 25 percent.

Imports of noncompetitive farm commodities decreased 7 percent.

Exports of farm commodities decreased 20 percent.

Frankly, I do not see how it can be maintained that any program under which imports of competitive farm products have increased 25 percent, while exports of farm commodities have decreased 20 percent, is helping the American farmer.

It may be that the program is helping the farmers of the rest of the world, but it certainly is not helping the American farmer. We are supposed to be taking care of the American farmer first, as I understand—and we were given to understand 6 years ago that this program would help the American farmer.

I maintain, on the contrary, that the American farmer has suffered under the trade-agreements program, whether that suffering has been caused by the trade-agreements program or not.

I think the figures tell their own story.

While on the subject of exports and imports, Mr. President, I believe I shall read an excerpt from a statement released by the Department of Commerce on January 31, commenting on foreign trade in 1939. Incidentally, I may state that the figures in this statement refer to calendar years, while the figures I quoted from the Department of Agriculture deal with fiscal years.

Under the heading "Foreign trade in 1939," the Department of Commerce statement just referred to says:

> Total United States exports during the 12 months ending in December were larger in both volume and value than in 1938. The increase in aggregate value was from $3,094,000,000 in 1938 to $3,177,000,000 in 1939. * * * In terms of volume, export trade was about 5 percent larger in 1939 than in either 1937 or 1938. * * * In December the volume of exports reached the high level of the final months of 1929, although their aggregate value was considerably smaller because of lower export prices.
>
> The rise in exports during 1939, as compared with 1938, was primarily the result of the increase in foreign demand for United States manufactures during the last half of the year. During the early months of 1939, exports of both manufactured and agricultural products dropped below those in the same period in 1938.
>
> Beginning in May, however, there were consistent gains in shipments of manufactured articles which resulted in substantially larger exports of metals and manufactures, aircraft, machinery, lubricants, and chemicals for the year.
>
> Comparatively heavy exports of cotton during the last 5 months of 1939 brought total shipments for the year above the total for 1938.

Now comes the sentence to which I particularly wish to call the attention of the Senate. I quote:

> The value of the exports of all agricultural products dropped from $828,000,000 in 1938 to $656,000,000 in 1939, the lowest figure in a number of years. Exports of grain and preparations declined by 55 percent.

I wish to point out at this time, Mr. President, that so far as wheat is concerned, what exports there were resulted from subsidization of exports by the Department of Agriculture, and were not due in any respect to the reciprocal trade agreements program.

I asked Secretary of Agriculture Henry Wallace about this subject when he was before the Senate Finance Committee, and he said—page 87 of the unrevised hearings:

> Secretary WALLACE. I would like to indicate, with respect to wheat, Senator, that it would prove absolutely nothing, because we had during this period an export subsidy working.

The Senator from Mississippi [Mr. HARRISON], chairman of the committee, asked Secretary Wallace:

> It is a fact that the price has increased on wheat, is it not? Wheat is higher now than it was 2 or 3 years ago, or in 1932.
>
> Secretary WALLACE. Why, yes, of course, the price is higher, but I would say the price is higher now chiefly because of the drought.
>
> The CHAIRMAN. Then the record also shows in 1933——
>
> Secretary WALLACE (interposing). I wish to point out that all of this discussion about wheat is totally irrelevant and has no bearing on the trade-agreement program. We should not attribute the high price of wheat at the present time to the trade agreements. I do not think the trade agreements have had anything important to do with that.

In other words, Mr. President, the reciprocal-trade agreements have not helped the wheat farmer; and there certainly has been nothing to indicate that they have helped him either directly or indirectly.

Returning for a moment to the subject of all agricultural exports, I desire to call attention to another phase of that matter. I desire to call the attention of the Senate to the decreasing share agriculture has in what export trade the United States enjoys.

In the fiscal year 1930 the percentage that farm exports was of total exports had reached a new low of 32.4 percent. That was not unnatural. This Nation has become increasingly an industrial nation. For the decade after the World War we were a creditor nation, not a debtor nation; and, also, from 1925 on, the nations of Europe were engaged on a program of self-sufficiency, particularly as to foodstuffs.

But suppose we take the two 5-year periods again—the last 5 years without the trade agreements and the first 5 years of the trade agreements. Here are the percentages farm exports were of all exports for those 10 years:

Before the trade agreements:

	Percent
1930	32.4
1931	34.2
1932	39.4
1933	41.8
1934	39.2

Then the reciprocal-trade agreements, which were to increase the foreign markets for farm commodities, went into effect. What happened?

Mr. President, the percentages tell the story:

	Percent
1935	32.1
1936	32.3
1937	26.3
1938	26.5
1939	23.7

I might add, Mr. President, that for the calendar year 1939 American agriculture's share in our export trade was a fraction over 20 percent.

Have the reciprocal-trade agreements helped American agriculture?

Under the trade agreements, imports of competitive farm commodities have increased 25 percent. Exports have decreased 20 percent.

In the last year before the trade agreements, American agriculture's share of our export trade had risen from the depression low of 32.4 percent to 41.8 percent in 1933 and 39.2 percent in 1934.

Under the promised stimulus of the reciprocal-trade agreements, American agriculture's share of our export trade has now dropped to a fraction over 20 percent.

Mr. President, by what process of rabbit-from-the-hat reasoning can we expect the American farmer to believe that the reciprocal-trade agreements have been helpful to him, or, in fact, anything but hurtful?

Mr. President, I had intended to confine my remarks on the economic aspects of the reciprocal-trade agreements to agriculture, because that is my main interest in them.

I had had the impression, without having made any study of the matter, that the trade agreements probably had been helpful to the manufacturing industries of the United States. I presume I followed a line of reasoning like this:

The trade agreements have not helped American agriculture. While they have been in existence agriculture has lost more and more of its export trade. Imports of competitive farm products have notably increased. It is not conceivable that any administration would adopt and follow and advocate a trade policy or program that hurt both agriculture and manufactures. Therefore, since this program has hurt agriculture, it must have helped manufactures.

But some facts presented by Dr. John Lee Coulter, a former member of the Tariff Commission and former president of

the North Dakota College of Agriculture, a man for whose integrity and knowledge I always have had the highest respect, have caused me to doubt whether the trade agreements have helped even the manufacturing industry of the United States on the whole, though they may have been of benefit to certain industries, such as the automobile- and typewriter-manufacturing industries.

Dr. Coulter was one of the witnesses before the Finance Committee, of which I happen to be a member. Because I regard him as an authority on the subject of foreign trade as a whole, I am going to include part of his statement in my remarks at this time. I will say that his testimony before the committee and the figures he presented have raised grave doubts in my mind as to whether even the manufacturers of the United States have benefited from these reciprocal-trade agreements to date. I know that agriculture has not.

Great stress has been laid, Dr. Coulter told our committee, upon the idea that under the reciprocal-trade agreements the United States has been able to secure many so-called concessions from foreign countries intended to mitigate foreign-trade barriers, thereby increasing the export trade of the United States. Proponents of the trade agreements have urged that the United States might at least, through these agreements, hope to recover some of the foreign market formerly held for surplus agricultural products of the United States, in addition to certain industrial products of mass production. It has been maintained that this would aid directly in solving the farm problem, and that indirectly, by providing employment in factories for the export market, a better domestic market for American farm products would be provided. But an objective analysis of our foreign trade, Dr. Coulter stated, does not bear out this contention. While foreign nations have made gestures of friendship in the form of so-called concessions, many, if not most of the same nations, have proceeded to increase, rather than decrease, barriers against our export trade.

These trade barriers erected against us, in exchange for our lowering of barriers against imports, have consisted of: First, quota systems with licenses, permits, and so forth; second, exchange-control programs, including blocked exchanges, and so forth; third, barter arrangements, compensation agreements, and so on; fourth, internal regulations and controls, such as in the use of imported products in combination with or as substitutes for domestic materials; and, fifth, a dozen other miscellaneous devices which have the effect of revisions of tariff schedules to offset the gestures of lowering barriers through trade agreements.

It would seem—

said Dr. Coulter—

that the only objective approach would be to attempt to measure the results secured from the so-called foreign concessions in trade agreements thus far put into effect. The first trade agreement negotiated under the program did not become effective until September 1934. We may, therefore, take the first 8 months of 1934 as the last substantial period prior to the first trade agreement. It is unsatisfactory to go back to an earlier period such as 1932 or 1933 because of the complete change in international monetary relations due to currency devaluation—

And so forth. Dr. Coulter maintained before the Senate Finance Committee:

In contrast, after September 1, 1939, a new World War had enveloped the leading countries of Europe. We may, however, take the first 8 months of 1939 as the most representative recent period available, especially since the new Canadian agreement and the agreement with the United Kingdom became effective January 1, 1939.

I myself think that for the purpose of obtaining a fair comparison between two representative periods, the comparison between the first 6 or 8 months of 1934 and the first 6 or 8 months of 1939 is an equitable comparison.

During the first months of 1939, trade with five foreign areas was in a state of chaos, as Dr. Coulter told the committee, due to invasions, declared and undeclared wars, revolutions, moral embargoes, economic sanctions, trade discriminations, and so forth. These five areas were Germany, including Austria and Czechoslovakia; Italy, including Ethiopia and Albania; Spain; Japan; and China, including Manchuria and the Chinese ports. So, to make the comparison fair, we eliminate those five areas from the trade totals for both periods.

Bear in mind, I am now discussing all exports, not just those of farm commodities. Mr. President, I ask unanimous consent to insert at this point in my remarks the table presented to the committee by Dr. Coulter, showing United States exports, including reexports, for the first 6 months of 1934 and 1939, by groups of countries, the monetary figures in the table being in thousands of dollars.

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

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

United States exports (including reexports first 6 months of 1934 and 1939) by groups of countries

[1,000 dollars]

	1934	1939	Increase 1939 over 1934	
			Amount	Percent
Total exports to all countries	1,036,053	1,415,427	379,374	33.4
A. COUNTRIES INVOLVED IN WARS, REVOLUTIONS, ETC.				
Greater Germany	72,665	38,382	−34,273	−47.1
Germany	70,631	34,624	−36,007	−50.9
Austria	784			
Czechoslovakia	1,240	3,758	2,518	203.0
Italy	31,097	26,368	−4,729	−15.2
Spain	19,366	7,009	−12,357	−36.1
China, including foreign ports	43,493	44,949	1,456	3.3
China	37,946	25,755	−12,191	−32.1
Hong Kong	3,504	10,932	7,428	211.9
Kwantung	2,043	8,262	6,219	304.0
Japan	90,634	111,037	20,403	22.5
Total, war-stricken states	257,245	227,745	−29,500	−11.4
All other countries (groups B and C below)	778,808	1,187,682	408,874	52.5
B. TRADE-AGREEMENT COUNTRIES				
Belgium	27,368	33,080	5,712	20.9
Sweden	15,076	39,008	23,932	156.0
Switzerland	4,420	5,874	1,454	32.8
Finland	2,495	6,257	3,762	110.7
Netherlands	28,699	41,504	12,805	44.5
Netherlands possessions	10,752	35,573	24,821	230.0
France	62,915	70,301	7,386	11.7
French Colonial Empire	5,616	9,633	4,017	71.5
United Kingdom	172,008	229,733	57,725	33.5
British Colonial Empire	20,113	38,368	18,255	90.7
Canada	149,840	201,768	51,928	34.6
Five Central American republics	8,850	14,482	5,632	63.6
Haiti	1,922	2,262	340	17.6
Colombia	9,934	24,505	14,571	146.7
Brazil	18,671	33,367	14,696	78.7
Ecuador	1,111	2,181	1,070	96.3
Total, trade-agreement countries	539,790	787,896	248,106	45.9
Cuba	21,402	36,480	15,078	70.4
Total, including Cuba	561,192	824,376	263,184	46.8
C. NON-TRADE-AGREEMENT COUNTRIES [1]				
Total, non-trade-agreement countries	221,120	374,238	153,118	69.2

[1] Excluding those involved in revolutions and declared or undeclared wars.

Mr. CAPPER. Mr. President, I wish now to call the attention of the Senate to what this comparative table shows without reciting all the detailed figures.

First, it shows total exports to all countries for the first 6 months of 1934. The 6-month, instead of 8-month, comparison is used because figures for 6-month periods are more easily available. The figures for 8 months would not show any material difference in percentages.

Second, total exports to all countries for the first 6 months of 1934 amounted to $1,036,053,000.

Total exports to all counties for the first 6 months of 1939 amounted to $1,415,427,000.

Total exports to all countries during the 1939 period were $397,374,000 more than for the 1934 period, or an increase in export trade of 33.4 percent.

Total exports to the war-torn countries for the first 6 months of 1934 amounted to $257,245,000.

Total exports to the war-torn countries for the first 6 months of 1939 amounted to $227,745,000.

Total exports to the war-torn countries for the 1939 period were $29,500,000, or a decrease of 11.4 percent.

To all other countries, exports in the 1934 period amounted to $778,808,000; for the 1939 period, to $1,187,682,000; showing an increase in exports of $408,874,000, or 52.5 percent.

Now we come to the separation of the trade-agreement countries from the nonagreement countries, excluding the five war-torn areas—greater Germany, Italy, Spain, China, and Japan.

The record shows that our total exports to these trade-agreement countries in the first 6 months of 1934, including Cuba, with whom we really have a bilateral instead of the unilateral agreement, amounted to $561,192,000. This was before the agreements were in effect.

Total exports to these trade-agreement countries for the first 6 months of 1939 amounted to $824,376,000.

Total exports to these trade-agreement countries were larger during the trade-agreement period by $263,184,000, showing an increase of 46.8 percent.

But the total exports to the non-trade-agreement countries, excluding the war-torn areas, increased from $221,120,000 in the 1934 period to $374,238,000 in the 1939 period. This is an increase of $153,118,000, or 69.2 percent.

The point is that in these representative periods the increase in exports to the trade-agreement countries was 46.8 percent; the increase to the non-trade-agreement countries was 69.2 percent.

After checking these figures, Mr. President, I fail to see where the reciprocal-trade agreements have been of any material assistance to our exports of manufactures.

We already know that the trade agreements have injured, rather than helped, American agriculture.

So, except for propaganda and campaign purposes, I fail to see the value of these reciprocal-trade agreements at all beyond the expression of a praiseworthy aspiration to return the world toward a free-trade basis at the expense of American agriculture and American industry.

Before leaving the economic aspects of the trade agreements, I desire to call attention to another thing which has injured one of our basic industries. I refer to the petroleum industry. In 1932 a long-delayed protection was afforded the independent petroleum producers by the levying of an import excise tax on petroleum and certain petroleum products. The protection afforded was not large, only 21 cents a barrel, which certainly was not excessive. At the same time import excise taxes were levied on coal, lumber, and copper.

I think it was plainly the intent of Congress, when the original Reciprocal Trade Agreement Act was considered, that these excise taxes were not to be included in the scope of any trade-treaty negotiations. I call attention to the following statement in the reports of the Senate Finance Committee and the House Ways and Means Committee to the respective branches of Congress.

> In order that the necessary reciprocity be accorded, the President is empowered to promise that existing duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are, in fact, customs duties.

I think that Congress intended—it certainly should have intended—to keep control over these excise taxes in its own hands.

However that may be, last December a trade agreement was negotiated with Venezuela by which the excise tax on imports of crude petroleum and other products of petroleum was reduced 50 percent.

Mr. President, this reduction threatens the stability of the petroleum industry in both the midcontinent and the west-coast fields. It is a serious threat to the independent petroleum producers. It does not materially help Venezuela; it does tend to give three large oil companies the power to control prices of petroleum products in the Atlantic seaboard region; it breeds monopolistic control of the oil industry.

Mr. President, I do not intend to discuss this situation at length at this time. I have offered an amendment to correct this misuse, as I see it, of the powers granted the Executive through the Reciprocal Trade Agreements Act, which I intend to call up at the proper time. I ask unanimous consent that the amendment be printed at this time as a part of my remarks.

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

> On page 1, line 8, after "1940," insert a comma and the following: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade-agreement negotiations excise taxes imposed under the provisions of paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932, as amended, which are now a part of the Internal Revenue Code, subtitle (c), chapter 29, subchapter (b), part 1, sections 3420, 3422, 3423, 3424, and 3425."

Mr. CAPPER. Mr. President, the effect of this amendment is to exclude changing these import excise taxes on oil, copper, coal, and lumber from the provisions of the Reciprocal Trade Agreements Act. I believe it should be agreed to.

Before closing, Mr. President, I desire to discuss briefly some of the broader implications of this legislation, especially the surrender by the Senate of its constitutional power over the ratification of treaties, and the surrender of the Congress of its power over revenue and taxation.

Mr. President, we have been called upon from overseas in the past to save democracy in a world in which democratic institutions are seriously imperiled. We are looking forward to a repetition of that call in some form in the not-far-distant future. It seems to me that we also have a call, and a much more urgent one, to save the democratic processes here at home.

All over the world we see details of government, powers of government, turned over or being turned over to the executive. For several years past the same trend has been distinctly observable here. The American people are alarmed over the encroachments of arbitrary power and the tyranny of one-man government. The country is greatly disturbed over the unrestrained increase of Executive authority without the full knowledge of the people.

One by one Congress is turning over legislative functions, powers, responsibilities, and duties to the executive branch of the Government. Some of these powers, it is true, are merely matters of administrative details. Theoretically it may be true that what Congress gives Congress later may take away. But getting back power from a strongly entrenched executive department is not a simple matter. It is not an easy thing to do. When the time comes when we wish to restore to Congress the legislative powers which have been granted the Executive we may find that impossible without something approaching revolution.

Mr. President, the original Trade Agreements Act, extension of which for another 3 years we now are considering, I believe transcends and violates the Constitution by allowing the Executive to negotiate treaties and make them effective without ratification by the Senate. When we approved the original act we attempted to short-cut the Constitution to get quick results. All over the world legislative powers have been surrendered to the Executive in the effort to attain results by short-cut methods. All over the world we see the baneful results of this surrendering by the legislative representatives first one and then another of the legislative powers to the Executive. Not always do the people have an opportunity of getting these powers back. We believe that every citizen should have the right to be heard.

In this instance the people of the United States, through Congress, have the power to get back the constitutional con-

trol over treaty making—a power first granted temporarily for a 3-year period, since extended another 3 years. Congress can take a step back toward representative government by adopting the Pittman amendment to the pending joint resolution. I have had a similar amendment before the Senate for more than 3 years, requiring ratification by the Senate of all treaties negotiated under the Reciprocal Trade Agreements Act. My amendment failed of adoption when it was submitted to the Senate in 1937. I hope the amendment offered by the Senator from Nevada will prevail at this time.

This amendment simply provides that—

> No foreign-trade agreement entered into after the date of the enactment of the joint resolution under section 350 shall be effective unless concluded by and with the advice and consent of the Senate, as in the case of treaties.

It may be contended that trade agreements do not rise to the dignity of treaties. If that were the case—and I make no admission that it is the case—then evidently the trade agreements would have the effect of laws.

Considering trade agreements as laws, it is evident that they are laws affecting revenue, because in them are provisions by which the revenues collected by the Government may be increased or decreased by changing the rates of customs duties on imports. It seems to me perfectly plain that the fixing of tariff or customs rates is a legislative function, under our Constitution. The same Constitution provides that all legislative power is vested in the Congress. It also provides that revenue legislation must originate in the House of Representatives.

It seems to me the conclusion is inescapable that if we, as Senators, as Members of Congress, are alive to our duties and responsibilities, we must take one of two views on this matter; we must choose between these alternatives, or be derelict in our duties under the oath we took to support the Constitution.

First, we can decide that these trade agreements are in effect treaties, and require Senate ratification.

Second, if we decide not to hold them as treaties, then we must view them as amendments to the revenue laws, and as such they should receive the approval of Congress.

My own view is that a trade agreement is both a treaty and an amendment to existing revenue laws, and as such should have Senate ratification, as in the case of a treaty, and congressional approval as an amendment to existing revenue acts.

I believe also, however, that the form and spirit of representative government would, for all practical purposes, be preserved if either Senate ratification or congressional approval were required. Therefore, I am suggesting Senate ratification, though I will gladly support an amendemnt to require congressional approval.

In this connection I desire to call attention to the fact that the nations with which we have negotiated 22 trade agreements on the whole take the view that these agreements are subject to legislative control. Eighteen of the twenty-one nations with which we have negotiated these agreements—two agreements were entered into with Canada—have required their parliamentary bodies to approve them before they became effective. Only three nations—Ecuador, Venezuela, and Cuba—did not require this approval. Mr. President, we lay claim to being the leading democracy of the world. We will not be if we continue this whittling away of legislative powers, this continual transfer of all government powers in the Executive.

Mr. President, one more thought in closing. It seems to me that the time has come for the United States to take stock, to get a revaluation of fundamental national policies.

In the domestic field we are pursuing a high-price, high-wage level, the so-called American standard-of-living policy. If those prices, those wages, that level of living are to be maintained, we cannot, in the light of reason, carry on at the same time a foreign trade policy which provides for imports of commodities produced under conditions such as low wages, long hours, low living conditions, and low price levels.

If we are to maintain prices, wages, and living conditions on a much higher than the world level, it seems inconsistent at the same time to be trying to promote imports produced on the lower world level of wages, prices, and living.

I have known men who could work both sides of the street, to use a phrase understood by most Senators. In the circus I have seen performers ride two horses at once—but the horses had to be going in the same direction.

I do not remember ever having seen even a circus performer attempt to ride two horses going in opposite directions. It seems to me that is what we are trying to do here.

Along the same line of thought I might mention also that through our Department of Agriculture and our Department of State we have in force two absolutely contradictory farm programs.

Secretary of Agriculture Wallace is making payments to American farmers to adjust production downward, subsidizing American farmers for producing less.

Secretary of State Hull is in effect subsidizing the farmers of other nations to produce more, and to sell that increased production in the American market.

Mr. President, those two programs just do not make sense.

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

Mr. CAPPER. I yield.

Mr. LODGE. Is it not also true that we are committed in our wage and hour law and in similar statutes to work for a rising level of wages and a reduced scale of hours, and that that is equally in contradiction of the policy of lowering tariffs?

Mr. CAPPER. That is true.

Just one other point upon which I will not elaborate. I am convinced it is a mistake to include the unconditional most-favored-nation clause in these agreements. Without going extensively into the matter, I call attention to the fact that trade agreements are a very special type of commercial treaty. They should be bilateral in character; otherwise, in too many instances, it will be found that we make concessions to a number of nations and get concessions only from one.

If any most-favored-nation clause is inserted in any of these agreements, it should be the conditional construction, not the wide open and greatly abused unconditional most-favored-nation clause. In support of this I quote from the United States Tariff Commission in its special 1919 report on reciprocity and commercial treaties, page 42:

> The evidences show that the conclusion of reciprocity treaties is likely to lead to claims from states outside the agreement, which, if granted, will defeat the purpose of the treaties, and which, if not granted, occasion the preferring of a charge of disloyalty to treaty obligations. The practice of making reciprocity treaties requires the conditional construction of the most-favored-nation clause.

Mr. President, I also point to the case of the zinc industry in this connection. The second trade agreement with Canada included sizable concessions on zinc and cadmium. Canada is not and was not a heavy importer of products into the United States, the amount being 12 percent of total zinc imports and 8 percent of cadmium imports. But Mexico, from whom we received no concessions, sends us 59 percent of our total imports of zinc, and Belgium sends us 71 percent of the cadmium we import.

Only the outbreak of the World War saved the domestic zinc-mining industry from serious injury by reason of letting down the bars against Mexican and Netherlands importations of these metals, as the result of our granting what appeared to be a minor concession to Canada.

I say that is an argument in favor of restricting the concessions made to those countries granting us no concessions in return.

Mr. President, let us abandon this nonsensical reciprocal trade agreements program and get down to earth in our economic thinking. I shall vote against the pending joint resolution unless it is amended to include the constitutional safeguard of Senate ratification before the negotiated treaties become effective.

I ask unanimous consent to have printed as part of my remarks numerous resolutions and letters from farm and

other organizations supporting the views I have just expressed in opposition to the reciprocal trade agreements program as it is being administered at present, and appealing to Congress to provide for Senate ratification of all treaties if the Reciprocal Trade Agreements Act shall be reenacted by Congress.

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

The matter referred to is as follows:

THE NATIONAL GRANGE,
Washington, D. C., March 25, 1940.

To the Members of the Senate:

If the legislation calling for the renewal of the Reciprocal Trade Agreements Act for another 3 years, which is now before the Senate, is to be approved, the National Grange is strongly of the opinion that this measure should be amended in certain respects so as to safeguard the interests of the American people.

In the first place, this measure should be amended so as to provide for joint congressional ratification of all future trade agreements that may be made. It is interesting to note that in 16 of the 22 countries with which we have made trade pacts these agreements or treaties have been subject to parliamentary ratification. But here in the United States, the greatest republic in the world, in violation of both the letter and the spirit of the fundamental law, the Senate has been deprived of its constitutional right to pass on these treaties.

Moreover, the Constitution provides that all revenue legislation must originate in the House. It cannot be denied that the right to raise or lower tariff duties to the extent of 50 percent affects revenues. As an illustration, by virtue of the fact that the duty on Cuban sugar was reduced from 2 to .9 cents per pound the Treasury sustained a loss of revenue between September 3, 1934, and December 31, 1939, amounting to $133,924,000. In the days when we depended upon the tax yield rather than deficit financing to defray the cost of government this would have been considered quite a sizeable sum. In the meantime the retail price of sugar to the consumer has not been reduced to the extent of a single mill. The chief beneficiaries have been two of the biggest banks in Wall Street, which own the major portion of the Cuban sugar industry. All this was done in violation of the constitutional principle that revenue legislation must originate in the House.

Senator MCCARRAN has announced his intention of proposing an amendment providing for the levying of excise taxes on all imports on the dutiable list when the landed costs of such goods fall below the American wholesale selling price. It is understood that this rule shall apply only to imports of commodities that are commercially available in the United States.

Since many artificialities and restrictions have been imposed upon our system of free enterprise during recent years which operate to increase our cost of production and of doing business, it is manifestly impossible to maintain these artificial standards while permitting unrestricted competitive imports from countries where substandard labor conditions exist and where costs of production are lower than in the United States. We are therefore heartily in favor of the adoption of Senator MCCARRAN'S amendment. There are various other amendments that should be made to this legislation, but we consider the two that have been indicated as of primary importance.

From the standpoint of the American farmer, the working of the 22 trade agreements that are now in effect have been worse than useless. Since 1934, when the Reciprocal Tariff Act was passed, the value of our agricultural exports has declined while competitive imports have increased. No amount of specious reasoning nor the juggling of foreign-trade statistics can obscure the facts in the case.

Under the guise of soil conservation the Government is paying the farmers of the country approximately $500,000,000 a year to reduce acreage and production, while permitting, and even encouraging, competitive imports of farm products valued at more than this sum. Moreover, it is important to keep in mind that our imports are priced on the basis of foreign costs. The import figures do not include the cost of transportation, insurance, and customs duties. If these items were added, the total import figures would be much higher.

Then, too, it must not be forgotten that competitive imports are always offered at a lower price than that which prevails at home. These imports place a ceiling, so to speak, on our price level, rendering it virtually impossible for domestic producers to secure prices commensurate with our higher costs of production and the American standard of living. The situation with which we are now confronted under the workings of the Trade Agreements Act is destroying the morale and the independence of the farmers of the country, and it is gradually reducing them to the status of wards of the Government.

Those who take the position that the United States Senate cannot be trusted to perform its proper functions in regard to these trade treaties not only turn their backs on the Constitution, but they betray their lack of faith in the processes of popular government. We regard it as a very grave mistake and a perversion of fundamental principles for Congress to delegate legislative power to the executive branch of the Government. That is what the Reciprocal Trade Agreements Act does, and it should not be renewed without proper amendments.

Yours sincerely,

THE NATIONAL GRANGE,
FRED BRENCKMAN,
Washington Representative.

[Adopted at Seventy-third Annual Convention of National Grange at Peoria, Ill., November 23, 1939.]

THE AMERICAN MARKET

Since many artificialities and restrictions have been imposed upon our system of free enterprise during recent years which operate to increase our cost of production and of doing business, and since it is useless to attempt to maintain these artificial standards while permitting unrestricted competitive imports from countries where substandard labor conditions exist, and where costs of production are lower than the United States, it is manifest that proper steps must be taken to protect American interests. Under prevailing conditions, we favor the levying of excise taxes on all imports on the dutiable list when the landed cost of such goods falls below the American wholesale selling price. Provided, however, that this rule should only apply to imports of commodities that are commercially available within the United States.

RECIPROCAL-TRADE AGREEMENTS

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

[Adopted by Thirty-fourth Annual Convention of Kansas State Farmers Union at Wakeeney, Kans., on October 24, 1939.]

We deplore the large importations from foreign countries of farm products in competition to American farmers; be it resolved that the Farmers Union take a firm stand against reciprocal-trade agreements which are negotiated without congressional ratification.

The National Farmers Union, in its 1939 convention at Omaha last November, left the reciprocal-trade program unmentioned, but stated its reaffirmation for "Protection of the domestic market for American agriculture."

[Adopted by Forty-third Annual Convention of American National Livestock Association held at Denver, Colo., January 11, 1940.]

RECIPROCAL TRADE ACT

Whereas a large majority of our people, and particularly of our agriculturists, is unalterably opposed to reciprocal-trade agreements; therefore be it

Resolved, (a) That we are definitely opposed to an extension of the Reciprocal Trade Agreements Act; and (b) That, if said act is extended, it be only on the condition that all new agreements thereunder and extensions of existing agreements be ratified by the Senate in the manner provided by the Constitution.

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., March 16, 1940.

Senator ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: Enclosed you will find complete copy of resolutions adopted by the Kansas Livestock Association in their annual convention at Wichita, March 8, 1940.

I feel that perhaps these will be of assistance to you in opposition to pending legislation, which we consider so detrimental to the welfare of our livestock industry.

Your active support in behalf of such measures as are set forth will be appreciated as have all your other stands on such matters.

Sincerely yours,

WILL J. MILLER, *Secretary.*

[Adopted by Kansas State Livestock Association]

The following resolution was adopted by the Kansas State Livestock Association at its annual meeting, March 8, 1940, at Wichita, Kans.:

"In view of the large volume of importation of livestock, livestock products, fats, oils, and other commodities competing with our industry, be it resolved, that adequate tariff protection be accorded our domestic products; also that Congress continue its vigilant guard against importation of livestock and its products from Argentina and other countries infected with disease. We also urge Senate ratification of trade treaties by two-thirds majority."

KANSAS STATE GRANGE,
North Topeka, Kans., March 21, 1940.

Hon. ARTHUR CAPPER,
United States Senator,
Washington, D. C.

DEAR SENATOR: Enclosed please find pages 56 and 57 as taken from the 1939 Journal of Proceedings containing the resolutions passed

at the last session of the Kansas State Grange regarding reciprocal trade.

The Grange has always been nonpartisan in this matter and has led in the fight for tariff justice for more than 50 years.

Thanking you for your interest in this matter, I remain

Very truly,

C. C. COGSWELL,
Master, Kansas State Grange.

[Adopted by Kansas State Grange at annual meeting at Neodesha, Kans., on December 14, 1939]

Whereas the reciprocal-trade treaties which permit the exchange of our manufactured products for agricultural products from foreign countries work to the detriment of the American farmer by bringing the products of foreign labor and land into direct competition with products of our farms: Therefore be it

Resolved, That this body go on record as being opposed to such treaties as ask the repeal of laws that authorize their negotiation; be it further

Resolved, That we condemn the action of Congress in surrendering the treaty-making power.

Resolved, That we reemphasize our former declaration that the American farmer is entitled to the American market up to the limit of his ability to supply it.

American agriculture is not being given the American market which it has been demanding for many years. Reciprocal-trade agreements have worked to the detriment of agriculture instead of to the benefit of it. American agriculture must be given a square deal as compared with other industries if either American agriculture or the Nation itself is to return to its usual prosperous condition. Agriculture is basic, and the sooner other industries recognize it the better it will be for all of us.

[Reciprocal-trade resolution adopted by the National Farmers' Guild at Monticello, Ind., November 21]

For the past several years the Congress of the United States, without constitutional authority, has granted to the President treaty-making powers, without the advice or consent of the United States Senate. Under this reciprocal trade agreement policy, our foreign trade in agricultural products has been penalized for the benefit of certain few large-scale manufacturers. We, therefore, firmly oppose the extension of the Reciprocal Trade Agreements Act beyond the date of its expiration, June 1940.

AUGUSTA, KANS., *February 6, 1940.*

Senator ARTHUR CAPPER,
Washington, D. C.:

Whereas the reciprocal-trade treaties which permit the exchange of our manufactured products for agricultural products from foreign countries work to the detriment of the American farmer by bringing the products of foreign labor and land into direct competition with products of our farm: Therefore be it

Resolved, That this body go on record as being opposed to such treaties and ask the repeal of laws that authorize their negotiation; be it further

Resolved, That we condemn the action of Congress in surrendering the treaty-making power.

Yours truly,

INDIANOLA GRANGE NO. 1875,
HARRIET MARKLEY, *Secretary.*

The Zenor Farmers' Union local, at its regular meeting, passed the following resolutions:

"We believe there is too much difference in the price that we get for our products and that which we have to pay for the things which we have to buy: Therefore be it

"*Resolved*, That we ask our Senators to do all in their power to get the appropriation for parity on wheat.

"We believe that the endeavor to economize on Government expenses should not be at the expense of the farmer in favor of war preparation."

The above resolution was passed at our regular meeting, held February 27, 1940.

RAY HORNBAKER, Stafford, Kans.,
HERMAN HILDEBRAND, Stafford, Kans.,
L. F. WEBRING, Zenith, Kans.,
Committee.

AUGUSTA, KANS., *February 6, 1940.*

Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR FRIEND: Whereas the reciprocal-trade treaties which permit the exchange of our manufactured products for agricultural products from foreign countries work to the detriment of the American farmer by bringing the products of foreign labor and land into direct competition with products of our farm: Therefore be it

Resolved, That this body go on record as being opposed to such treaties and ask the repeal of laws that authorize their negotiation: Be it further

Resolved, That we condemn the action of Congress in surrendering the treaty-making power.

Yours truly,

[SEAL] INDIANOLA GRANGE NO. 1875,
HARRIET MARKLEY, *Secretary.*

BIRD CITY, KANS., *March 18, 1940.*

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.:

At meeting stockmen and farmers here strongly oppose the Trade Agreement Act unless it contains a provision for Senate ratification and ask for a complete congressional hearing in the matter at which their opposition to any trade agreement can be presented by their duly elected representatives.

ALBERT WEAVER.

MACKSVILLE, KANS., *February 27, 1940.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I just want to say a few words against the reciprocal-trade agreements. While I know how you stand on that question, I want to bring up a couple of instances which came to my notice a few days ago. I was talking to a man from California who said he was a chemist, knew nothing about farming. He said: "I see shipload after shipload of corn coming into San Francisco harbor from foreign countries, while at the same time our farmers are asked to reduce acreage." He said, "I can't understand it." A friend of mine was talking to a Canadian a short time ago. The Canadian said: "We Canadians are tickled to death over the trade agreements. We can get much more for our livestock than we could before."

What is Secretary Hull and his cohorts up to? Does he want to make slaves of the farmers of the United States? Does he not know, and does he not know that the farmers of this country know, that some of the "ism" countries across the water have just such agreements whereby they can ship in foodstuffs in sufficient quantities to hold prices down for their own farmers, even in a year of short crops. What if these agreements do help industry, which I doubt to any great extent at least.

Our farmers are denied the right of fair prices, while at the same time they are required to pay high prices for machinery and other manufactured goods. The Plains farmer is pretty resourceful. He rebuilds his tractors and combines, and with the aid of the numerous machine shops, many of which are owned by farmers, he can make a good workable machine from a 10-year-old tractor, but don't think he enjoys this. He would rather be able to buy a new model once in a while.

Now as to trade agreements. If those could be negotiated so as not to ship into this country products of which we already have a surplus, it would probably work out all right, but I don't see how any man or group of men can be loyal to our constitutional form of government and still vote for treaties and other programs which are copied from some "ism" form of government. Lets keep America free from foreign "isms." They have nothing to offer except a lot of promises which cannot be fulfilled.

Yours for a continuation and strengthening of our representative form of government.

Yours truly,

C. S. WALKER.

BLUE VALLEY BREEDING RANCH,
Irving, Kans., March 4, 1940.

Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: I am writing you in regard to the amendment for Senate ratification of the Trade Treaties Act.

Please do what you can to get this amendment measure through. This country has just got to get business and trade in place of destroying it as the New Deal administration has been doing. We must eliminate all trade barriers.

Kansas is strictly a livestock and agricultural State and we must have open markets. This New Deal outfit has been catering to the C. I. O.'s, the racketeers, and roughnecks long enough, and the businessman, the honest hard-working man, the farmers, and stockmen are getting tired of it.

Thanking you in advance for anything you can do for us, I remain,

Yours respectfully,

FRED R. COTTRELL.

[From the Kansas State Livestock Association]

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., December 20, 1939.

Senator ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I am writing you in the interests of the livestock industry of our country which are again being threatened through reciprocal-trade pacts and agreements made, and proposed to be made, by the State Department.

Any reduction in duties on meat animals, meat, or meat products, might retard the industry at a time when it is trying hard to reestablish itself. Kansas farmers and livestock producers oppose any reduction in the duties on beef, beef products, wool, turkeys, eggs, dairy products, corn, flax, alfalfa, or other farm and ranch products.

Farmers of our country desire to cooperate with the State Department and industrial interests, but contend that these agencies should make it easy for them, by helping to remove those things which injure agriculture.

To those of us who have followed the long fight made by livestock interests against importation of beef and beef animals or dairy stock from the Argentine, this is nothing new. It has been

on the calendar for many years, and every time there is an excuse to bring the matter up for further consideration, it is done by Government agencies at Washington who are seeking every possible means to increase trade relations with foreign countries, regardless of their economic effects on domestic production. It seems to me that the matter of trade agreements is one of economics rather than of foreign relations, and should be approached from that angle alone.

The fact that importation of meat and meat animals, dairy products, and products of the farm and ranch works a hardship on American producers, and the fact that the dread foot-and-mouth disease is prevalent in many sections of South America, seems not to have any consideration. Secretary Hull apparently intends to strengthen trade relations with South American countries wherever possible, even at heavy cost to American agriculture.

On behalf of the Kansas Livestock Association, a voluntary nonprofit organization composed of progressive farmers and livestock producers of Kansas and adjoining States, including feeders, marketers, and producers of cattle, hogs, and sheep, I am urging you to use every means at your command to safeguard domestic interests in the matter of these trade agreements. Authority for submission of this statement on behalf of the Kansas Livestock Association and for such representation on behalf of the association as may be contained herein is given in a resolution adopted by our association at its last annual convention, March 1–3, 1939, reading as follows:

"We recommend, in view of the large volume of importation of livestock, livestock products, fats, oils, and other commodities competing with our industry, that full and adequate tariff protection be accorded our domestic products; also that Congress continues its vigilant guard against the importation of livestock and livestock products from Argentina and other countries infected with diseases."

At every annual meeting of the association in recent years resolutions of almost identical content and language as that just above quoted have been adopted. Therefore adequate, equitable protection for our domestic producers against the importation of livestock and livestock products from foreign countries has long been an established policy of our association.

It is our sincere belief that full protection of our domestic market for our domestic producers, based on such tariff rates and import levies as will at least equalize cheap production costs prevailing in foreign countries with those encountered by our domestic producers, will serve to promote higher living standards in all agricultural pursuits and will revive agricultural buying power, the possibilities of which can only be released by placing agriculture on an equality with the industrial and commercial lines of our domestic economy.

Therefore on behalf of the membership of the Kansas Livestock Association I desire to respectfully enter protest against the granting of any concessions by way of reduction in existing tariff rates or import levies covering any of the items hereinabove referred to and to urge that existing rates be not only maintained but increased within reasonable bounds wherever possible.

Also may I urge that the 22 now existing and effective treaties with foreign nations be abrogated insofar as their provisions have to do with imports of agricultural products, and that all future negotiations of this character have Senate approval before they are effective?

Yours very truly,

WILL J. MILLER,
Secretary, Kansas Livestock Association.

RIO LINDA, CALIF., *January 9, 1940.*

Senator CAPPER,
Washington, D. C.

DEAR SENATOR: Your address of January 6 on reciprocity agreement I heartily concur in as one of the most aggressive and comprehensible arguments I ever heard of, and I am 85 years old and always took great interest in our Republican tariff enactments and always found them to be in principle the best legislation that could possibly be enacted.

My experience and observation brought me to believe and assert that the Democratic Party as a whole did not have the business ability to properly run our great country and now know I was absolutely right.

Democratic administrations most always upset business and always were improved by a change to Republican administrations.

The New Deal is proving the most disastrous administration on record. You have my full consent and approval as Senator from Kansas, and hope you will again be successful in the next Congress.

Respectfully yours,

T. J. MOCK.

AMERICAN NATIONAL LIVESTOCK ASSOCIATION,
Washington, D. C., March 8, 1940.

Hon. ARTHUR CAPPER,
United States Senate.

DEAR SENATOR CAPPER: We wish to submit our views relative to the following legislative matters, which are of vital concern to our industry:

1. Reciprocal Trade Act:

Because of the fact that there is a sharp increase in domestic meat supplies, at a time when export outlets for surplus meat products have been drastically curtailed, and because of the fact that the tariff on cattle weighing more than 700 pounds has already been reduced the full 50 percent possible under the act, the tariff on calves 40 percent, despite which reductions have been proposed on numerous other products, such as canned beef, hides, tallow, etc.;

Therefore, in order adequately to safeguard this important industry, we recommend:

A. That the act be allowed to expire on June 12, 1940.

B. In case it is extended, that an amendment providing for either Senate ratification or congressional approval be adopted.

2. Farm Credit Administration:

We recommend that legislation be immediately adopted that will restore the Farm Credit Administration to its former status as an independent agency.

3. Fair Labor Standards Act:

The original wage and hour bill contained an exemption supposed to apply to packing-house workers during peak periods of employment. The interpretation of this act by the Administrator thereof has narrowed the exemption so as to apply only to the initial operation of slaughtering and dressing and does not give the tolerance that the Congress intended, thereby imposing a serious burden on livestock producers and shippers.

Therefore, we endorse the Barden bill, now pending in the House, but urge that it be so amended as properly to clarify the exemptions on packing-house workers.

4. Wheeler-Lea transportation bill (S. 2009):

We consider it unfortunate that the conference report on this measure, highly important to all branches of American enterprise, cannot be given studied consideration. In the final consideration of same we deem it very essential—

A. That the right of shippers to the shortest direct or through route at the lowest rate perscribed by tariffs between any two given points be insured through the elimination of section 15 (4) of the House bill.

B. That there be no essential change in the provisions of the present fourth section of the Interstate Commerce Act which would nullify the restrictions of the long-and-short-haul clause.

C. That there be nothing included in the declaration of policy and no changes in the present rate-making rule that will operate to increase the cost of transportation service to the shipping public.

Respectfully submitted.

AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
By FRANK S. BOICE,
Chairman, Legislative Committee.
By F. E. MOLLIN, *Secretary.*

Approved:

J. ELMER BROCK, Kaycee, Wyo.,
President.
A. D. BROWNFIELD, Florida, N. Mex.
J. L. BIVINS, Amarillo, Tex.
J. H. NASON, Spearfish, S. Dak.,
WILLIAM B. WRIGHT, Deeth, Nev.
Members, Legislative Committee.

CENTRAL COOPERATIVE ASSOCIATION,
South St. Paul, Minn., March 4, 1940.

Hon. ARTHUR CAPPER,
United State Senate Office Building,
Washington, D. C.

DEAR SENATOR: Your address of January 6 on reciprocity agreemously passed at the annual meeting of the stockholders of the Central Cooperative Association, composed of delegates from Minnesota, Wisconsin, North Dakota, South Dakota, and Montana, and which was held at the Lowry Hotel, St. Paul, Minn., on February 14, a copy of which I am enclosing herewith, we respectfully request that you use your influence to secure senatorial ratification of all future trade agreements, and also seek to have the bill amended so that American citizens may enter the courts in behalf of their rights, or to test the constitutionality of the act itself.

The livestock interests of this Northwest territory are very much concerned and alarmed about the possibility of the extension of the Trade Agreements Act in the form passed by the House of Representatives last week. This state of mind has resulted from their experiences under the operation of this act during the past several years. They believe that the authority granted to the administrative branch of our Government under the Trade Agreements Act should be returned to the legislative branch of our Government where the voice of the people of this country can still be heard.

I sincerely hope that you can actively support these views.

Believe me, I am

Sincerely yours,

N. K. CARNES, *General Manager.*

RE TRADE AGREEMENTS

Northwest agriculture has evidenced its apprehension that trade agreements as now negotiated will have the effect of reducing prices of farm commodities; and

The safeguarding of these price levels is essential to the welfare of Northwest agriculture, and to the welfare of all the interests and industries dependent upon it: Therefore, be it

Resolved, That the Central Cooperative Association urges the Representatives and Senators from the Northwest to exert their best efforts to secure amendments to the reciprocal trade agreement provisions of the Tariff Act of 1930 to provide that:

(1) No tariff concessions may be made, the effect of which would be likely to reduce or hold the domestic price of any farm commodity below parity; and

(2) In developing trade agreements full hearing must be given to spokesmen for industries or producers of commodities to be affected by treaty concessions, with guaranties of real consideration of such representations, and assurance that no treaty shall be completed until a full and complete record of such hearings has been made available.

(3) The United States Senate must approve each such proposed treaty without amendment of any particular schedules, in order to make it effective.

CALIFORNIA CATTLEMEN'S ASSOCIATION,
San Francisco, Calif., March 12, 1940.

Hon. ARTHUR CAPPER,
United States Senator,
Washington, D. C.

DEAR SENATOR: At our annual convention, held in San Francisco in December 1939, the following resolution about reciprocal agreements was adopted:

"*Be it resolved,* That no further tariff or trade agreements shall hereafter be entered into or caused to become effective until the same have been ratified by the United States Senate, and that we heartily endorse the Coffee bill, H. R. 7589."

When the Reciprocal Trade Act was adopted, Congress declared the purpose was the expansion of foreign markets for our products, as a means of assisting in overcoming a number of our internal problems.

Congress also stated this would be done by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production.

The act, however, has been administered as a tariff-reduction program. Further, the agreements which were under consideration with Argentina and Uruguay listed for concessions on the part of the United States several livestock products.

Official estimates indicate that our domestic cattle population is now 69,000,000 head, an increase of 2,000,000 in the past year. Further increases are expected for the next few years. In 1934, Secretary Wallace guessed that a proper number of cattle for this country at that time would be around 64,000,000, or 5,000,000 less than we now have on hand. Obviously there is no need for encouraging the importation of more cattle and more cattle products.

In view of the attitude of the State Department in favoring tariff reductions on competitive livestock products, we contend that all agreements should be subject to Senate or congressional ratification, so that the domestic livestock industry will receive proper consideration and protection.

Thanking you for your consideration,

Very truly yours,

JOHN CURRY.

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION,
Washington, D. C., March 14, 1940.

Hon. ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: By direction of our executive committee I am writing to express the opposition of our federation to the passage of House Joint Resolution 407 intended to extend the life of the Trade Agreements Act.

I am further directed to advise you that our organization believes that congressional approval of the revenue phases of any future trade agreements which might be enacted, and Senate ratification of the treaty phases of such agreements, together with the right of court review, constitute the minimum protection which Congress should extend the citizens of the United States with regard to the administration of this law, should it be extended.

Following is a summary of our analysis of the act:

1. It gives to the Executive too much power.
2. No definite rule is established to guide the Executive with respect to the reasons why a concession should be made.
3. The act generally may be interpreted as extensions of power rather than limitations of power.
4. The right of persons to court review is practically eliminated.
5. The act extends the President's authority to modification of other import restrictions such as internal taxes on imported products.
6. Notwithstanding claims made by the Secretary of State, the trade agreements are tending to inhibit the liberty of Congress with respect to the enactment of sanitary regulations on imported products.
7. With the act permitting trade agreements to be entered into for periods of not to exceed 3 years, a situation is created whereby one administration may materially interfere with changes of policy with respect to foreign trade which might be intended to be made by a succeeding administration.
8. Contrary to popular impression, the act is not a reciprocity act. It is, in fact, the very opposite of being reciprocal.
9. We believe evidence is overwhelming to prove that the Department of State has exercised bad judgment and has been out-traded in the total of the agreements signed to date.

In my testimony before the Senate Finance Committee (pp. 651–689, inclusive), I laid before that body the result of an appraisal of the trade-agreement program. In terms of our trade in the year 1938 this study showed that we gave to foreign countries total concessions on $561,734,000 more of goods than we received. On duty reductions alone we came out in the red to the extent of $70,420,000. Eleven tables were offered in substantiation of this generally bad trading position in which the United States finds itself as a result of the present trade-agreement program.

We, therefore, respectfully urge the defeat of the resolution in the first instance; and if that is impossible, we urge the minimum of legislative protection as outlined above.

Sincerely yours,

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION.
CHAS. W. HOLMAN, *Secretary.*

MILROY, MINN., *March 7, 1940.*

Hon. ARTHUR CAPPER,
United States Senate Office Building, Washington, D. C.

DEAR SENATOR: The members of the Milroy Livestock Shipping Association, numbering upward to 300 farmers, wish to appeal to you to do all in your power to safeguard the interests of American agriculture during the hearing and in the final vote on the pending legislation to extend the Trade Agreements Act.

We believe that the act, as it now operates, is detrimental to our best interests, principally because its lower tariffs allow foreign goods, which are produced far more cheaply than we can produce them, to come into direct competition with our own.

We cannot reconcile the policy of spending large sums of money to supplement the income of the farmer with that of removing the tariff protection to which we are rightfully entitled.

Hoping that this Congress will give us the protection afforded by congressional approval of all trade pacts, we are,

Respectfully yours,

MILROY LIVESTOCK SHIPPING ASSOCIATION,
By H. W. LADURG, *President,*
By HAROLD REDDING, *Secretary.*

TWIN CITY MILK PRODUCERS ASSOCIATION,
St. Paul, Minn., March 13, 1940.

Hon. ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: The question now before the Congress of the United States giving the farmers of this country the most concern is that of extending the Reciprocal Trade Agreements Act for another 3 years without amendment.

We feel that every Senator who votes for such extension without amendment either does not appreciate the farmer's problem and his condition or else is willing to sacrifice his welfare to further the interests of other groups in this country. That the farmer's interests have been betrayed through the reciprocal-trade agreements entered into by this country through our State Department is unquestionably true. That further and even more disastrous curtailment of his income will be made is certain if the act is continued for another 3 years without amendment.

The farmer groups are asking that opportunity for court review and questioning of the constitutionality of the act itself be permitted. Is the Senate now ready to say that the constitutional right of American citizens to appeal to the courts should be taken from them?

The other amendment asked by farm groups is that our Senate approve all trade treaties. Certainly the Senate fails in its obligation under the Constitution as representatives of our democracy—if it still is a democracy—if they fail to pass this amendment. Judge John D. Miller, a well-known Democrat of Susquehanna, Pa., president of the National Council of Farmer Cooperatives and counsel for the Dairymen's League of New York, in his address to this council on January 10, 1940, I believe, stated the position of farm groups the best to date I have seen it outlined, and I therefore quote from his address:

"TRADE AGREEMENTS

"Next June the power of the executive department to conclude trade agreements with other countries will expire unless continued by Congress, and the question now widely discussed is whether the law, if continued, should be amended so as to require ratification by the Senate.

"The policy of this council as established several years ago and since adhered to is that these agreements should be ratified by the Senate. In doing so, we would not only be following the orderly processes of democracy but would be following the example of other countries, the most of whom require ratification of such agreements by their respective parliaments.

"Why is the State Department now so aggressive in trying to prevent Senate ratification? It cannot be because they fear the Senate will not act with the best of motives, for this would impeach both the mental and moral integrity of the Members of the Senate.

"It cannot be because they believe the Members of the Senate are not able to decide the questions involved intelligently, for our distinguished Secretary of State, who for several years was a useful Member of the Senate, knows that with remarkably few exceptions the Senate throughout the 150 years of our Nation's life has been composed of able men.

"It therefore seems clear that the reluctance of the executive department to permit ratification of these agreements by the Senate is because they fear that some of the agreements that may be negotiated will not meet with the Senate's approval.

"This position emphasizes the need of Senate ratification, for it is clear that the Senate, composed as it is of two representatives from each of the States, each knowing conditions in their own State, can, by debate and consultation, more accurately appraise

their effects than can any small group, however able and sincere, in the executive department, and can therefore ratify such agreements as are helpful and can refuse to ratify those that are harmful.

"Anyone who disagrees with this statement also disagrees with an inspired writer who, many centuries ago, said:

"'Where no counsel is, the people fall; and in the multiude of counselors there is safety.'

"Some in the Department of State have been quoted in the newspapers as saying that the purpose of those who urge ratification by the Senate is to kill the entire trade-agreement program. This is unjust to both those within and without Congress who favor such ratification. If any of those who urge ratification have such an objective, I doubt if one can be found in the ranks of this council.

"Trade agreements are helpful if they conform to sound policies, which are that under them each of the contracting nations receives things it needs in exchange for things it does not need with balances settled in cash. As a result of some of the agreements that have been concluded large quantities of farm products have been imported that were not needed and that merely added to existing surpluses.

"If the trade-agreement program is killed, the responsibility therefor will not rest upon those who urge ratification but upon those who seem to distrust the orderly processes of democracy."

May we ask with all the emphasis at our command that you use your best efforts to secure these amendments to the Reciprocal Trade Agreement Act and vote for them?

Thanking you for any efforts you may make for agriculture by so doing, I am

Very truly yours,

W. S. MOSCRIP.

National Council of Farmer Cooperatives at Washington, D. C., on January 10, 1940, approved stand taken by President John D. Miller, as follows:

"FAVOR SENATE RATIFICATION OF TRADE AGREEMENTS

"Next June the power of the executive department to conclude trade agreements with other countries will expire unless continued by Congress, and the question now widely discussed is whether the law, if continued, should be amended so as to require ratification by the Senate.

"The policy of this council as established several years ago and since adhered to is that these agreements should be ratified by the Senate. In doing so we would not only be following the orderly processes of democracy but would be following the example of other countries the most of which require ratification of such agreements by their respective parliaments.

"Why is the State Department now so aggressive in trying to prevent Senate ratification? It cannot be because they fear the Senate will not act with the best of motives, for this would impeach both the mental and moral integrity of the Members of the Senate.

"It cannot be because they believe the Members of the Senate are not able to decide the questions involved intelligently, for our distinguished Secretary of State, who was for several years a useful Member of the Senate, knows that with remarkably few exceptions the Senate throughout the 150 years of our Nation's life has been composed of able men.

"It therefore seems clear that the reluctance of the executive department to permit ratification of these agreements by the Senate is because they fear that some of the agreements that may be negotiated will not meet with the Senate's approval.

"This position emphasizes the need of Senate ratification, for it is clear that the Senate, composed as it is of two representatives from each of the States, each knowing conditions in his own State, can by debate and consultation more accurately appraise their effects than can any small group, however able and sincere, in the executive department, and can therefore ratify such agreements as are helpful and can refuse to ratify those that are harmful.

"Anyone who disagrees with this statement also disagrees with an inspired writer who many centuries ago said:

"'Where no counsel is, the people fall; and in the multitude of counselors there is safety.'

"Some in the Department of State have been quoted in the newspapers as saying that the purpose of those who urge ratification by the Senate is to kill the entire trade-agreement program. This is unjust to those both within and without Congress who favor such ratification. If any of those who urge ratification have such an objective, I doubt if one can be found in the ranks of this council.

"Trade agreements are helpful if they conform to sound policies, which are that under them each of the contracting nations receives things it needs in exchange for things it does not need with balances settled in cash.

"As a result of some of the agreements that have been concluded, large quantities of farm products have been imported that were not needed and that merely added to existing surpluses.

"If the trade-agreement program is killed, the responsibility therefor will not rest upon those who urge ratification but upon those who seem to distrust the orderly processes of democracy and therefore oppose ratification."

[Resolution adopted by Kansas Independent Oil and Gas Association at Wichita, December 13, 1939]

Whereas the excise taxes on petroleum imports were imposed by Congress in order to grant some measure of protection to the American petroleum industry against competition with foreign oil produced by cheap labor; and

Whereas the oil-producing States and the domestic petroleum industry have found these taxes an important factor in the constructive national efforts to balance supply with demand in the interests of conservation: Therefore be it

Resolved by the Kansas Independent Oil and Gas Association, That we hereby protest to the President of the United States and to the Secretary of State against the reduction of these taxes under the Venezuela trade agreement recently promulgated, for the reason that this reduction in the excise taxes will enable importers who are also large purchasers of domestic crude to further reduce the crude price which is already below a proper level, thereby seriously affecting the incomes of thousands of employees, operators, and the general public in the thousands of communities where the production of oil constitutes their major industry; and that this reduction in the excise taxes actually constitutes a rebate granted to importers of foreign oil at the expense of the United States Treasury and to the harm of the domestic petroleum industry; and we also protest on the ground that Congress did not authorize any reduction in these excise taxes through any reciprocal-trade agreement; that the benefit of the reduced taxes will not go to the Republic of Venezuela nor to the people of Venezuela but to a few American importing companies which, with others, control Venezuelan oil resources. This condition also applies to other nations named in the recent proclamation setting out certain import quotas which are to be allowed at the reduced tax; and be it further

Resolved, That we request the President of the United States to give formal notice, according to law, of the discontinuance of that portion of the Venezuelan trade agreement which pertains to petroleum or its products at the earliest date possible, and cancelation of the quotas outlined in his recent proclamation; and be it further

Resolved, That we petition the Congress of the United States to take appropriate steps to restore these excise taxes to full force and effect.

THE DERBY OIL CO.,
Wichita, Kans., January 13, 1940.

Hon. ARTHUR CAPPER,
The Senate Office Building, Washington, D. C.

DEAR SIR: This will serve to express our emphatic disapproval of the State Department's action in consummating the Venezuelan trade agreement, whereby a 50-percent reduction in excise taxes on imports of crude and fuel oil was effected.

It is obvious from trade journals and statistics that the steadily increasing imports of foreign oil have had a depressing effect on our domestic market with a resultant reduction in pay rolls and income to the American public. As you know, we now have the largest reserve of petroleum that has ever been estimated, and there is adequate reason to believe these reserves may be substantially increased if we can prevent the inflow of competitive cheap-labor-produced oil from the Latin American countries.

First, let's strive to protect the welfare of the American people; and secondly, gain the good will of our neighboring countries which would not hesitate to throw us into a chaotic tail spin if they would benefit from such tactics.

We, therefore, strongly urge you to endeavor to remove such detrimental effects by the enactment of proper legislation to cancel the provisions of the Venezuelan agreement so far as the reduced excise tax is concerned.

We might also state that we are strongly opposed to the proposed Cole oil bill and shall appreciate your efforts to prevent its enactment as a law.

Yours very truly,

THE DERBY OIL CO.,
H. E. ZOLLER,
Executive Vice President.

WICHITA, KANS., *February 22, 1940.*

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SIR: During the years 1930 to 1936, while holding the position of county chairman of the Young Republican Club of Dickinson County, it was my pleasure to visit with you on several occasions and am sorry that since that time I have not had the opportunity to renew our acquaintance, but I would like to take this opportunity to state to you my opinion and the opinion of the majority of the oil industry in Kansas relative to the Trade Agreements Act and the proposed Cole bill.

It is my understanding that the House Ways and Means Committee voted to report on the trade-agreements bill, for continuance of the Trade Agreements Act for 3 years, without amendment. This act is very depressing to the oil producers of this State. The amendment proposed by W. E. DISNEY, of Oklahoma, excludes the present four excise taxes (oil, coal, copper, and lumber) from the future trade agreements. I understand that Mr. DISNEY will introduce this bill on the floor of the House, and it is the honest desire of everyone with whom I have talked that this amendment be passed. By thus writing into the law the intent of Congress, that these taxes are exempt from bargaining and trade agreements, Congress would not merely safeguard these excise taxes in the future, but would be taking the first step toward a possible restoration of such of these taxes as have been effected by agreements already made.

For your information, I was connected with the oil and gas conservation division of the Kansas State Corporation Commission for

a period of 2½ years and at the present time I am in the employ of John H. Tatlock, independent operator of Wichita, Kans.

You undoubtedly know of the strict proration which the State of Kansas oil producers are producing under at the present time, and with the price of crude very low, as it is, it will be disastrous to all independent operators if more regulation from the Federal Government and other trade agreements affecting the oil industry are entered into. It will mean that many of our oil reserves of Kansas will never be recovered because of insurmountable obstacles placed upon development, thereby causing a loss to the State as a whole and to each one in the State.

In the Venezuela trade agreement, I believe it has been plainly shown that Venezuela did not get the benefits but rather the few importing companies were the sole beneficiaries. I think that insufficient study has been given to the petroleum problem by those negotiating the agreement, because if they had studied the petroleum problem they would find how important these excise taxes were and the need for their supervision by Congress.

At the present time the oil industry seems to really be in a precarious position, partly because of the proposed Federal control; namely, the Cole bill, and partly because of the errors of some States in not having strict proration laws which has resulted in overproduction, but it is my idea that the oil industry can better cope with these situations than by putting all the power into one man's hands in Washington. The majority of the oil-producing States have good proration laws, and I see no reason why they should suffer because a few States do not have any proration laws at this time, but it is the hopes of those in the industry that within the near future conservation laws will be passed in these States.

If Federal control is ever imposed upon the oil industry, the independent operator and the "stripper" well owner will be doomed. Since the small operator produces 70 percent of the oil, in my estimation it seems that some thought should be given in conserving him. He is the adventurer of the oil business and, consequently, risks his fortune to discover new fields, and if Federal control stops this independent operator, new discoveries which would have been made by him will never be found.

Lessening of the tax burdens, both State and Federal, along with the lessening of stifling regulations, are most needed to preserve the oil industry in its every branch in order for it to proceed in its orderly development of sufficient reserves to protect our consumers. Your efforts extended to this conclusion will be a real and lasting service to your constituents.

If your time permits, I would certainly appreciate hearing your views in these matters, and I trust that I will have the pleasure of another visit with you soon.

Yours very truly,

JACK L. WORLEY.

SEDAN, KANS., *March 9, 1940.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: At our annual meeting of the Kansas Livestock Association in Wichita yesterday I presented a resolution favoring the Senate ratification trade treaty, which was adopted without a dissenting voice. I certainly hope this matter will be put back in the Senate as it should be.

With personal regards, I am

Most sincerely yours,

C. W. FLOYD.

SILVER CITY, N. MEX., *March 9, 1940.*

Hon. ARTHUR CAPPER,
Senate Finance Committee, United States Senate Office Building, Washington, D. C.

DEAR SIR: As a cattle grower for the past 30 years, I urge you to support the ratification of the so-called reciprocal-tariff agreements by the Senate, as being in reality treaties according to the Constitution, and as such, requiring the approval of our congressional representatives.

Yours respectfully,

HULING MEANS.

BIRD CITY, KANS., *March 7, 1940.*

DEAR SENATOR ARTHUR CAPPER: I will thank you for consideration of a few facts here presented in reference to the reciprocity treaty now under consideration by the Senate Finance Committee.

These treaties directly concern the farming and laboring classes of the Nation, the farmer in sharing his markets for the sale of the imported article or products, if agricultural, and the loss of the money received for them and the laboring class loses the labor involved in both the producing of agricultural and nonagricultural products or goods.

Citing starch as an illustration of bearing out the above statements, this starch is processed from corn, wheat, rice, and potatoes. The cassava roots from South America and the sago palm from East India and both from other equatorial countries, produced by low-cost labor, and imported into our country at no tariff duties or only small duty, considering these not grown here, but coming in direct competition with our home starch-producing products above mentioned. These foreign products, cassava and sago palm, grown to some extent in warmer sections of our country, might be greatly increased in production in our own country were it not for the foreign competition in our markets.

The enormity of the foreign importations, products and goods, can be estimated somewhat by the immense tariff duties collected by our Government running as high as $30,000,000 some of the months of the year, much of these importations at none or small tariff duties.

The people of our Nation are supporting a Congress of the United States representative of some of our most able citizens and the writer strongly favors that no treaties be put in force with foreign nations except first ratified by the Senate of this Congress and an amendment to the act to enable American citizens to enter court and test its constitutionality. It does hardly seem right and just, and whether even constitutional, that either Congress or the Senate should delegate this treaty-making authority to a small group in Washington claiming statesmanship knowledge to put these important treaties, affecting the people of the Nation, into force with foreign nations and the Senators stand idly by.

Yours truly,

ALBERT WEAVER.

CONNECTICUT STATE GRANGE,
Thomaston, March 13, 1940.

Hon. ARTHUR CAPPER,
United States Senate Office Building, Washington, D. C.

DEAR SIR: You are respectfully requested to note that the Connecticut State Grange, an organization with approximately 23,000 members in Connecticut, at its last annual session, January 11, 1940, unanimously adopted the following resolution:

"*Resolved*, That the Connecticut State Grange reaffirm its stand that all trade treaties and agreements between the United States and other countries become effective only upon approval of the United States Senate, as is provided in the Constitution."

Yours truly,

SHERMAN K. IVES,
Master of the Connecticut State Grange.

MACOMB, ILL., *January 9, 1940.*

Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: On Sunday, January 7, I listened to the discussion over the radio on the reciprocal-trade agreements, which was very interesting, and I heartily agree with you on your stand. Your opponents seem to think our American markets are not injured by such. I am not a roll-top-desk farmer like some of your opponents. I was born on an Illinois farm in 1893 and have lived at my present location since 1902. I do not approve of the present farm program. I do not participate in it. I do not think it is fair, and it is going to be a heavy burden on the farmers for many years to come for every cent of the benefits received, coupled with cost of administration plus interest on the appropriations. Mr. Noble stated he saw to it that the farmers were not injured in any way. Well, he doesn't know the farm. The present administration seems to think supply and demand is an old, out-of-date theory. Well, you simply cannot get around the fact that it does control prices. They tell us we raised a record crop of hops this past season. Well, I do not understand that. A few years back it was very common to have sixty to eighty thousand fresh arrivals of hogs in Chicago on 1 day, at this time of the year, with prices of $7 to $8 per hundredweight—a reasonable price or a price we should be receiving today. On Thursday, January 4, 1940, Chicago received the heaviest run of hogs of the winter, or 39,000 head, influencing a break in prices. That same evening I loaded 40 head of prime butchers, averaging 280 pounds, which was on the Chicago market Friday, January 5, topping the market for their weight, at $5.30, netting me, after cost of transportation, etc., $4,825. This price was below cost of production, and yet we are importing millions of pounds of pork in order that we may be good neighbors. American hog producers are the goats. Yes; we also have a year's supply of beans on hand, yet we should import more. We have had lately quite an advance in wheat and soybean prices, but who holds the two items? They left the farmers' hands at harvest time due to shortage of ready cash or storage facilities. The majority of farmers are in a worse financial condition at present than at the close of 1933. Farmers have had the opportunity of borrowing for any purpose and buying anything on time that they could wish for without an income to justify such, and I think many feel that their Government benefit payments are a donation.

Poultry prices are ridiculously low. I also handle a few sheep, and I agree with the speaker from the sheep country in regards to starvation wool prices. What is going to become of the corn surplus the Government is hoarding in bins that will not preserve the quality of the grain?—and its presence is a menace to production. Canadian beef, poultry, and wheat have also taken its toll in lowering our prices.

I am for you, Mr. CAPPER, 100 percent, and don't think for 1 minute that the farmers are not waking up to the fact that they have been misled, and will go to the polls to express their dissatisfaction with the present set-up. We are told the farmers' income was greater in 1939 than in 1938. How? By larger Government payments. Is that prosperity?

The labor situation is the biggest handicap to American prosperity today. Labor is being dominated by a bad man, John L. Lewis, backed by the Secretary of Labor and the President. Industry is being shorn of its business freedom—forced to pay a high scale of wages to a few, which the manufacturer passes on to the consumer.

Yours truly,

CLARENCE BREWBAKER.

MILK PRODUCERS FEDERATION OF CLEVELAND,
Cleveland, Ohio, March 5, 1940.

Hon. ARTHUR CAPPER,
United States Senate Office Building, Washington, D. C.

DEAR SENATOR: May I present a point of view on the Trade Agreements Act which is being considered by the Senate Finance Committee. I am reporting a point of view for 3,000 dairymen who are members of the Milk Producers Federation of Cleveland.

Our members are made keenly aware of Nation-wide and international competition every year at this time. Buyers of our products begin to insist at this time that they secure their supplies of milk solids (in skim milk) at a price that does not return cost of production or equal the feed replacement value of skim milk.

With our dairy industry on knife-edge balance between supply and domestic demand and an increase in milk production certain as an outcome of our soil-conservation policy, we feel that trade agreements should be subject to review by the Senate. Our farmers have more confidence in the composite judgment of Congress than in the judgment of personnel of the Departments of State, Commerce, and Agriculture, whom we are told have a leading part in determining the policy to be followed on foreign trade since the passage of the Trade Agreements Act. We believe that all interests and all sections of our country will be considered more carefully, if future trade agreements are subject to approval by the Senate.

Among rural people of Ohio there is growing conviction that granting emergency powers of policy determination to executive departments should not be a permanent part of our system of Government. Trade agreements have such far-reaching effects on agriculture that we urge you to favor proposed changes in the Trade Agreements Act, namely: 1. That all future trade agreements be subject to ratification by the Senate. 2. That the language of the existing act be changed to give citizens who believe they are damaged by operation of trade agreements the right of appeal to the courts.

Respectfully yours,

MILK PRODUCERS FEDERATION
OF CLEVELAND,
C. F. CHRISTIAN, *Secretary.*

THE MIAMI VALLEY COOPERATIVE
MILK PRODUCERS ASSOCIATION,
Dayton, Ohio, March 7, 1940.

Hon ARTHUR CAPPER,
United States Senate Office Building, Washington, D. C.

DEAR SIR: As president of the State Federation of the Ohio Milk Producers Association, president of the Miami Valley Cooperative Milk Producers Association, Dayton, Ohio, and a member of the Grange and Ohio Farm Bureau, I have the privilege of meeting with groups of farmers in many localities and getting their viewpoints.

I feel that any effort you may put forth to have all future trade agreements ratified by the Senate and so amended that American citizens may enter the courts in behalf of their rights or to test the constitutionality of the act itself will be greatly appreciated by the farmers of Ohio. I would strongly urge you to give this matter your earnest consideration.

Yours truly,

THE MIAMI VALLEY COOPERATIVE MILK
PRODUCERS ASSOCIATION,
By HARVEY M. BURNET, *President.*

INDIANAPOLIS, IND., *March 4, 1940.*

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.:

According to contract which I have been able to make, I am firmly convinced that 75 percent of the producers of dairy products in Indiana believe that all reciprocal-trade agreements entered into should be subject to ratification by Congress.

INDIANAPOLIS DAIRYMEN'S
CO-OP., INC.
CARL L. HEDGES, *Manager.*

DAIRYMEN'S LEAGUE COOPERATIVE ASSOCIATION, INC.,
New York, March 4, 1940.

Hon. ARTHUR CAPPER,
United States Senate Office Building, Washington, D. C.

DEAR SENATOR: An overwhelming percentage of farmers in this area are opposed to reciprocal-trade agreements being made on their present basis.

They dislike the secrecy with which findings are arrived at and the lack of complete public hearings.

They dislike having the making of trade agreements, which approximate treaties in their character, left entirely in the hands of one man or one department, or even one branch of government.

Without perhaps expressing it as concretely as this, they dislike the way the present method of making reciprocal-trade agreements eliminates the checks and balances which have been set up to preserve democracy, democratic government, and the liberty and economic security of individuals or groups.

They further dislike the provision of the present law which prevents individuals or groups from obtaining redress through the third branch of government, namely, the courts, from any inequities or even test the constitutionality of the law itself.

It is not that farmers wish to take away from the State Department the right to negotiate, but they do believe these negotiations should be conducted under the watchful eye of the representatives of the people and that those negotiations for reciprocal-trade agreements, which, I repeat, in their opinion, is merely another name for treaties, should be subject to the constitutional procedure, namely, approval by the Senate.

Sincerely,

FRED H. SEXAUER, *President.*

PRODUCERS COOPERATIVE COMMISSION ASSOCIATION,
Cincinnati, Ohio, March 4, 1940.

Hon. ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: As a member of the Finance Committee of the Senate, we urge your consideration of the following viewpoints regarding the Trade Agreements Act:

Livestock producers and their associations which we have contacted, seem to be in common accord, and opposed to the present plan of handling trade agreements. Our association, composed of more than 20,000 livestock producers and farmers, is quite general in its viewpoint that such trade agreements, having to do with foreign trade, should be ratified by the Senate.

It is recognized that such ratification involves considerable effort on the part of the Finance Committee and the Senate as a whole, yet we are of the opinion that it affords full and thorough consideration in its presentation and working out of its plans and, further, will be a means of providing a fuller representative interest of our farm people and our citizenship.

In light of the above we urge you, as a member of the Senate Finance Committee, which this measure is before, to have future trade agreements to be negotiated, ratified by the Senate.

Thanking you for your earnest consideration of this matter, we remain

Very truly yours,

PRODUCERS COOPERATIVE COMMISSION
ASSOCIATION,
R. Q. SMITH, *Manager.*

NEW YORK STATE GRANGE,
Oswego, N. Y., March 5, 1940.

TO THE FINANCE COMMITTEE,
United States Senate, Washington, D. C.

GENTLEMEN: The New York State Grange, representing a membership of 132,000 farm folks, wish to express themselves as follows:

We feel that any trade agreement entered into between the United States and any other nation so affects the welfare of all the people in the United States that it should be ratified by the Senate of the United States.

We also wish to request provision be made which will permit any American citizen to enter the courts in behalf of his rights in connection with any trade agreement.

NEW YORK STATE GRANGE LEGISLATIVE
COMMITTEE,
RAYMOND COOPER, *Secretary.*

NATIONAL ADVISORY COUNCIL OF
INDEPENDENT SMALL BUSINESS,
Washington, D. C., March 22, 1940.

The Honorable ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SENATOR: Regardless of how you stand on the general matter of reciprocity, we know you do stand for the preservation of American standards, political and social.

If treaties are to be negotiated, smaller business men—and there are over 4,000,000 in the country—feel that our interests are safer in the hands of our Senators, who are our duly elected representatives, than in the hands of any appointees or so-called "experts," and trust, if the reciprocity idea is to be continued, that with us, you will fight for the right of review and sanction by the Senate of any and all pacts or treaties that so vitally affect our general welfare.

It was doubtless inadvertent, but it so happens that the industries which are suffering and will suffer the worst—shoes, hats, pottery, laces, woolens—are predominantly small and proprietor-operated; whereas those which will chiefly benefit—automobiles, business machines, electrical appliances, oil products, etc.—are the big and often monopolistically inclined.

A sympathetic and open-minded Senate would uncover these facts, whereas a commission, not being politically responsible, would overlook or ignore them altogether.

May we hope that you will fight for the retention of senatorial approval?

With best wishes.

Cordially,

ALFRED C. GAUNT,
Chairman, National Advisory Council of Independent Small Business Men.

DAIRYMEN'S LEAGUE COOPERATIVE ASSOCIATION, INC.,
New York, March 6, 1940.

Hon. ARTHUR CAPPER, of Kansas,
United States Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: I am associated with thousands of farm women in my work as director of the home department of the Dairymen's League Cooperative Association, Inc., and I find that they, like their husbands, are opposed to the present system of making reciprocal-trade agreements.

In their judgment it is contrary to a democratic government for decisions involving the welfare of so many people to be arrived at by one person, or one state department.

It is their belief that reciprocal-trade agreements should be subject to the approval of the Senate after the proper negotiations have been made by state departments vested with such authority.

They further believe that individuals or groups should have the privilege of the courts for redress of any inequalities which might exist. This privilege is now denied them under the existing laws.

Most cordially yours,

VERA MCCREA,
Director, Home Department.

PRODUCERS COOPERATIVE COMMISSION ASSOCIATION,
Columbus, Ohio, March 6, 1940.

Hon. ARTHUR CAPPER,
United States Senate Office Building, Washington, D. C.

MY DEAR SENATOR: The 49,678 stockmen members and patrons of the Producers Cooperative Commission Association have fully considered the Trade Agreements Act, and in their annual meeting just held unanimously decided that the best interests of the livestock farmers and the agriculture of this territory could be better served by having such trade agreements considered and ratified by the United States Senate.

We sincerely trust and believe that you will give the unanimous request of so large a number of stockmen the consideration it deserves.

Thanking you, I am,

Very sincerely,

F. G. KETNER,
Secretary-Treasurer.

FARMERS' AND STOCKMEN'S COMMITTEE
FAVORING SENATE RATIFICATION OF TRADE TREATIES,
Washington, D. C., March 13, 1940.

Hon. ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: I am writing you as chairman of the Farmers' and Stockmen's Committee Favoring Senate Ratification of Trade Treaties. A list of the members of the committee appears on the back of this page.

I wish to urge your serious consideration of the amendment requiring that all future trade agreements be submitted to the Senate for ratification. Future trade agreements may seriously affect the interests of the farmers and stockmen of the country. They feel that they are entitled to a full legislative hearing before such agreements become effective. The amendment requiring Senate ratification will assure this.

Yours very truly,

JACK ARNOLD, *Chairman.*

COFFEYVILLE CENTRAL LABOR UNION,
Coffeyville, Kans., March 15, 1940.

Hon. ARTHUR CAPPER,
United States Senator,
Washington, D. C.

DEAR MR. CAPPER: American trade-unionists seeking to protect the job opportunities and the standards of living of American workers, built up through many years of agitation and organization, secured legislation which prohibits the entry of any Asiatic workers into the United States, and restricts and limits the entry into America of European workers.

They finally secured the passage of the Fair Labor Standards Act, which legislation prohibits the transport in interstate commerce of products of any American workers who are paid less than 30 cents per hour.

All of these protective advantages are now threatened with nullification by our country continuing to enter into alleged reciprocal-trade treaties, which treaties permit the delivery into American markets of competitive products of Asiatic and other workers paid from 5 cents per hour to not more than 20 cents per hour, without any restriction on the transportation of such products throughout America.

As secretary of the Coffeyville Central Labor Union, I have been instructed to urge that you vote against the continued authorization for our entry into reciprocal-trade treaties unless such legislation provides that no foreign-made products, competitive with products of American workers, be admitted to American markets at total costs, all duties paid, which are less than American costs of production or wholesale selling price of competitive American products, which American products are commercially available.

Trusting that we may have your cooperation and support to protect the job opportunities of American workers and thanking you for such help you may give, I am

Sincerely yours,

[SEAL] SID CARAWAY,
Secretary, Coffeyville Central Labor Union.

PUBLIC UTILITIES COMMISSION,
STATE OF SOUTH DAKOTA,
Pierre, January 19, 1940.

Hon. ARTHUR CAPPER,
United States Senator,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: Pressure of other matters has delayed reply to your letter of January 8, dealing with reciprocal trade agreement matters.

You are entirely at liberty to use my letters regarding this proposition in any way you see fit.

I am not to be construed as being opposed to reciprocal-trade agreements of a proper character. Doubtlessly, considerable good can be accomplished by properly guarded agreements, but I do sincerely believe that Congress was wrong in conferring authority to make such an agreement to the executive department, which in turn has transferred that authority to one single person who has made a hobby of this particular line of endeavor.

There are so many ramifications involved in such situations that it is literally impossible to properly weigh and consider all of the elements, even where the propositions are handled by competent, well-informed, generally unprejudiced men, such as a committee of the Senate concerned with the general public interest in such matters and with no delusions that such a program, as reciprocal-trade treaties, will prove a panacea for our economic, international, and other troubles, and there is but slight chance that well-balanced action will be taken by one man, or by one group of men directed by the one man, no matter how well intentioned he may be.

If the present legislation conferring almost unlimited authority to the Secretary of State is extended for another 3-year period, and if the Secretary's present policy is continued, the chances are that American agriculture will receive a set-back that will take a generation to overcome. Those who want the will of a single man—that is, dictatorship—in an important matter of this kind, ought to transfer their activities to a country where that type of government is more popular. The Secretary ought to welcome, not oppose, the help of the Senate in this matter if he has at heart the welfare of the country, not merely the completion of his program. Personally, I think there is more than enough chance to go wrong even where propositions of this kind are subjected to the approval of the Senate.

I note that the Secretary, in his recent testimony before the Senate, referred to the substantial increase in farm income for 1938 versus 1932; also, to the substantial increase in exports of manufactured products, particularly to those countries with which reciprocal-trade agreements have been executed. Those circumstances were referred to by him as clearly the result of the reciprocal-trade treaties. Nineteen hundred and thirty-two was one of our most disastrous years, from the standpoint of farm prices and farm income, and certainly 1938 ought to show a decided increase over that ruinous year. I sincerely hope the committee did not take that single comparison as an indication that American agriculture was back on its feet with ample income and that the reciprocal-trade treaties "did it." The facts are to the contrary.

Regarding increases in exports of American products, there certainly ought to have been a considerable increase in shipments from the United States, for several reasons, including among others, the diversion to the United States of orders that formerly went elsewhere, the diversion to us being due, in part, to the increased activity of European and other manufacturers in their war preparations, also, to the material increase we should expect, owing to the greater activity of American business as a whole, as we overcome the general depression. I think the Senate will find that any economist who would make any sort of an unbiased study of the situation would find that the improvements, referred to by the Secretary, were due to a large number of causes, of which the reciprocal-trade agreements played a very minor part.

It is quite probable that the Secretary is on the right track in his attempts to develop our business relations with other countries, but if so, I certainly hope that some review of, or a check upon his proposals can be made before they are completed.

The suggestion that the extension of our trade with other countries will promote good will among the nations is, like a number of other generalities, rather misleading. A trade agreement with the Argentine, for example, with that country dumping on us its surplus of livestock and agriculture products might please the Argentineans, but I cannot imagine that the other countries, now supplying the Argentine with many commodities, such as our European friends, would feel any more friendly toward us. Trade jealousies can cause as much friction as most any other type of difference. Referring again to the Secretary's statement regarding increased United States farm income, 1938 versus 1932, the last report of the Department of Agriculture shows that in South Dakota the ratio of prices received for farm products, to prices paid on all commodities, is still only 84 percent. The hog ratio is but 55 percent, sheep but 67 percent, with most other prices in proportion. Certain types of cattle are the only important commodity having a favorable price ratio, and the most certain effect of the Argentine proposal would be to knock the props from under the cattle price level.

I am sending copies of this letter to the members of this South Dakota delegation and am again urging them to oppose any extension of the reciprocal trade agreement arrangement except if made subject to approval by one or both of our Legislative bodies.

Yours very truly,

D. L. KELLEY.

TRI-STATE ZINC AND LEAD ORE PRODUCTS ASSOCIATION,
Picher, Okla., March 23, 1940.

Senator ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: We note that the reciprocal-trade issue will probably be before the Senate next week and are writing to remind you that we believe the case for zinc honestly merits some special consideration. You will find the record covering zinc on

pages 435–465 of the hearings before the Finance Committee on this subject.

We fully realize a United States Senator is the direct representative of a large variety of interests and that he has the Nation at large to serve as well as his constituents. Therefore, we assume that the facts of our case must of necessity be only one factor in influencing your judgment on the broad issue of reciprocal trade. As far as our particular problem is concerned, we are already tied into the Canadian agreement, and it will not alter our status in that respect whether you vote for or against the reciprocal-trade program. However, I am absolutely sincere in saying that I believe the zinc industry has been unduly damaged and in a way that is contrary to the principles espoused by the administrators of the trade-agreements program. The State Department is actively considering our case with a view to removing us as a commodity from the Canadian agreement.

If you see fit to do this, I assure you that your interest will be deeply appreciated by the personnel of this industry.

Sincerely yours,

EVAN JUST.

CALIFORNIA WALNUT GROWERS' ASSOCIATION,
Los Angeles, Calif., March 5, 1940.

Hon. ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR: In connection with the Senate Finance Committee hearing on the Reciprocal Trade Agreement Act, may we express to you the strong and very definite opinion of the preponderant majority of our 8,500 growers that this act should be amended to assure Senate ratification.

We have reached this conclusion because our industry has already been badly burned through the terms of the Brazilian treaty, whereby the tariff on Brazil nuts, which already enjoyed the lowest rate granted on any nuts, was cut in half. Walnuts are directly competitive with Brazil nuts.

England, which usually takes 60 percent of this product, has prohibited imports for the duration of the war, with the result that the United States will be flooded with these nuts currently selling at less than half normal prices, and this year's crop of Brazils is estimated to be the largest ever produced—80,000,000 pounds.

Again, we made a reciprocal-trade agreement with England. No benefits were granted the walnut industry under this treaty, but we were permitted to export there at England's previously prevailing rates. Notwithstanding the terms of this agreement, England now prohibits the importation of any American-produced walnuts. They normally take 6,000,000 pounds annually.

If we had had a Senate ratification provision, probably reasonable safeguards would have been insisted upon to prevent situations such as these developing.

Again, the Agricultural Department has just reported that total exports of American farm products, excluding cotton, for the last 6 months of 1939 were 30 percent below those of the last half of 1938, while imports of agricultural products for the same period increased over 20 percent.

No wonder the Federal Government is being called upon to appropriate hundreds of millions of dollars annually to encourage farmers not to produce, when Mr. Hull's trade policies have the effect of decreasing agricultural exports and increasing agricultural imports.

American farmers feel they are being sold down the river for the benefit of American industry or in a visionary and vain attempt to improve the standard of living throughout the world.

They feel that Senate ratification offers a possible chance of correcting this intolerable situation. Won't you give it to them?

Sincerely,

C. THORPE, *General Manager.*

PLATTE VALLEY LAND & INVESTMENT CO.,
Omaha, Nebr., March 6, 1940.

Subject: Reciprocal-trade agreements.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: While the statement below in red, which we are sending out on all our literature, has to do with people who are running for election this year, the matter referred to, as you are well aware, could be adjusted during the present session, and I think everything should be done to change the law so that any reduction in tariffs should be subject to the ratification of the United States Senate.

Producers of farm products are interested in getting at least cost of production for what they raise rather than having the cost of what they buy reduced. In general, they are fair-minded and are willing to let the manufacturer get a price for what he sells that will allow them to pay a fair wage, so the laborer can afford to pay a fair price for what he consumes in the way of food.

Foreign countries can produce, on account of cheap labor, much cheaper than we can and we all should be for our own citizens first. We should do everything we can to create jobs and create an incentive, if possible, for people to work with a view of taking care of themselves not only at present but provide also something for the future.

I hope you agree and vote accordingly when this comes up this session.

Your very truly,

N. B. UPDIKE.

In the coming elections we all should vote for candidates, regardless of party, who believe in the American market for American farm products—at least until the domestic market reaches cost of production. Also we should vote for candidates who believe that any reciprocal tariff should be confirmed by the Senate before becoming effective.

LIBERTY, MO., *March 6, 1940.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: A few nights ago I heard you speak on the radio against the reciprocal trade treaty bill, and I just wondered if you had a copy of the above-mentioned speech, and if so may I have a copy of the same as I heartily agree with what you have to say.

I am just a Missouri farmer and a small-town merchant, and I know that there is something wrong with agriculture, and know by letting more agricultural products come into this country free it will not make prices any better.

It looks to me as if the New Deal was determined on putting low prices into effect so as to furnish the city population food at a cheaper price, not withstanding they say they want to raise farm products. In other words they could stall 20,000,000 farmers to sleep with the soil-conservation subsidy, and another fool thing they do to furnish food cheaper to a hundred million people in the cities. Then it will gradually work in the trade treaties, and would have free trade rearing to go on farm products.

With best wishes, I remain,

Yours truly,

HARRY L. BOGGESS.

THE MARION OIL CO., INC.,
Wichita, Kans., March 6, 1940.

Senator ARTHUR CAPPER,
Care of the Senate, Washington, D. C.

DEAR MR. CAPPER: May we urge that you use your best efforts toward amending the Trade Agreements Act, now before the Senate, so as to prohibit any reduction in excise taxes provided by Congress.

In passing this act, the House seems to have followed the New Deal trend, whereby Representatives, elected by the people, delegate their job to others not so elected. We are hoping that this bill will meet with a more determined opposition in the upper House.

Thanking your for past favors, we are,

Yours very truly,

WELLS W. MILLER, *Treasurer.*

EAST OTTO, N. Y., *March 8, 1940.*

Hon. ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: As chairman of an organized group of dairymen numbering nearly 700 members of Cattaraugus County, N. Y., I wish to express to you what I feel to be the majority opinion of farmers with which I come in personal contact.

It is the belief of many farmers that all reciprocal-trade agreements be made with the consent of the Senate, so that their elected representatives may have an opportunity of knowing the content of such agreements and of voicing their own opinions regarding them.

Statistics show that our agricultural exports are decreasing and that our agricultural imports are increasing.

Almost twice as many cattle have been imported into our country from Mexico and Canada this past year as compared with the year before.

Some 80,000,000 pounds of canned beef have been imported from South America in a single year.

We are of the opinion that such imports have a depressing effect on the cattle industry in our own State.

May I personally add that as a dairy farmer of New York State I am in favor of all reciprocal-trade agreements being made as a result of Senate ratification?

Such action, I am sure, would materially improve the dairy-cattle and dairy-products market situation in our State.

May I, therefore, respectfully request that you do everything possible within the power of your office to bring about Senate ratification of such trade agreements?

Thanking you for your interest and cooperation, I am,

Very truly yours,

WILLIAM E. MAIER,
County President, Dairymen's League Cooperative Association.

EAST OTTO, N. Y., *March 25, 1940.*

Hon. ARTHUR CAPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR CAPPER: Thank you for your letter of March 15, in which you stated that you were working and voting for Senate rejection or ratification of any future trade treaties.

While attending my Grange a few nights ago I was authorized, as chairman of Mansfield Grange, No. 1039, New York State legislative committee, to express to you their appreciation of your position in this matter, which is so vital to the farmers of our Nation.

It was also unanimously voted that the following resolution be sent to you:

"Whereas at present the reciprocal-trade agreements are made by the State Department without Senate ratification; and

"Whereas our agricultural exports are decreasing and our agricultural imports are increasing, to the disadvantage of the American farmer: Therefore be it

"*Resolved*, That we, the members of Subordinate Grange No. 1039, known as Mansfield Grange, of New York State, do hereby express our opposition to this present manner of trade negotiation; and be it further

"*Resolved*, That we are strongly in favor of making such trade agreements in a manner which will allow for Senate rejection or Senate ratification of any and all future trade treaties."

WILLIAM E. MAIER,
Chairman, Legislative Committee, Mansfield Grange, No. 1089.

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

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

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

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

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

THOMAS E. DEWEY

Mr. THOMAS of Utah obtained the floor.

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

Mr. THOMAS of Utah. I yield.

Mr. CONNALLY. Mr. President, this morning's Associated Press report, carried in the Washington Post, contains an attack by Mr. Thomas E. Dewey—I believe that is the name [laughter]—on the foreign policy of the United States and of the present administration.

Except for the fact that Mr. Dewey is a candidate for the nomination for President on the Republican ticket, this would not be worthy of comment. I quote from the dispatch:

St. Louis, March 27. Thomas E. Dewey declared tonight the first need of the country is an administration which can be trusted "to keep this Nation out of war."

The youthful New York County district attorney, who seeks the Republican Presidential nomination, charged in a speech that "failure has followed every step" of the New Deal, "because underlying all its policies there has been a fundamental lack of integrity—a cynical disregard for the principles of common honesty."

The article is quite lengthy. I ask unanimous consent to have the entire article printed in the RECORD.

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

[From the Washington Post of March 28, 1940]

DEWEY ASSAILS FOREIGN POLICY OF ROOSEVELT—G. O. P. CANDIDATE TELLS MISSOURIANS NEW DEAL MAY NOT AVOID WAR

ST. LOUIS, March 27.—Thomas E. Dewey declared tonight the first need of the country is an administration which can be trusted "to keep this Nation out of war."

The youthful New York County district attorney, who seeks the Republican Presidential nomination, charged in a speech that "failure has followed every step" of the New Deal, "because underlying all its policies there has been a fundamental lack of integrity—a cynical disregard for the principles of common honesty."

PROMISES BROKEN, HE SAYS

"This lack of integrity is shown in three principal ways—broken promises, contempt for the Constitution, and flagrant abuse of power," he said.

"So what faith can we place in any promise by this administration to keep this Nation out of war?"

Dewey's address was the first in a series on "the moral issues" of the campaign, which he will continue in Chicago tomorrow night. It was given before a meeting sponsored by the Missouri State Republican committee and was broadcast over a Nation-wide hookup.

"I do not need to tell you that the spoken word and the public pledge of this administration are worthless," he declared.

"The erosion of character * * * began within 6 weeks after it took office. It has continued ever since, wearing away the foundations of governmental integrity."

CHARGES "BAD FAITH"

Claiming the New Deal's "record of incompetence and bad faith" had retarded recovery, Dewey asserted:

"The New Deal attempts to elevate its failure into the realm of high economic policy."

He accused the administration of trying to "excuse reckless spending by claiming it is necessary for relief and recovery.

"But even the alibi is false. It is false because, after eliminating every relief and recovery item, the cost of the National Government under the New Deal has gone up $225,000,000,000, or 56 percent."

SEES "STOP DEWEY" MOVE

Earlier in an interview Dewey expressed the view that both President Roosevelt and Vice President Garner have joined a "stop Dewey" movement.

Questioned regarding Mr. Roosevelt's statement that Dewey should be the Republicans' choice for Vice President, he replied one of his aides had made the proper comment: "Roosevelt has joined the 'stop Dewey' movement."

Vice President Garner's name came up in connection with Dewey's remarks on the primary April 2 in Wisconsin, where he and United States Senator ARTHUR E. VANDENBERG, of Michigan, are contesting for the Wisconsin delegation to the party's national convention.

He asserted he had been informed Garner headquarters had sent 500,000 letters to Wisconsin automobile owners urging them to vote for Garner if they were Democrats and for VANDENBERG if they were Republicans. This he characterized as additional evidence of a "stop Dewey" movement.

Mr. CONNALLY. Mr. President, I do not care to comment, except to say that the best answer to Mr. Dewey when he says that we need an administration which can be trusted to keep the Nation out of war is that we have already kept the Nation out of war. I do not know where Mr. Dewey was during the last special session of the Congress when we spent something like 6 weeks legislating for the very purpose of keeping the Nation out of war. We have kept the Nation out of war without any assistance from Mr. Dewey. Since that legislation was enacted, not a single American ship on the high seas has been sunk, and, so far as I know, not a single American citizen has lost his life on the high seas from the action of any belligerent nation.

What is wrong with that policy? What is it that Mr. Dewey wants to do about it? What more could America do than we have already done, when we made the greatest national sacrifice in the history of the world by taking our commerce out of every port in a belligerent country, off many of the great sea lanes, and out of combat zones which may be delimited by Presidential proclamation? What is it that Mr. Dewey wants done? How does he propose to keep the Nation out of war?

Mr. President, Mr. Dewey's speech is an assault on the United States Senate and the House of Representatives, and on many members of his own party. However, we cannot blame Mr. Dewey. He is running for office. We can talk about paralysis agitans, locomotor ataxia, creeping sickness, and all the other debilitating ailments, but if the little virulent Presidential bee ever stings a small-bore, young hopeful, he gets them all at once. [Laughter.] It destroys his vision, his perspective, and his outlook; and the hunger for place, the hunger for office, impairs his vision, and causes a readjustment of all his former normal functions.

So Mr. Dewey is running for President—that is, he thinks he is! I think he is laboring under a delusion. He thinks he is running, but he is not. [Laughter.] He attacks the integrity of the administration—I suppose about foreign affairs, because what he is attacking is foreign policy.

This lack of integrity is shown in three principal ways—broken promises, contempt for the Constitution, and flagrant abuse of power.

Where is the foreign nation which can say to the United States that it has broken its promise? We are now talking about foreign relations. Why does not Mr. Dewey, with his little army of investigators—his Ogpu—point out wherein we have broken our promise to a foreign nation? We have kept the faith, and that is one of the reasons why we are not in the war. That is one of the reasons why we are not going to get into the war.

America has been true to its international obligations. We are now debating legislation involving international relations. If the United States makes promises to foreign nations, I, among other Senators, want the United States to live up to those obligations.

Dewey's address was the first in a series on "the moral issues" of the campaign which he will continue in Chicago tomorrow night.

Chicago is a good place to pursue moral issues. [Laughter.] He is to pursue those issues in Chicago tonight.

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

Mr. CONNALLY. I yield.

Mr. LUCAS. Is he going into Texas after he leaves Chicago?

Mr. CONNALLY. I do not think he will go to Texas, because he is looking for votes which can be obtained, and I understand that all the Republican votes in Texas have already been secured in advance for one of the candidates through a little business arrangement which has already been made.

Let us see about the "moral issues."

It was given before a meeting sponsored by the Missouri State Republican Committee and was broadcast over a Nation-wide hook-up.

I do not need to tell you that the spoken word and the public pledge of this administration are worthless—

He declared.

Mr. President, those are baseless and unfounded charges. Who is Mr. Dewey that he should pass on moral issues or on the integrity of this or any other administration?

He did not think this administration was so bad when in 1935 he accepted a job under it. I hold in my hand a copy of Who's Who in America, and I know the reference to him is correct because he gave it in himself, I suppose as a part of his life history. Here it is:

Special Assistant to United States Attorney General for prosecution of tax proceedings against Charles E. Mitchell and criminal prosecution of Irving Wexler alias Waxey Gordon, 1934–35.

If this is such a corrupt administration, if it will not keep its word, if it violates its pledges and commits all the other sins, why would this Mr. Dewey, standing on moral issues, accept a job under the Attorney General? That is what he did. I do not think he kept it long. He was out some time back, and I imagine that it was not his willingness to get out that lost him the job.

Special assistant to the United States Attorney General, * * * 1934–35.

He was holding another job at the same time—on moral issues, I suppose—two jobs at once and two salaries at once in 1934–35.

Mr. President, about all I have to say is that such irresponsible and foolish charges are not apt to contribute to the dignity or the moral sublimation of the Presidential campaign.

Mr. Dewey ought not to be running for President; he ought to be running for county attorney in some small New York county; that is about the level of that sort of campaign.

Mr. President, I want to thank the Senator from Utah for indulging me these remarks. I would not have asked him to yield, but I know that he sympathizes with the attitude I am undertaking to express, because he was one of the strong influences and forces in the Foreign Relations Committee which hammered out the neutrality bill, which the Congress enacted, and which the President signed.

I wonder where Mr. Dewey was during that time? If, as he, in effect, states, he was against the Neutrality Act, why did he not say so then instead of waiting 3 or 4 months to come out of hiding in New York and tell us where he stood then?

My attention has just been called also to an article on Mr. Dewey in the Daily News of today by Mr. Raymond Clapper, a very pungent and capable correspondent. The only regret about this kind of thing and the necessity of writing an editorial or article or making a speech about Mr. Dewey is that it gives him publicity. That is what he wants; that is what he is after; but every good deed has some countervailing reaction that does not always contribute to the public welfare, and that is one of them.

Mr. President, I should like to have unanimous consent, even at the cost of further advertising a rather shoddy piece of political merchandise, to have the article by Mr. Clapper printed in the RECORD. I thank the Senator from Utah.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The article referred to is as follows:

[From the Washington Daily News, of March 28, 1940]

OFF THE DEEP END

(By Raymond Clapper)

In his St. Louis speech, Thomas E. Dewey makes the gravest charge that has been laid at the door of the Roosevelt administration.

"Underlying all its policies," said Mr. Dewey, "there has been a fundamental lack of integrity—a cynical disregard of the principles of common honesty."

Who are some of these policy-making people in this administration who so glaringly lack integrity and common honesty? Cordell Hull? Henry Morgenthau? Harry Woodring? Robert Jackson? James A. Farley? Charles Edison? Harold Ickes? Henry A. Wallace? Harry Hopkins? Frances Perkins?

Are they the ones Mr. Dewey says are lacking in integrity and common honesty? Evidently he has had no contact with any of them. They can be criticized for many errors of judgment but not for lack of integrity. In some 20 years here I have seen several batches of Cabinet officers, going back to Harding's time. For integrity and honesty of purpose I'll put this Cabinet against any that has been in Washington since the war. It is the one thing that does truly distinguish this group. There is not a shady one in the lot. Some of them may be too idealistic. Some of them may be impractical. Some of them may be too stubborn. But that these Cabinet members are lacking in moral fiber, in "fundamental integrity" or in "common honesty" is something that not even a district attorney can demonstrate.

Go down the line to some of the lower-ranking policy-making officials. Who are the ones there lacking in integrity and common honesty? Aubrey Williams of N. Y. A.? Thurman Arnold? Jerome Frank and Leon Henderson, of S. E. C.? Sumner Welles and Adolf Berle? Eccles? Henry Grady? Steve Early?

Average up the Roosevelt crew and the one thing that does mark it is the exceptional devotion to the general ideals of the New Deal, and the incorruptibility of the group as a whole. Judge these men by political standards and that is the one thing that stands out in their favor. If any of them are ever caught handling little black bags, I'll be amazed. Republicans ought to be cautious about bringing up a subject that recalls so much history.

Mr. Dewey attempts to peg his case on such circumstances as Mr. Roosevelt's failure to carry out his 1932 economy pledge and his abandonment of the gold standard.

In his first Presidential campaign Mr. Roosevelt definitely promised a 25-percent cut in Government expenses. It was a foolish campaign pledge because it was an impossible promise. Whether Mr. Roosevelt knew it at the time, I don't know, and I doubt if Mr. Dewey does.

At any rate, after he went into office Mr. Roosevelt began slashing expenses. He cut veterans' allowances. But there were millions out of work and something had to be done. The Federal Government started spending money. With that the pressure in Congress to restore the veterans' cuts became irresistible. In the summer of 1932, many thought that the worst of the depression was over.

But you remember February and March of 1933. Conditions were infinitely worse. If the Republicans had been in office, they would, I hope, have done about what the Roosevelt administration did. They would have faced the situation and done the necessary thing. I hope Mr. Dewey doesn't mean that in view of his pledges of economy he would refuse to approve more expenditures if he should enter the White House and find that business had collapsed, as it did under Mr. Hoover.

Mr. Dewey is talking with his tongue in his cheek. If he became President he would try to meet the problems that faced him and he wouldn't be stopping to thumb back over his campaign speeches, I hope. He would, I believe, be statesman enough to brush aside the past and wade into the job with whatever was required. Every man of affairs, who has been responsible for the success of large enterprises, knows what I am talking about and so does Mr. Dewey.

Integrity in public life means the higher integrity of fidelity to the best interests of the country. If that requires a public official to forget something he said when he didn't know any better, he had better forget it and the quicker the better. You can't walk backward, reading old campaign speeches, and be a good President.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. THOMAS of Utah. Mr. President, before starting my discussion I must, by way of introduction, call attention to the fact that the two underlying topics for discussion in the

treatment of the pending amendment are the Constitution of the United States and the history of tariffs in the United States. United States history can very properly be written around the history of tariffs, because, in the setting up of our Government, tariff legislation became part of our scheme of things, and, of course, it has remained with us ever since.

In considering the tariff in any phase one must always take into consideration the fact that it has many complications, and deals with many different subjects. It has the aspects of a revenue law; it has the aspects of a law to control commerce within and to curb commerce without It has, therefore, its international ramifications, and, when we take into consideration all these facts, we discover that when we start to consider any of these acts from a purely constitutional standpoint we find ourselves lost in a labyrinth which almost covers the whole of our Constitution.

I have accepted in my remarks the theory about the tariff and the theory about the Constitution which accepts them both as nonstatic. Both are growing, both react to conditions from within, and both must necessarily react to conditions from without.

When it comes to the Constitution, in order to determine what our Constitution may mean today, we cannot consider the instrument just as it was written; we have to take into consideration all the laws made in conformity to it, all the amendments, the legal interpretations, and the administrative interpretations. We have to get even further than that and take into consideration the practices of our Government growing out of expediency and necessity, practices which are extra constitutional and also extra legal in their aspects.

When one starts to consider a particular subject with this type of background, he must lay his foundation, then, in regard to interpretation of what the Constitution means, in a way consistent with 150 years of growth and development through which our country has passed. There was a time when our Constitution seemed to be merely a document based upon almost a law of physics, emphasizing all the time the balance-of-power notion—the theory of three coordinate and distinct powers or departments of our Government each checking the others. It is quite natural that those persons who lived in the time of the notion in regard to physical science which had its basis in balance should accept a political concept and a legal document on the basis of physical facts because, whether we like it or not, we interpret all that we do in a social way and all that we do in a political way on the basis of physical facts. We can never get away from that. Then, when the world carried forward the idea of progress and evolution, making out of those two concepts a philosophy of life and a philosophy of understanding, laws and constitutions naturally fell into step, and the Constitution of the United States was interpreted, thought of, and considered as a great growing organism, a moving-onward body, as it were—something alive, something vital; it was interpreted in that way for a great number of years, and it must be so because it is a guide to human beings and their welfare.

So I say, in the very beginning, that my constitutional approach is a simple one. I do not accept the Constitution merely as a physical fact or as a growing organism, but I do not discount those two interpretations of the legal fact. They are there, but the Constitution of the United States is something in addition to this. Today I think most people will agree with me that this document, which now is the oldest of all constitutions in the world—this document which set up the one technique of government which seems to be the only technique which can save the world from chaos and ruin—the federal technique—must mean to all persons who are thoughtful about it merely the companion of the American people in the accomplishment of their political and social aims. Therefore it grows with us, and we grow and develop with it, and the tariff has done exactly the same thing. It has reacted to needs from within; it has reacted to necessity from without; and in the story of the evolution of our tariff, which I hope to be able to give, I want all who are kind enough to listen to me to realize that this fundamental notion is in the back of my head when I give the incidents of growth and development. The present condition of our tariff technique, our reciprocal conventions, our reciprocal agreements, are in very deed an evolution growing out of the necessity of the times and the way in which conditions have turned to make these things necessary.

Therefore, my remarks may be considered academic, but I trust that they will not be academically or even constitutionally useless. My remarks may enter into a field that I am not prepared to go into, because I am not a lawyer; but I have tried to sum up in a short space some of the results of the decisions which have affected our tariff laws, so that readers who are legally minded may, if they wish, follow through the argument in a logical way.

The constitutional arguments presented by those who favor the amendment calling for ratification of the reciprocal-trade pacts by the Senate turn upon the following:

That the pacts are treaties in the sense that the word "treaty" is used in article II and article VI of the Constitution;

That the pacts constitute a modification of a revenue law; and

That, if these two assumptions are admitted, the governmental technique outlined in the Constitution governing the ratification of treaties and the enacting of revenue laws must be followed.

Since the pending joint resolution had its origin in the House of Representatives and has gone forward in accordance with constitutional practice for revenue bills, this phase of the argument is only contributory to the theory that those in charge of the joint resolution have considered it a revenue measure. This point, then, does not constitute an issue so far as the constitutionality of the act which will expire on June 12 is concerned. If, though, the pacts are treaties, as the word "treaty" is used in articles II and VI of the Constitution, the present law must be considered unconstitutional, and its renewal without amendment will lay the law open to a constitutional test. That, of course, would mean, if the contention were sustained in the courts, that no more reciprocal-trade pacts could be consummated without further legislation. The question of the continuing validity of the present pacts might also be challenged. This may be termed a literalist attitude from a constitutional standpoint.

With this attitude I am in complete disagreement.

I maintain that the present law is constitutional; that the existing reciprocal-trade pacts have met the technique consistent with the fundamental practices of our Government, and that the present act and pending joint resolution need not conform with those parts of our Constitution wherein treaties are mentioned in article II and article VI, but are in complete conformity with the powers delegated to Congress for control of interstate and foreign commerce. Since this power granted Congress in the first article is complete and all-embracing, and since throughout our history tariff acts have been primarily for purposes of developing or controlling commerce and only secondarily for purposes of revenue, the constitutional power under article I is sufficient.

For these and other reasons, I am opposed to what I have termed the strict constructionist approach to this constitutional phase of the present discussion. I conceive the problem to be a problem of governmental efficiency, growing out of world conditions as they exist today, and in keeping with an evolutionary development of tariff practices. The question is one of governmental policy, not a problem of law. If I thought the question were one of ceding over from Congress, or a representative body of Congress, such as the Senate, to the Executive the final word as the policy-forming institution of our Government, I should accept the arguments of the Senators from Nevada and Wyoming, and make a point in support of their stands.

Under the joint resolution, however, Congress does not give up its ultimate rights. Much has been said here about the delegation of power and the delegation of authority. The last case I remember in which a law was stricken down by the Supreme Court of the United States because legislative power was delegated was the one involving the "hot

oil" law. In that case the reason which caused the Court to make its decision turned upon the simple fact that the law did not contain the contingency under which the Executive was to act. By a simple amendment adopted by Congress this defect was overcome, and the control under that act is still carried on by our Executive.

If it is a contingency which must control the actions of the Executive when power is delegated under administrative theory, one need but turn to the act itself which, incidentally, has not in and of itself had a constitutional test and find not one paragraph laying down a contingency, not two paragraphs laying down limitations and contingencies, but six paragraphs outlining contingencies, making limitations and curbing the power of the Executive in regard to entering into reciprocal-trade pacts. Time limits are put there. Certain articles cannot be considered unless under certain arrangements. So every condition which the Court insisted upon, so far as the delegation of authority to the Executive was concerned, has been met in the act; and, as we point out further, the "hot oil" case had to do with internal affairs, affairs in which the Executive in and of himself had no power, no independent field of activity. We can see how completely careful and how thoroughly consistent with the evolutionary growth of our tariff legislation the framers of the Reciprocal Tariff Act were, and, if we may judge from the decision of the Supreme Court in regard to the "hot oil" cases and if we may adopt the theory that the contingency and the limitation is the proper curbing for the Executive, how almost foolproof from a standpoint of law the present Reciprocal Tariff Act is.

But under the joint resolution Congress does not give up its ultimate right. The trade pacts and the right to negotiate the trade pacts and bring them into operation are temporary. This fact must be granted whether the pacts themselves are deemed valid or invalid. It is quite clear that the reciprocal-trade agreements do not constitute a forbidden delegation in the constitutional sense. It has been found in the operation of government that we cannot continue to function without, from time to time, asking others to execute the will of Congress by filling in the details, however many and however important, to satisfy a broad policy set by Congress.

Mr. President, I need not and I will not repeat what the Senator from Georgia said in regard to this question yesterday, but I wish to say that whenever anyone starts talking about the separation of powers and the coordinated branches of our Government, he almost invariably ends up with using a series of words and a series of sentences which make one feel that we have three governments and not one Government. We have only one Government. Sometimes the Executive speaks for that Government, sometimes the courts speak for that Government, sometimes the legislature speaks for that Government. When we talk about powers, they are all delegated, and they are powers merely to act for the one single Government under our constitutional scheme.

I think it should be emphasized all the time that there is only one Government of the United States. It matters not how big or how little the administrative officer is, when he speaks in the name of the Government of the United States that is his authority, and he represents the Government of the United States when he speaks.

The Senate, of course, is not abdicating by not insisting on ratifying trade pacts, pact by pact, any more than Congress gave up when it permitted the Executive to alter by 50 percent any existing rate or duty on importations, or when it left to a commission the involved question of freight rates to meet complicated and ever-changing situations.

It is refreshing to hear constitutional arguments raised at this late day, so long after the act has been applied, certainly long after any aggrieved party might have been heard and his plea settled before the highest tribunal. Certainly the question is not whether we may or not, but whether we should or not. The economics of the situation, or, as I stated in the beginning, the question of governmental policy, not of lawful authority, confronts us.

The constitutional facts must not be overlooked. Powers granted the Executive under article II in regard to treaties make the Executive the initiator and the negotiator. The Senate's giving its advice and consent is a completing act.

Still, the whole act is not completed, and since arguments about article VI have been presented, with reference to a treaty becoming the supreme law of the land, let me point out that, while under our scheme of government the legislative authority in Congress is all-embracing, with the exception of the recommendations of the President, or the veto of the President, or the approval of the President, when it comes to treaties there is another element which enters into the making of the supreme law of the land. That element has nothing to do with any of the authorities under the Constitution of the United States. No treaty goes into effect until it becomes an agreement between two nations, and it is very interesting to know that if we accept the theory that a treaty is a law of the United States, the antecedents to making a treaty the law of the United States were not only the executive acts and the legislative acts, but actually foreign acts. That is how broad our constitutional scheme is, and that is one fact about article VI which is not generally pointed out—that in the making of the supreme law of the land of the United States, foreign governments actually have a part.

I bring this suggestion before my colleagues now so that I may follow along the theory announced by the Senator from Georgia yesterday—the theory in regard to treaties, and why the President has an all-embracing power in the initiation, the negotiation, and the revocation of treaties—because when it comes to foreign relations, the power is vested in a single authority, the United States, and the giving of assent, the advice and consent of the Senate of the United States, is only one of the elements which make a treaty a law.

Even after the advice and consent are given, the publication of a treaty is necessary, the acceptance of the treaty by the foreign nation is necessary, and, in addition to that, the registering or the proper placing of the treaty is necessary. That is why the fathers saw and understood so well the difference between municipal law and international law, and that is why, of necessity, when international law is invoked and turned to, the restrictions are stronger than they are in municipal law, because there enters into the arrangement the idea of faith and the necessity of governments, above all things, keeping their word.

Does the Senate here act in a legislative capacity or in an executive capacity? Whether executive or legislative, the two acts are essential to a complete consummation. Still, the treaty would not become a law of the land by just these two acts. For such a treaty to have force, it must also be accepted and put into force by a foreign state over whom we have no legal or executive authority. But that is not the question I wish to emphasize here.

It has been brought out that there is an unlawful delegation of power in granting to the President the authority which he has exercised under the present act. This might be true if the delegation had been a delegation of power over internal affairs, for in that field Congress is definitely supreme, and law governing internal affairs is its complete right, and a delegation of this right might consistently be challenged. But when it comes to external affairs the situation is different. There are inherent in the Executive, under our Constitution, certain rights and powers, and they do not exist in Congress, and are entirely outside of the advice and consent right granted the Senate.

Congressional powers in regard to treaties are not confined to the simple practices outlined in article II. I can conceive of a treaty being initiated as a law of Congress with a rider instructing the President of the United States to enter into negotiations with foreign countries to have such a law passed by the legislative power of other foreign countries and thus bring about a universal law throughout the whole world which would have uniform application upon all persons in the world.

Of course, the President does have the right to accept or reject the obligation to negotiate. This is the practice within our States. This, of course, is a legislative practice,

but if it should become a series of international acts, it might follow all the force and technique of a treaty. To assume, then, that Congress cannot initiate would be an assumption going too far. Yet, I do not offer this as being strictly germane to the present question. It merely illustrates the fact that treaty-making power may be extremely complex without being unconstitutional, and may or may not follow the simple technique as outlined in article II.

The pending resolution gives us an opportunity to review the fundamentals which were undoubtedly in the minds of the founding fathers when our Constitution was set up. Jefferson stated so well this problem, or rather, problems, for there were two. We had first to make one government out of many, and then make that one function as a unit through a separation of governmental activities. In a letter to Madison at the end of 1786, Jefferson wrote:

> To make us one nation as to foreign concerns, and keep us distinct in domestic ones, gives the outlines of the proper division of powers between the general and particular governments. But to enable the Federal head to exercise the powers given it to best advantage, it should be organized as the particular ones are, into legislative, executive, and judiciary.

Probably no other single paragraph had so much to do with confirming the policy of the founding fathers as had that paragraph written by Jefferson.

He had nothing to do with the real writing of the Constitution, because he was not even in this country at the time, but the underlying principles are so well stated in that paragraph that the Constitution of the United States cannot be considered without referring to it.

The arguments of lawyers before the Supreme Court are arguments in favor of particular causes and, therefore, like the arguments advanced by the text writers, are more or less rationalizations rather than statements of historical fact. In the setting up of our Constitution and the bringing into existence of a government with three coordinate branches, the problem which the founding fathers had facing them was one of changing a government wherein the executive, the legislative, and the judicial were united in one body as had become the practice in England, into an institution unified, to be sure, but recognizing a separation of powers. When it came to appointments and to treaty making, the Constitutional Convention did not wish to give over to the Executive complete power in these two great fields. The advice and consent technique, already well established, was resorted to, and instead of allowing the check on the President to remain in the entire Congress, treaty matter was left to the Senate with a necessary two-thirds vote to ratify, while the appointing power was left to a simple majority in the same chamber.

Mr. President, advice and consent in regard to appointments is quite generally meant in our Government, both in theory and practice, to be two separate acts, the Senate or part of the Senate to be, under the Constitution, a party both to advising and consenting. In treaty making the tendency in the development of our processes has been toward considering the process of advice and consent a single act. The President has gained complete power in regard to the initiation and negotiation. While in our Government the policy-forming institution still remains Congress, our Government is not a congressional government but strongly a Presidential one, and due to the growth of our country and to the sheer weight and bulk of our governmental structure, it has become more Presidential as time has passed. The greater number of executive assistants in proportion to legislative persons will bring this about as a matter of quantitative pressure without taking into consideration any of the fundamental powers.

But still America remains a government by law, and all the restraining rights and powers remain in Congress, and so far as treaties and appointments are concerned, they remain with the Senate.

This statement may be taken to be an argument in favor of the contentions of those who raise constitutional doubts in regard to the pending legislation, who maintain that the trade pacts are treaties, and that therefore the Senate must ratify them. If the congressional powers and the senatorial powers had not been expressed this contention might be true. But they have been expressed in the instructions given to the Executive, and in the authority to act, and in the time limit placed upon the act. Therefore the legislative branch of our Government has expressed its will, it has had its opportunity to maintain a check, the judicial branch assumedly has not been resorted to, and the challenge is still open to the aggrieved person or citizen; so that the theory of our Government, based as it is on three coordinate powers offering checks when checks are needed, has been respected.

Of course, an outstanding reason for being opposed to Senate ratification of each trade pact is one of efficiency and expediting of governmental processes, an almost necessary one in its first aspect, and an extremely desirable one in its second. The reciprocal-trade agreements have to do with tariffs. Tariffs were never a matter for the Senate alone, but for the Congress and the Executive. Throughout the whole history of our tariff legislation the primary purpose of tariff has been not a matter of mere taxation for revenue gain but a matter of industrial and business expansion and control of commerce. If this had not been the case the slogan "Tariff for revenue only" would never have been resorted to. The reciprocal-trade pacts have therefore the same purposes. They have their fundamental reason for being in necessity. The old tariff technique of controlling commerce by a unilateral legislative act has become obsolete. Its success for accomplishing the objectives of its sponsors—that is, promotion of domestic industry—was dependent upon a fairly stable world.

Mr. President, the tariff as a medium of aid to home industry was only a valid medium in a world wherein money values and exchange were constant, fluctuating only in fractions of a percentage. The minute the world became a world of commercial and economic chaos as a result of managed currencies, inflated and depreciated coinage, the nonrecognition of our metallic based money, and governmental control by Executive action expressed by subsidy and dumping, the exploitation of cheap labor and the exploitation of backward peoples by controlled values, the stability essential to a true protective tariff establishment was gone. I can use one incident and one commodity to illustrate my point. In 1932 we had a tariff of 2 cents on sugar while foreign sugar was being laid down in the United States at one-half mill a pound. Subsidy, depreciated currency, and the dumping practices of nations had overcome completely the artificial benefit to the domestic producer which our tariff had offered and promised. Therefore as long as the world is as it is and tariffs are changed in other nations by Executive action, almost by edict, America, if she is practical, must meet that situation. Other nations may change the value of the import tax, the amount of subsidy, and the value of money in order to aid their trade, and we find ourselves bound by our law in such a way that these mediums are impossible under our slowly responding governmental structure.

But there is a better reason for the support of the contention that we should continue the technique of our reciprocal-trade pacts as they now are carried on by our State Department. Tariff duty is a matter, after all, which affects both the country which invokes it and the country whose trade might be influenced by it. Thus in its final analysis, in its most friendly and businesslike aspects, a tariff is bilateral, and under our present theory of the most-favored-nation clause it may be multilateral. For business relations to be good, both the buyer and the seller must enjoy benefits. An opportunity has been created whereby nations might be benefited. Reciprocal-trade agreements can be worked out to the advantage of all concerned, through the process of hearings before committees representing both countries parties to the pact. The technique of negotiation cannot help but make for better understanding and ultimately better and more stable business conditions because the representatives of each government must know that the pacts must stand for the benefit of both, and that the loopholes permitted through the most-favored-nation clause must be curbed to insure no overreaching. Thus we have a technique brought

into existence which cannot help but improve relations, improve industry and trade, and result in the stabilization of that industry and trade. Therefore, I do not think that the strict constructionist constitutional approach should prevail, and, therefore, I maintain that the practice is an evolution of Hamilton's original tariff theory, the promotion of industry and the control of trade.

The reciprocal-trade agreements, when viewed in the light of our tariff history, mark this evolution, not a startling change in method. This country long ago rebelled against the old inflexible tariff. It set up not only the flexible tariff theory wherein the Executive was given authority to change the tariff to the extent of 50 percent, after study, but Congress actually set up a Tariff Commission to aid in these studies and help accomplish the flexing.

These things all happened when the world was in a condition more stable than it is today. Still the need was so apparent that the flexible tariff right was retained even in our last tariff act, and the Commission is still functioning, assisting properly by doing its part in furnishing studies and advice to the Executive in the negotiation of reciprocal pacts. Viewed in this light, then, the reciprocal-trade pact is a growing aspect of an evolutionary tendency. To stop it or make this tendency ineffective by permitting one-third of the Senate of the United States by vote, or less by filibuster, to overcome the studied conclusions of our Tariff Commission, our negotiators, our State Department advisors, would be a step backward to such an extent that we would multiply chaos not only in our own industry but also in the industry in much of the world. When the flexible tariff came into existence its opponents pointed out that Congress was giving up some of its powers, that Executive authority was being expanded. One does not wish to argue that point, but the powers between the executive, the legislative, and the judicial are not in an even and a constant balance. If they were we would have a government by mathematical equations instead of by law. The powers executed or expressed are always a matter of degree. One time Congress may have its last word and that last word may be important; it may be comparatively insignificant. So with the President. At all times the judiciary may seem to have the last word, and here again it might be on a matter of utter insignificance, or on a matter which actually strikes down going agencies of government and causes a remaking of institutions. Events, not mathematics, shape their comparative strengths. When called upon to function, each rises so nobly to its task that we are constrained never to say again that one is impotent, and that we do not have a true separation as well as a true coordination among the three branches of government.

We are coming to the belief that "coordinate branches" is a term which suggests that they coordinate in the cooperative sense, and that friction, far from being an essential to good American government, is not an encourageable quality.

Mr. President, in summing up the whole question I have attempted to show, as I said in the beginning, the growth, evolution, and development, both in tariff practices and in constitutional interpretations and practices.

The President's authority under reciprocal-trade agreements is a natural outgrowth of executive control over foreign commerce; that is, Executive control when such grant has been given to the Executive by Congress.

The Reciprocal Trade Agreements Act of June 12, 1934, was a natural outgrowth of the experiences of the Congress, the President, and the Tariff Commission in dealing with our tariff problems under those provisions of the Tariff Acts of 1922 and 1930.

The tariff problems are too numerous and too complicated to handle without a continuing body like the Tariff Commission to keep abreast of conditions of our foreign trade, and to report those conditions to the Congress and to the President.

The Congress cannot keep the tariff changes abreast of rapidly changing emergency conditions such as we have suffered since the World War, and especially since the last great depression of 1929–30.

Here let me again revert to what I have said in regard to the bilateral nature of the reciprocal-trade theory and of our tariff evolution, and the necessity for it. Again we emphasize causes, again we emphasize depreciated currencies, and again we emphasize the utter independence of governments acting quickly for their own advantage and for their own purpose, upsetting the even tenor and the stable condition of trade. When we enter into a pact with a foreign country we bind that country, and therefore such things are not resorted to. So the stabilizing influence is not one-sided. It is not only for our benefit, but it actually contributes to a stabilizing influence throughout the world.

Both political parties have found it wise and practical to put in the hands of the President power to make changes in tariff rates to meet emergency conditions—the Republicans under the flexible provisions of the Tariff Acts of 1922 and 1930, and the Democrats under the Reciprocal Trade Agreements Amendment or Act of 1934.

Now let us examine what, if any, are the differences in fact and principle in these delegations of authority to the President. If, for example, there is no difference, then, as the other acts have been questioned in the courts and not found wanting, the present act cannot be pointed out as being wanting in that regard.

In accordance with the flexible provisions which have been declared constitutional by unanimous decision of the Supreme Court in the case of *Hampton & Co.* v. *United States* (276 U. S. 394), the President changes rates of duty on the basis of the differences in costs of production of articles in the United States and in the principal competing foreign countries; and in the Reciprocal Trade Agreements Act the President changes the rates upon the basis of his finding as a fact that "duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States," and that the purpose of the Trade Agreements Act will be promoted by the means used in the trade agreements. Two limitations are placed upon the President; and the Executive is always the judge as to whether or not those limitations are present. He acts in accordance with his own finding, and in accordance with his own judgment.

The powers of the President under the Reciprocal Trade Agreements Act differ, if at all, only in degree rather than in kind from powers which have long been his and which have been declared constitutional in many decisions of the courts, including the recent Hampton decision declaring constitutional the flexible provisions of the act of 1922.

The first act passed by the United States Congress was the Tariff Act of July 4, 1789, which stated its objectives in the preamble, as follows:

> SECTION 1. Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures, that duties be laid on goods, wares, and merchandise imported:
>
> *Be it enacted, etc.*, That from and after the 1st day of August next ensuing, the several duties hereinafter mentioned shall be laid on the following goods, wares, and merchandise imported into the United States from any foreign port or place, that is to say:

The commodities and the respective duties are then listed.

Thus we see that the very first act was a complicated act, having many objectives.

The first tariff law was frankly a protective-tariff measure.

Alexander Hamilton, Secretary of the Treasury, in his report on manufactures in 1791, in which he advocated the encouragement of industries in the United States by the use of protective tariffs as adopted in the act of 1789, said:

> In order to a better judgment of the means proper to be resorted to by the United States, it will be of use to advert to those which have been employed with success in other countries.

Recognizing that the tariff with us was not new in the sense that we had no experience with it in other places,

and recognizing the fact that we took the theories from other places.

The principal of these are:

Protecting duties, or duties on those foreign articles which are the rivals of the domestic ones intended to be encouraged.

Duties of this nature evidently amount to a virtual bounty on the domestic fabrics, since by enhancing the charges on foreign articles they enable the national manufacturers to undersell all their foreign competitors. The propriety of this species of encouragement need not be dwelt upon, as it is not only a clear result from the numerous topics which have been suggested, but is sanctioned by the laws of the United States in a variety of instances; it has the additional recommendation of being a resource of revenue. Indeed, all the duties imposed on imported articles, though with an exclusive view to revenue, have the effect in contemplation; and, except where they fall on raw materials, wear a beneficent aspect toward the manufactures of the country.

From that day to this, our tariffs have been more than mere revenue measures. They have been measures for the regulation of our foreign commerce. In the protective-tariff system itself lie the seeds of the future growth of the regulation of our foreign trade, first by Congress and the Executive in passing and signing the tariff acts, and then by Congress making the standard for adjustment and authorizing the Executive to adjust the rates according to the standard.

This first Tariff Act of 1789 was rather simple and direct so far as rates were concerned. Specific rates were fixed on most items, but on some ad valorem rates were specified. The total number of articles on which rates were levied was small compared with the many thousands covered by the last tariff act; and the revenue of $4,399,000 collected in 1791 was surely not large if compared with the present annual collections of $400,000,000 to $600,000,000 from customs duties on imports.

From the first tariff act until 1922, although the rates in effect during all that period were more or less protective of domestic industries, and the Republican tariffs especially were levied for the encouragement and protection of domestic industries, yet no other act stated that purpose as an objective to be obtained by the rates fixed.

That is, the objectives stated in the first tariff act seem to have been taken for granted, and were not repeated. Probably there are other reasons. We can all conceive of various reasons for leaving those things out. In the acts of 1922 and 1930, however, it was again frankly stated that one of the purposes of those acts was to encourage and to protect domestic labor, industry, and agriculture, moving the acts very widely away from purely revenue purposes and bringing them definitely into the field of domestic and foreign commerce.

Ever since the first tariff act was passed to meet the then existing conditions of our international trade, the Congress has been compelled intermittently to consider, reconsider, and revise our tariff laws to meet the ever-changing and increasingly complex conditions of foreign trade.

As our trade with other countries grew and expanded, Congress found itself unable to keep advised of conditions as they changed to meet competition without frequent hearings on tariff bills to obtain information on frequently proposed tariff changes. In such hearings, interested parties presented their cases for and against proposed changes in the customs rates. Members of the Committee on Ways and Means in the House and of the Finance Committee in the Senate often were not able to tell what the facts really were, because of the partisan character of the data presented by the interested parties at such hearings.

In other words, we did not sit down and think out the scheme of a Tariff Commission. The Tariff Commission was imposed upon the Congress of the United States as a matter of necessity. We did not sit down and think of the Reciprocal Tariff Act, but conditions in the world imposed it upon the Congress of the United States in meeting the world situation in regard to trade. Our reciprocal-trade agreements come about exactly in the same way, out of necessity. I do not think I have to cite the necessity, in a proper clause of the Constitution, for giving a grant. Where is the grant? It is, of course, in the Congress of the United States, if we wish to go into the constitutional phases of the question.

Their need for reliable data upon which to base their conclusions—that is, the conclusions of the two committees—resulted in the organization of the bipartisan Tariff Commission under the act of September 16, 1916. Since then the Commission, a purely fact-finding body, has served the Congress and the President well by furnishing them with the facts about imports, domestic production, competition, comparability, costs, prices, and other advantages and disadvantages in competition. This factual information has been a great help to the Congress in passing on the tariff questions with a more reasonable and enlightened judgment.

This step taken to have a body of tariff experts aid Congress in obtaining the facts was one of several steps leading to the present Reciprocal Trade Agreements Act.

Once this Commission had been established, the value of its work demonstrated to the Congress on the wisdom of its establishment proved, it was only natural that the Congress should use it further whenever its services could be utilized to advantage in dealing with the constantly increasing complexity of our tariff problems.

After the World War, when there was a fear of a flood of imports due to sudden changes in exchange rates or to depreciated currencies, the so-called flexible provisions were written into the Tariff Act of 1922 to meet those feared emergencies.

Under the flexible provisions the President was given considerable new authority, the authority to change rates of duty to equalize differences in costs of production here and abroad as found by the investigations of the Tariff Commission. This new authority is contained in section 315 of that act.

It might be well to read from section 316, which has to do with the same matter, and note the theory and note how the evolution of the theory has continued.

SECTION 316. (e) That whenever the existence of any such unfair method or act shall be established to the satisfaction of the President he shall determine the rate of additional duty * * *.

Then continuing:

(f) That whenever the President has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section, but has not information sufficient to satisfy him thereof, the Secretary of the Treasury shall, upon his request in writing, forbid the entry thereof until such investigation as the President may deem necessary shall be completed.

The President in being granted that power back in 1922 was granted power quite as great as any powers granted him in regard to reciprocal-trade pacts, as we can all see.

We might spend time going over other acts, but I am sure they have already been inserted in the RECORD. They point and emphasize the fact that the few grants of power given to the President in the Reciprocal Trade Agreements Act are limited, that they are based upon contingencies, and are strictly within the right to grant or delegate powers, and that grants in similar fashion were given the Executive in the act of 1922 and before 1934.

The contention that trade agreements are treaties in a constitutional sense, I wish to consider again in a legal way; and here I may say that I am not arguing the case; I am reviewing in two or three pages the results of legal determination in regard to treaties, so that the whole thing may be grasped in a paragraph by those who may wish to read.

From the inception of our present constitutional government the Congress, the courts, and the Executive have recognized that there are several types of international agreements which are not treaties in the constitutional sense. This, of course, the Senator from Nevada and the Senator from Wyoming are not contending against; they accept that as a fact. These distinctions were well pointed out by Chief Justice Taney in *Holmes* v. *Jennison* (1840) (14 Pet. 540, 571):

The words "agreement" and "compact" cannot be * * * held to mean the same thing as the word "treaty."

A treaty was defined as—

A compact made with a view to the public welfare by the superior power, either for perpetuity or for a considerable time.

The Court further said that—

The compacts which have temporary matters for their object are called agreements, conventions, and pactions.

In other words, it seems almost sure that the writers of the act of 1934 actually had before them this decision, because they put in the time limitation to meet the opinion of a great Supreme Court Justice. This decision may aptly be applied to the Trade Agreements Act, which has been enacted as an emergency measure and which requires that agreements be subject to termination not more than 3 years after they take effect.

That there are compacts not possessing the dignity of a treaty in the constitutional sense which may be authorized by Congress and negotiated and proclaimed by the President was recognized by the Supreme Court in the case of *B. Altman & Co.* v. *United States* (224 U. S. 583, 601), involving an agreement made under the authority of section 3 of the Tariff Act of 1897. And in the recent case of *United States* v. *Curtiss-Wright* (1936) (299 U. S. 304), which was cited by the Senator from Georgia [Mr. GEORGE] yesterday, the Supreme Court made it clear that the Federal Government has as an essential part of its sovereignty "the power to make such international agreements as do not constitute treaties in the constitutional sense."

In *Field* v. *Clerk* (1892) (143 U. S. 649, 694) the contention was made that section 3 of the Tariff Act of 1890 delegated to the President treaty-making power. The Court disposed of this point by holding that the trade agreements authorized by the act were not treaties requiring ratifications.

The contention of alleged delegation of legislative authority, which has been mentioned several times, may be summed up by citing legal authority.

It has been charged that prior to the enactment of the Trade Agreements Act there were no precedents for changing import duties by Executive action pursuant to international agreement. This position is predicated upon confusion of differences in detail with differences in principle.

As has been fully pointed out at the hearings before the Finance Committee, the precedents amply sustain the present grant of power to the President. The Dingley Tariff Act of 1897, section 3, recognized the appropriateness of changing tariff duties by Executive proclamation pursuant to international agreement entered into under congressional authority. The fact that this law was limited to specified articles, whereas the Trade Agreements Act is not so limited, is a matter of detail rather than of principle. Section 315 of the Tariff Act of 1922 authorized the President to select the articles upon which duties were to be changed. The fact that the initial proceedings under the flexible tariff concerned a cost investigation rather than a trade-agreement negotiation is likewise a difference only in detail and not in principle. Combining the two laws, section 3 of the Dingley Act and the flexible tariff provision, we clearly have precedents for changing duties by Executive agreement and selecting the articles upon which changes are to be made.

The contention has been presented that the case of Field against Clark is no precedent for the Trade Agreements Act. It must be remembered, however, that under the act of 1890 the President did have discretion to find that duties were imposed by foreign countries which were reciprocally unequal and unreasonable, and under the Trade Agreements Act the President is authorized to find that the duties of the United States and of foreign countries are unduly burdening the foreign trade of the United States. Here, again, the difference is one of detail and not of principle.

The ruling of the Supreme Court in *Panama Refining Co.* v. *Ryan* (293 U. S. 388) has been presented as authority for requiring a definite standard to be followed by the Executive in carrying out the legislative will. In the *Curtiss-Wright case* (299 U. S. 304), the Panama Refining Co. case was relied on as support for the contention that the arms embargo law was invalid as a delegation of legislative power; but the Supreme Court rejected the contention, holding that in delegating power to control foreign affairs Congress was not limited to the same degree of exactness as in domestic affairs. On page 320 the following language appears:

It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved.

That the Tariff Act is primarily a regulation of foreign commerce, and only incidentally a revenue measure, was clearly recognized by the Supreme Court in *Board of Trustees of the University of Illinois* v. *United States* (289 U. S. 48, 58).

It has been argued that the Curtiss-Wright case is not pertinent to the present consideration because it affected only foreign matters. It is true that the principal purpose of the arms-embargo law was to promote peace in foreign countries. However, the means adopted by Congress to promote such peace was the regulation of foreign trade of the United States, inasmuch as the embargo law did regulate or prohibit the exportation of implements of war, and authorized the President to put the embargo into effect by proclamation predicated on a finding of fact. The Trade Agreements Act likewise is designed to regulate foreign trade. The only difference in principle between it and the arms embargo law upheld in the Curtiss-Wright case is that the Trade Agreements Act takes into consideration two aspects of our foreign trade, namely, imports as well as exports.

By means of citations I should like to show:

First. That the United States customs tariff has been historically a means of commercial control rather than primarily a source of revenue. That I have already partly done.

Second. That it has been necessary, as a historical development, for an increasing Executive control of the tariff to be placed in the hands of the President. That I have already done.

Mr. President, in order that I may not detain the Senate, but that these quotations may appear in the RECORD to make the RECORD complete, as far as the theory of these quotations is concerned, I ask unanimous consent to have inserted in the RECORD a quotation from Taussig's Tariff History of the United States; another quotation from Taussig quoting Alexander Hamilton; quotations from George Washington, showing that he was in complete agreement with Hamilton's views; and a quotation from the United States Tariff Commission's Dictionary of Tariff Information, published in 1924.

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

I. The United States customs tariff has been, historically, a means of commercial control rather than primarily a source of revenue.

Frank W. Taussig, in his Tariff History of the United States, says: "The first tariff act, that of 1789, was protective in intention and spirit. The Congress of the Confederation had framed a plan for a general 5-percent duty, with a few specific duties on articles like tea, coffee, and sugar—a plan whose failure was one of the most important events leading to the adoption of the Constitution. When Congress met in 1789, this scheme, which had aimed solely at procuring the needed revenues, was presented anew by Madison, who advocated it not only on financial grounds but on the general principles of free trade. But several of the States, especially Massachusetts and Pennsylvania, had imposed protective duties before 1789, and they were desirous of maintaining the aid then given to some of their industries. Moreover, the feeling of resentment against Great Britain was strong. Consequently, Madison's simple proposal was replaced by a more complicated scheme. The general duty of 5 percent was retained on all goods not otherwise enumerated. On certain articles of luxury higher ad valorem rates were fixed, the highest, on carriages, being 15 percent. Specific duties were imposed on some selected articles, such as hemp, cordage, nails, manufactures of iron, and glass. These articles were selected, and made subject to the specific duties, with the clear intent of stimulating domestic production. The general range of duties was by no means such as would have been thought protective in later days, but the intention to protect was there."

Source: Sixth edition, 1914, pages 14–15.

Alexander Hamilton, Secretary of the Treasury in 1789, was a strong believer in the use of the tariff to develop American manufactures. In his report on manufactures, he said:

"The expediency of encouraging manufactures in the United States, which was not long since deemed very questionable, appears at this time to be pretty generally admitted. The embarrassments which have obstructed the progress of our external trade have led to serious reflections on the necessity of enlarging the sphere of our domestic commerce; the restrictive regulations, which, in foreign markets abridge the vent of the increasing surplus of our agricultural produce, serve to beget an earnest desire that a more extensive demand for that surplus may be created at home; and the complete success which has rewarded manufacturing enterprise, in some valuable branches, conspiring with the promising symptoms which attend some less mature essays in others, justify a hope that the obstacles to the growth of this species of industry are less formidable than they were apprehended to be; and that it is not difficult to find, in its further extension, a full indemnification for any external disadvantages which are or may be experienced as well as an accession of resources favorable to national independence and safety."

Source: Taussig, F. W. State Papers and Speeches on the Tariff, Cambridge, 1893, page 1.

Washington had fully accepted Hamilton's views, and his messages to Congress urged the encouragement of domestic industries. His letters, too, show what progress had been made in manufactures and what was the feeling in regard to them. A letter to Lafayette, written a few months before the act of 1789 was passed, reflects faithfully the hope and the faith of the time:

"Though I would not force the introduction of manufactures by extravagant encouragement, and to the prejudice of agriculture, yet I conceive much might be done in that way by women, children, and others without taking one really necessary hand from the tilling of the earth. Certain it is, great savings are already made in many articles of apparel, furniture, and consumption. Equally certain it is that no diminution in agriculture has taken place at the time when greater and more substantial improvements in manufactures are making than ever before known in America. In Pennsylvania they have attended particularly to the fabrication of cotton cloths, hats, and all kinds of leather. In Massachusetts they are establishing factories of duck, cordage, glass, and several other useful and extensive branches. The number of shoes made in one town and nails in another is incredible. In that State and Connecticut there are also factories of superfine and other broadcloths. I have been writing to our friend, General Knox, this day, to procure me homespun broadcloth of the Hartford fabric, to make a suit of clothes for myself. I hope it will not be a great while before it will be unfashionable for a gentleman to appear in any other dress. Indeed, we have been too long subject to British prejudices."

To Jefferson he wrote in a similar strain and said: "A desire of encouraging whatever is useful and beneficial seems now generally to prevail." In two letters he suggested to Governor Randolph a plan by which Virginia should increase the raising of sheep and foster the woolen industry. His interest had been aroused and this plan suggested by a tour through the New England States and a sight of what had been accomplished there. He wished his own State to follow the example of Connecticut.

Source: Hill, William, the First Stages of the Tariff Policy of the United States, Baltimore, 1893, pages 129–130.

That the tariff was an instrument for commercial control as well as for raising revenue was well brought out in the historic debate on the question of the constitutionality of protection. (U. S. Tariff Commission, Dictionary of Tariff Information, Washington, 1924, p. 177.)

"The principle was first elaborated by Daniel Webster (see) in 1820 that while Congress has a right so to arrange duties for revenue as incidentally to protect manufactures, it has not the right to make protection a leading motive in the forming of a tariff law. It is a question, he said, whether it is not contrary to the spirit and intention of the Constitution for Congress to exercise 'a power to control essentially the pursuits and occupations of individuals in their private concerns—a power to force great and sudden changes both of occupation and property upon individuals, not as incidental to any other power but as a direct and substantive power. If such changes were wrought incidentally only and were the necessary consequence of such imposts as Congress, for the leading purpose of revenue, should enact, then they could not be complained of. But he doubted whether Congress fairly possessed the power of turning the incident into the principal; and instead of leaving manufactures to the incidental protection of such laws as should be passed with a primary regard to revenue, of enacting laws with the avowed object of giving preference to particular manufactures, and with an entire disregard to all considerations of revenue.' (Stanwood, Edward, American Tariff Controversies, New York, 1903, vol. I, pp. 291–348.) The question was the subject of much debate in the political campaigns of 1824 and 1828, the point of unconstitutionality being strenuously supported in Southern States. Secretary F. J. Walker elaborated the argument in his Treasury report of 1845. Later success of the Democratic Party in breaking down the protective system resulted in a long disuse of the constitutional argument. The Civil War restored the advocates of protection to power, and the effect of that great conflict was to establish the ascendancy of a liberal over a strict construction of the Constitution. Not until 1892 was the question raised again, and then the Democratic Party, which asserted in its platform that the Constitution confers no power to lay duties save for the purposes of revenue. With the accession to power of the party the principle was allowed to become quiescent."

Mr. THOMAS of Utah. It has been generally accepted that the United States customs tariff is constitutional as an exercise of the congressional "power * * * to regulate commerce with foreign nations."

Says Edward Stanwood in his American Tariff Controversies, page 348:

It is extremely unlikely that the constitutionality of a tariff law will ever again be seriously discussed before the people. It is still more unlikely that, should it arise again, any fresh arguments can be adduced either for or against the power of Congress in the premises. Surely if the people of the country could appreciate the enormous inconveniences to the whole system of government which would result from an authoritative pronouncement against the unrestrained power of Congress over external taxation they would rejoice that the question is closed forever and would treat as disturbers of the public peace all who should endeavor to kindle a fire from the ashes of this extinct controversy.

As I said in the beginning, Mr. President, I now repeat, the history of the United States tariff almost covers the history of the United States. If we do not consider the changes growing out of necessities and granting the various powers of meeting those necessities, we should go back tremendously far if we ever tried to live over again the controversies which have been worked out in the past 150 years.

It has been necessary as a historical development for an increasing control of the tariff to be placed in the hands of the President.

This development is well described by John Day Larkin, Ph. D., in his study of the President's Control of the Tariff, published by Harvard University Press, 1936, pages 38–39. Dr. Larkin shows that as early as the Washington administration—

The President was provided with power to suspend certain legislation in force with regard to the regulation of commerce, provided the foreign countries affected by this legislation should refrain from certain-named practices at any time that Congress was not in session (Stat. 372). Similar acts have been in force throughout most of our history. An act of June 3, 1798, gave President Adams power to restore commercial relations with France, which had been suspended by Congress, provided France "shall clearly disavow, and shall be found to refrain from the aggressions, depredation, and hostilities which have been and are by them encouraged and maintained against the vessels and other properties of the citizens of the United States."

In order to make the tariff of the United States more adaptable to realities, the reciprocity program was undertaken in 1890. This program gave to the President considerable Executive control of the tariff. The measures, and the results thereof, are briefly summarized in the recent hearings before the Committee on Finance of the Senate on the extension of the Reciprocal Trade Agreements Act, pages 733 to 735, revised print. They are, therefore, available to all the Members of the Senate, and I will not repeat them here.

Authority to levy additional duties and even to embargo imports under certain conditions was also given to the President under sections 316 and 317 of the Tariff Act of 1922. Probably in that act the greatest grants to the President were given, and it is probable that from that act we should sustain the most satisfaction to ourselves in attempting to bear out the statements of the evolutionary process and the necessary evolutionary process.

Mr. President, I desire to conclude by a quotation from Daniel Webster. Those who are kind enough to listen will of course realize the thought of the senior Senator from Arizona [Mr. ASHURST] which rushed to my mind when I read this quotation. The quotation does more than that. It recognizes the fact that back in Daniel Webster's time—and it is fine to hear his words echo in this Hall, if not his voice—he recognized the fact of changing conditions, and the need of our Government to change its attitudes in order to meet conditions; and as the senior Senator from Arizona always leads us in the pursuance of the practice of accepting the doctrine of inconsistency, it is fine to know that the Senator has in Daniel Webster himself all the authority,

I think, which any Senator need have for taking that stand. But as I read this quotation, may I ask the Senate to think not only of Webster admitting the fact that he is inconsistent, but also to think of the history of the evolution of the technique of the tariff as it has developed in our country, and see that as early as 1846 Daniel Webster saw that that was inevitable.

Sir, with the leave of the Senate I shall proceed to consider the effects of this bill upon some of those interests which have been regarded as protected interests.

I shall not argue at length the question whether the Government has committed itself to maintain interests that have grown up under laws such as have been passed for 30 years back. I will not argue the question whether, looking to the policy indicated by the laws of 1789, 1816, 1824, 1828, 1832, and 1842, there has been ground for the industrious and enterprising people of the United States, engaged in home pursuits, to expect Government protection for internal industry. The question is, Do these laws, or do they not, from 1789 till the present time, constantly show and maintain a purpose, a policy, which might naturally induce men to invest property in manufactures and to commit themselves to those pursuits in life? Without lengthened argument I shall take this for granted.

But, sir, before I proceed further with this part of the case I will take notice of what appears, latterly, to be an attempt, by the republication of opinions and expressions, arguments and speeches of mine at an earlier and later period of life, to found against me a charge of inconsistency on this subject of the protective policy of the country. Mr. President, if it be an inconsistency to hold an opinion upon a subject at one time and in one state of circumstances, and to hold a different opinion upon the same subject at another time and in a different state of circumstances, I admit the charge. Nay, sir, I will go further; and in regard to questions which, from their nature, do not depend upon circumstances for their true and just solution, I mean constitutional questions, if it be an inconsistency to hold an opinion today, even upon such a question, and on that same question to hold a different opinion a quarter of a century afterward upon a more comprehensive view of the whole subject, with a more thorough investigation into the original purposes and objects of that Constitution, and especially after a more thorough exposition of those objects and purposes by those who framed it and have been trusted to administer it, I should not shrink even from that imputation. I hope I know more of the Constitution of my country than I did when I was 20 years old. I hope I have contemplated its great objects more broadly. I hope I have read with deeper interests the sentiments of the great men who framed it. I hope I have studied with more care the condition of the country when the Convention assembled to form it. And yet I do not know that I have much to retract or to change on these points.

But, sir, I am of the opinion of a very eminent person who had occasion not long since to speak of this topic in another place. Inconsistencies of opinion arising from changes of circumstances are often justifiable. But there is one sort of inconsistency which is culpable. It is the inconsistency between a man's conviction and his vote; between his conscience and his conduct. No man shall ever charge me with an inconsistency like that. And now, sir, allow me to say that I am quite indifferent, or rather thankful, to those conductors of the public press who think they cannot do better than now and then to spread my poor opinions before the public.

I have said many times, and it is true, that up to the year 1824 the people of that part of the country to which I belong, being addicted to commerce, having been successful in commerce, their capital being very much engaged in commerce, were averse to entering upon a system of manufacturing operations. Every Member in Congress from the State of Massachusetts, with the exception, I think, of one, voted against the act of 1824. But what were we to do? Were we not bound, after 1816 and 1824, to consider that the policy of the country was settled, had become settled, as a policy, to protect the domestic industry of the country by solemn laws? The leading speech which ushered in the act of 1824 was called a speech for the American System. The bill was carried principally by the Middle States. Pennsylvania and New York would have it so, and what were we to do? Were we to stand aloof from the occupations which others were pursuing around us? Were we to pick clean teeth on a constitutional doubt which a majority in the councils of the Nation had overruled? No, sir; we had no option. All that was left us was to fall in with the settled policy of the country; because, if anything can ever settle the practical construction of the Constitution of the country, it must be these repeated decisions. New England then did fall in. She went into manufacturing operations, not from original choice, but from the necessity of the circumstances in which the legislation of the country had placed her. And, for one, I resolved then, and have acted upon the resolution ever since, that, having compelled the Eastern States to go into these pursuits for a livelihood, the country was bound to fulfill the just expectations which it had inspired.

* * * * * * *

The interest of every laboring community requires diversity of occupations, pursuits, and objects of industry. The more that diversity is multiplied or extended, the better. To diversify employment is to increase employment and to enhance wages. And, sir, take this great truth, place it on the title page of every book of political economy intended for the use of the United States; put it in every farmer's almanac; let it be the heading of the column in every mechanic's magazine, proclaim it everywhere, and make it a proverb, that where there is work for the hands of men, there will be work for their teeth. Where there is employment, there will be bread. It is a great blessing to the poor to have cheap food; but greater than that, prior to that, and of still higher value, is the blessing of being able to buy food by honest and respectable employment. Employment feeds and clothes and instructs. Employment gives health, sobriety, and morals. Constant employment and well-paid labor produce, in a country like ours, general prosperity, content, and cheerfulness. Thus happy have we seen the country. Thus happy may we long continue to see it.

Mr. HATCH. Mr. President——

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

Mr. THOMAS of Utah. I am glad to yield.

Mr. HATCH. I was interested in the statement just read by the Senator from Utah, especially with reference to the inconsistency of such a great American as Daniel Webster. Only recently I was reading a debate in the earlier sessions of the House of Representatives, when an eminent Member of that body during the lifetime of Daniel Webster—in fact, when he was Secretary of State—made this observation:

He may have been contrary to himself, but he was never contrary to the Republic.

Mr. THOMAS of Utah. I thank the Senator from New Mexico.

Mr. President, in conclusion I merely emphasize what I stated in the beginning—these two great subjects, the constitutional question and the tariff question, must be recognized as subjects of change. They cannot be considered as static. We live in a growing age and with changing conditions constantly facing us.

The technique of the tariff must be in keeping with the requirements of the Constitution, but the requirements of the Constitution will be found to be of an evolutionary nature if we once accept the theory laid down by those who first started to interpret the Constitution as a growing instrument to last throughout the ages.

I am sure that with the quotation of Daniel Webster one must be forced to the conclusion that had he lived on through the years and down to this day he would have come to the same conclusion in defining the Constitution of the United States to which I came in the little definition which I gave in the beginning of my remarks. I think that anyone who could live through the crises of this country would be forced to see the Constitution of the United States as merely the companion of the American people in the accomplishment of their political and social objectives.

Mr. McKELLAR. Mr. President, I desire to address the Senate on the question now before it, but I should prefer to proceed the first thing tomorrow.

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

Mr. McKELLAR. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Clark, Mo.	Hatch	Maloney
Ashurst	Connally	Hayden	Mead
Austin	Davis	Herring	Miller
Bankhead	Donahey	Holman	Minton
Barbour	Downey	Holt	Murray
Barkley	Ellender	Hughes	Neely
Bilbo	Frazier	Johnson, Calif.	Norris
Bone	George	Johnson, Colo.	O'Mahoney
Bridges	Gerry	King	Overton
Brown	Gibson	La Follette	Pepper
Bulow	Gillette	Lee	Pittman
Byrnes	Glass	Lodge	Reed
Capper	Green	Lucas	Reynolds
Caraway	Guffey	Lundeen	Russell
Chandler	Gurney	McCarran	Schwartz
Chavez	Hale	McKellar	Schwellenbach
Clark, Idaho	Harrison	McNary	Sheppard

Shipstead	Thomas, Idaho	Tydings	White
Smathers	Thomas, Okla.	Vandenberg	Wiley
Smith	Thomas, Utah	Van Nuys	
Stewart	Tobey	Wagner	
Taft	Townsend	Walsh	

The PRESIDING OFFICER (Mr. CLARK of Missouri in the chair). Eighty-five Senators having answered to their names, a quorum is present.

Mr. McKELLAR obtained the floor.

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

Mr. McKELLAR. I yield.

Mr. TYDINGS. Tomorrow I shall not be able to be present at the session of the Senate, because I have to fulfill an engagement of some 6 weeks' standing to address the National Life Underwriters' Association of Illinois, and necessarily I will not be in the Chamber when the vote comes on the pending amendment, or on any other amendment which may be voted on tomorrow.

I have arranged a pair with the senior Senator from Montana [Mr. WHEELER], and my vote will thus be protected in line with the committee's position on all matters that come before the Senate tomorrow, or Saturday, if there should be a session Saturday.

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

Mr. McKELLAR. I yield.

Mr. BARKLEY. After consulting with Senators on both sides of the pending proposition, I think we have been able to work out an agreement, and therefore I ask unanimous consent that at 4 o'clock p. m. tomorrow definitely, the Senate proceed without further debate to vote on the pending amendment, and any amendments to or substitutes therefor.

Mr. ADAMS. Mr. President, I shall have to object.

Mr. THOMAS of Idaho. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee has the floor. Does the Senator from Tennessee yield to the Senator from Idaho?

Mr. McKELLAR. Mr. President, I do not want to speak this afternoon, and I am perfectly willing to yield to the Senator from Idaho with the understanding that I am to have the floor at the conclusion of his remarks. I do not ask unanimous consent for that purpose, but I yield to the Senator from Idaho for the present with that understanding.

Mr. THOMAS of Idaho. Mr. President, the Trade Agreements Act is simply a streamlined program of the New Deal for the purpose of reducing tariffs on the products of industry, mines, and agriculture. This measure has been a law for nearly 6 years, and yet none of the problems of agriculture or industry have been solved.

Mr. President, I shall confine my discussion of this subject almost entirely to the injury which this program has done to agriculture. There can be no permanent solution of the farm problem until the American farmer has the American market for the crops and livestock which he produces. A prosperous agriculture is necessary for a prosperous country.

Subsidies, bonuses, and quotas cannot be effective unless the farmer has the American market. Purchases of surplus commodities by the Government while tariff walls are being lowered so that farm products can be imported from abroad simply does not make sense.

Our Government owes the primary industries of this Nation that measure of protection which is necessary to maintain the American standard of living and to give to our citizens those industrial and earning opportunities which are the birthright of free Americans.

Extension of the trade-agreement program will lower the tariff on every product of the farm, thereby forcing our people to compete in production with the peon labor of foreign countries. Certainly our people did not send us here to foster such injustice.

Under the Trade Agreements Act the Congress delegated its tariff-making authority to the President, giving him the power to raise or lower tariffs as much as 50 percent. This power was given the President in 1934, just 2 years after he had assured the farmers in the 1932 campaign:

> I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived.

American farmers accepted this statement as a promise that tariffs on farm products would not be lowered. In my opinion, that promise, more than anything else, won the confidence and support of the farmers for Mr. Roosevelt. And what happened? The American farmer is being sacrificed to the disastrous doctrines of free trade.

There is no objection to the principle of reciprocity. Senator Borah stated the matter very clearly during the debate on the Senate floor in 1937:

> To the extent we can build up a trade based upon the principle of exchanging the products which one nation has and another has not, we are building upon a sound principle of international trade.

But Senator Borah was unwilling to surrender to the State Department the authority, placed by the Constitution solely in Congress, to write the tariff laws of the United States, even when reciprocity was the announced aim. During the debate in 1934, before we had had an opportunity to see the law in operation, he said:

> I have no doubt that he (the Secretary of State) would execute these treaties in accordance with his convictions. He is a man of convictions. When he does so he may leave the cattle grower, the wool grower, the bean grower of my State utterly unprotected. He may not, but he may. If he does, where is the Senator from Idaho? Powerless. He will have surrendered all power to protect the people who elected him to the position he now holds.

A brief glance at the record is sufficient to show that Senator Borah's fears have been realized. Operation of the reciprocal trade treaty program has left the industries of the West unprotected. The program has been one of lower tariffs, not reciprocity.

We are told that no agreements would have been made if they had been subjected to the logrolling and pressure groups of Congress. The truth is that agreements have been made for which no Senator or Representative responsible to the people of my State would have voted.

Secretary Hull, as a member of the House Ways and Means Committee in 1930, was violently opposed to Congress delegating its tariff-making powers. Concerning the flexible provisions of the 1930 act, which are mild compared to the present broad transfer of power, he said:

> The proposed enlargement and broad expansion of the flexible tariff clause is astonishing. It is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As was said on a former occasion, "This is too much power for a bad man to have, or for a good man to want."

The Secretary's statements even today are at wide variance with the operation of the trade-agreements program. He has assured the farmers that the primary purpose is to restore foreign markets to American agriculture. In that purpose the program has failed, and failed miserably.

The National Grange, largest and oldest national farm organization in the United States, at its recent meeting at Peoria, Ill., adopted a resolution stating unequivocally:

> The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

Can there be any more damning indictment of the trade-agreements program? In the face of this statement, how can any man who claims to be in sympathy with the farmers favor extension of the power in the State Department?

Let us see how the program has worked. During the fiscal year 1939 exports of American farm products were $104,000,000 less than during the fiscal year 1934, before the program went into operation. But that is not all. Imports of competitive farm products—products which the American farmer can and does produce—were $68,000,000 more during the fiscal year 1939 than during 1934.

During the fiscal year ending June 30, 1934, before the trade agreements were in effect, 39.2 percent of our exports were agricultural products. During the fiscal year 1939 only 23.7 percent of our exports were agricultural products. Does that indicate that any foreign markets were restored to

American agriculture? The Secretary of Agriculture recently told a Senate committee:

Because of the world situation we cannot now hope to expand markets by increasing agricultural exports.

Yet we continue reducing our tariffs in the hope of benefits which we cannot expect to receive.

It is abundantly clear that the program could not have been designed to help the farmer. When agreements are made with such countries as Canada and other nations which have large agricultural surpluses, as we have, they must necessarily be made at the expense of the American farmer. Any concessions we make to these nations must involve reductions in farm tariffs.

I should like to read a brief paragraph from the London Economist of March 9, 1933. It sets forth in words clearer than the State Department has yet been willing to use the policy that has been followed in both the trade agreements which were subsequently made with Canada.

The Canadian Government has sent a memorandum to Washington embodying its suggestions as a basis for the projected reciprocity treaty between Canada and the United States. It is understood that this document suggests concessions in the American tariff for the benefit of Canadian products of the farm, forest, and sea (particularly livestock, milk, cream, and fish), and offers in return concessions in the Canadian tariff on iron and steel products, and a fairly long list of other commodities which make a substantial list.

This statement, written when the first agreement with Canada was being negotiated, is an accurate summary of the policy followed in both Canadian agreements. It is, in substance, the policy which must be followed in every agreement with a predominantly agricultural nation.

This policy is inconsistent with every effort being made to help the American farmer. As L. J. Taber, master of the National Grange, expressed it, in testifying before the Senate Finance Committee:

We have the spectacle of the Government, under the guise of soil conservation, paying the farmers of the country approximately $500,000,000 a year to reduce acreage and production, while permitting and even encouraging competitive imports of farm products valued at the same amount.

One of the objectives of the farm program has been to establish parity prices—that is to give the farmer's dollar the same purchasing power it had from 1909 to 1914. Appropriations have been made to achieve that purpose. Yet the second Canadian agreement, which carried even further than the first the policy of reducing farm tariffs, cut the tariff on hogs, chickens, eggs, barley, buckwheat, oats, rye, hay, potatoes, and apples. At the time the agreement went into effect, January 1, 1939, all these commodities were selling at only a fraction—in some cases as little as 38 percent—of the parity price.

The tariff on cattle was reduced in the first Canadian agreement in 1936, and in the 1939 agreement even more sweeping reductions were made. Following the second agreement, $19,692,054 worth of cattle were imported into the United States during the first 11 months of 1939. This is an increase of 138 percent over the value of the cattle imports for the first 11 months of 1938.

The tariff on alfalfa seed was reduced 50 percent in the first Canadian agreement, and in the second agreement it was bound at the new low rate. The tariff on clover seed was reduced in the first agreement, and further reduced in the second agreement. The resulting increases in imports have been startling.

During the fiscal year 1935, we imported 124,000 pounds of alfalfa seed. During the first 11 months of 1939 alone, we imported over 2,400,000 pounds.

During the fiscal year 1935 we imported 1,430,000 pounds of clover seed. During the first 11 months of 1939 we imported 12,700,000 pounds.

The tariff on seed potatoes was reduced in the first Canadian agreement and was further reduced in the second agreement. In the second agreement the tariff on potatoes other than seed potatoes was also reduced, in some categories as much as 50 percent; and at that time the farmers of the great potato-producing States, of which Idaho is one, had potatoes rotting in their cellars.

The first Canadian agreement reduced the tariff on apples from 25 cents to 15 cents per bushel, and in the second agreement the tariff was bound at the reduced rate.

The second agreement made a reduction in the tariff on eggs from 10 to 5 cents per dozen, the maximum reduction allowed by law.

The second agreement also provided for reduction in the tariff on hogs, bacon, and pork. This agreement also reduced the tariff on milk 50 percent; and the tariff on cream, which had already been reduced in the first agreement, was reduced the full 50 percent.

The tariff on Cheddar cheese, which had been reduced from 7 to 5 cents per pound in the earlier agreement, was reduced to 4 cents in the second agreement.

The farmer was not the only one directly injured by the Canadian agreements. The tariff on zinc was reduced January 1, 1939, in the second Canadian agreement, with the result that zinc imports reached almost $3,000,000 during the first 11 months of 1939 compared with $825,000 during the first 11 months of 1938.

The immediate effect of reducing the zinc tariff has been to close mines and to throw miners and smeltermen out of work. Even more serious is the lasting damage that is being done to the zinc industry. A paragraph from the article by E. W. Pehrson in the 1939 Mineral Yearbook, published by the Bureau of Mines, is well worth reading:

If the domestic industry is to continue to supply the national requirements it will have to become adjusted to the lower price level, which is further reduced by a cut of .035 cents per pound in its tariff protection. To accomplish this, costs of production will have to be reduced, chiefly by lowering wages and by selective mining of the higher-grade portions of ore deposits, neither of which is desirable. Reduction of wages is contrary to present governmental policies of increasing purchasing power, and the robbing of ore bodies is decidedly anticonservational and detrimental to the long-time welfare of the industry.

This list could be extended much further; but these examples are sufficient to show that the farmer and the miner of the West are paying far more than their share of what it is costing this country to be a "good neighbor." The farmer certainly can ill afford to pay for the good will that may be acquired when the State Department generously gives his market to foreign countries. Not all the subsidies that can be given him from the Federal Treasury can compensate the farmer for the loss of the American market.

During the fiscal years 1938 and 1939 the Surplus Commodities Corporation spent over $30,000,000 in purchases of 20 different farm products in an effort to raise prices by removing surpluses. During the same period, $92,298,000 worth of the same commodities were imported from abroad.

We have already seen that the tariff on eggs was reduced 50 percent in the Canadian agreement. This reduction was made in spite of the fact that up to June 30, 1939, over 30,000,000 dozen eggs had been purchased by the Surplus Commodities Corporation in an effort to remove the surplus.

Surplus apples have been purchased in an amount of over 9,000,000 bushels. This did not prevent the State Department from reducing the tariff on apples.

The Surplus Commodities Corporation has spent over $4,000,000 for the purchase of milk surpluses during the fiscal years 1938 and 1939; yet the tariff on milk was reduced 50 percent in the second Canadian agreement.

In 1930, the duty on Cuban sugar was fixed at $2 per hundred pounds. Under the flexible provisions of the Smoot-Hawley Act, the President reduced the tariff to $1.50 per hundred pounds; and after the Trade Agreements Act it was further reduced to 90 cents. A quota has been adopted under which Cuba is given 28.6 percent of the American sugar market, and American sugar-beet growers have been given a Government subsidy. At present, a desperate fight is being made to retain the benefits that have been given the American producers, as the concessions that have been made, without the benefits, would mean the destruction of the beet-sugar industry in the United States.

The reduction in the tariff on Cuban sugar has injured American producers and taxpayers without benefiting the consumer. Mr. L. J. Taber, master of the National Grange, testified before the Senate Finance Committee:

> Since 1934 we have reduced the duty on imports of sugar from Cuba from 2 to 0.9 cents per pound. Between September 3, 1934, and December 31, 1939, the Treasury sustained a loss of revenue in this connection amounting to $133,924,000. In the meantime, the retail price of sugar to the consumer has not been reduced to the extent of a single mill. The chief beneficiaries have been some of the biggest banks of Wall Street, which own the major portion of the Cuban sugar industry.

If the authority to make trade agreements is extended another 3 years, an even more serious blow will be dealt to agriculture. In the negotiations with Argentina, the State Department demonstrated its willingness to reduce tariffs on a large number of commodities for which the American farmer already needs a larger market. Congress has granted to the State Department authority to barter away the protection which Congress has given to the vital industries and agricultural products of the West.

In 1931 there were 316 casein factories in the United States. Since then the industry has been protected by a tariff of 5½ cents per pound, which was established in 1930, and by 1939 there were 664 factories in 24 different States. This is an industry which utilizes skim milk, of which we have millions of gallons each year which cannot be profitably marketed. It is an industry which certainly is capable of supplying our domestic needs. Since September 1939, 17,000,000 pounds of casein have been imported from Argentina, which is more than the entire Pacific coast production; yet casein was considered for tariff reduction in the Argentine negotiations.

Tariff reductions on corn were also considered in these negotiations. This is a crop of which the United States produces 60 percent of the world's supply, and after three successive bumper crops we have millions of bushels under Government loan. Farmers have been paid to reduce their acreage. Yet if it were not for the tariff, Argentina could successfully compete in the American market, because the water rate for transportation from Buenos Aires is less than the railroads in this country can offer to seaboard markets.

Reduction in the tariff on turkeys was also considered in spite of the fact that American turkey production in 1939 reached a new record, and turkeys have recently sold in the American market at less than half the cost of production.

Wool, in grades which are in competition with probably about 20 percent of the American production, was also considered for tariff reductions. This was done in spite of the fact that tariff rates on shoddy and wool rags which supplant virgin wool in the American market had been sharply reduced in the British trade agreement, with the result that imports increased 785 percent during 1939 over 1938. In this agreement the rates on woolen fabrics had been reduced as well. Imports of woolen fabrics during the first 5 months of 1939, following the reduction of the tariff, increased 385 percent over a similar period in 1938. It has been estimated that in 1939, since the British agreement, our wool imports in manufactured form displaced 21,000,000 pounds of American-grown wool in the market.

Tariff reductions on flax were also considered in the Argentine negotiations, although foreign countries can produce flax more cheaply than it can be produced in the United States.

Imports of canned beef from Argentina average between eighty and ninety million pounds annually. During the first 11 months of 1939 we imported more than 82,000,000 pounds, all of which displaced American-grown beef in the market. This is because the tariff on canned beef is too low; yet in the Argentine agreement the Secretary of State demonstrated his willingness to reduce it. Hides, of which we have imported from 1,300,000 to 3,000,000 annually in recent years, were also listed among the articles on which reductions were to be considered.

Mr. President, I do not wish to take up more of the Senate's time in considering in detail the various items on which reductions in the Argentine negotiations were proposed, but nearly all of the tariff reductions were on products of the farm. I ask unanimous consent to have included in the RECORD at this point, as a part of my remarks, the list of items issued by the State Department which were the subjects for negotiation.

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

The matter referred to is as follows:

LIST OF PRODUCTS ON WHICH THE UNITED STATES WILL CONSIDER GRANTING CONCESSIONS TO ARGENTINA

NOTE.—The rates of duty indicated are those now applicable to products of Argentina. Where the rate is one which has been reduced pursuant to a previous trade agreement by 50 percent (the maximum permitted by the Trade Agreements Act) it is indicated by the symbol MR. Where the rate represents a reduction pursuant to a previous trade agreement, but less than a 50-percent reduction, it is indicated by the symbol R. Where a rate has been bound against increase, but has not been reduced in a previous trade agreement it is indicated by the symbol B; likewise, items which have been bound free of duty are indicated by the symbol B.

For the purpose of facilitating identification of the articles listed, reference is made in the list to the paragraph numbers of the tariff schedules in the Tariff Act of 1930, or, as the case may be, to the appropriate sections of the Internal Revenue Code. The descriptive phraseology is, however, in many cases limited to a narrower field than that covered by the numbered tariff paragraph or section in the Internal Revenue Code. In such cases only the articles covered by the descriptive phraseology of the list will come under consideration for the granting of concessions.

In the event that articles which are at present regarded as classifiable under the descriptions included in the above list are excluded therefrom by judicial decision or otherwise prior to the conclusion of the agreement, the list will nevertheless be considered as including such articles.

Tariff Act of 1930, paragraph	Description of article	Present rate of duty	Symbol
19	Casein or lactarene and mixtures of which casein or lactarene is the component material of chief value, not specially provided for.	5½ cents per pound	
38	Extracts, dyeing and tanning, not coning alcohol: Quebracho.	15 percent ad valorem.	
42	Glycerin, crude	3/16 cent per pound	R
53	Oils, vegetable: Linseed or flaxseed, and combinations and mixtures in chief value of such oil.	4½ cents per pound	
232 (a)	Onyx, in block, rough or squared only	65 cents per cubic foot.	
409	Osier or willow, including chip of and split willow, prepared for basket makers' use.	35 percent ad valorem.	
701	Tallow	½ cent per pound (plus 3 cents per pound under sec. 2491 (a) of the Internal Revenue Code; see below).	
701	Oleo oil and oleostearin	1 cent per pound (plus 3 cents per pound under sec. 2491 (c) of the Internal Revenue Code; see below).	
705	Extract of meat, including fluid	15 cents per pound	
706	Beef and veal, pickled or cured, not packed in airtight containers, not specially provided for.	6 cents per pound but not less than 20 percent ad valorem.	
706	Beef and veal, prepared or preserved, packed in airtight containers, not specially provided for.	do	
710	Cheese NOTE.—If any concession is made in the proposed agreement, it will apply to a narrower description than that listed so as to cover only that part of the item which is of special interest to Argentina.	4 cents to 7 cents per pound with minimum rates of 20 to 35 percent ad valorem.	R[1]
712	Turkeys, dead, dressed or undressed, fresh, chilled, or frozen.	10 cents per pound	
712	Birds, dead, dressed or undressed, fresh, chilled, or frozen (except chickens, ducks, geese, guineas, and turkeys).	5 cents per pound	MR
713	Eggs of chickens, in the shell	5 cents per dozen	MR
724	Corn or maize, including cracked corn	25 cents per bushel of 56 pounds.	
730	Dog food, consisting of an admixture of grains or grain products with other feedstuffs, unfit for human consumption.	5 percent ad valorem	MR
742	Grapes in bulk, crates, barrels or other packages.	25 cents per cubic foot of such bulk or the capacity of the packages, according as imported.	B[2]
749	Pears: Green, ripe, or in brine	½ cent per pound	

[1] Various types.
[2] As to hothouse grapes.

Tariff Act of 1930, paragraph	Description of article	Present rate of duty	Symbol
762	Flaxseed	65 cents per bushel of 56 pounds.	
763	Grass seeds and other forage crop seeds: Alfalfa.	4 cents per pound	MR
764	Canary seed	¾ cent per pound	R
774	Asparagus in its natural state	50 percent ad valorem.	
779	Broomcorn	$20 per ton of 2,000 pounds.	
1101 (a)	Wools: Donskoi, Smyrna, Cordova, Valparaiso, Ecuadorcan, Syrian, Aleppo, Georgian, Turkestan, Arabian, Bagdad, Persian, Sistan, East Indian, Tibetan, Chinese, Manchurian, Mongolian, Egyptian, Sudan, Cyprus, Sardinian, Pyrenean, Oporto, Iceland, Scotch Blackface, Black Spanish, Kerry, Haslock, and Welsh Mountain; similar wools without merino or English blood; all other wools of whatever blood or origin not finer than 40s; all the foregoing—		
	In the grease or washed	24 cents per pound of clean content.	
	Scoured	27 cents per pound of clean content.	
	On the skin	22 cents per pound of clean content.	
	Sorted, or matchings, if not scoured	25 cents per pound of clean content.	
1101 (b)	Any of the foregoing entered or withdrawn from warehouse under bond and used in the manufacture of press cloth, camel's hair belting, knit or felt boots, heavy fulled lumbermen's socks, rugs, carpets, or any other floor coverings.	Free, subject to the provisions of par. 1101 of the Tariff Act of 1930, as amended.	
1102 (a)	Wools, not specially provided for, not finer than 44's:		
	In the grease or washed	29 cents per pound of clean content.	
	Scoured	32 cents per pound of clean content.	
	On the skin	27 cents per pound of clean content.	
	Sorted, or matchings, if not scoured	30 cents per pound of clean content.	
1530 (a)	Hides and skins of cattle of the bovine species (except hides and skins of the India water buffalo imported to be used in the manufacture of rawhide articles), raw or uncured, or dried, salted, or pickled.	10 percent ad valorem.	
1558	Dog food, manufactured, unfit for human consumption, not specially provided for.	20 percent ad valorem.	
1625	Blood, dried, not specially provided for	Free	
1627	Bones: Crude, steamed, or ground; bone dust, bone meal, and bone ash; and animal carbon suitable only for fertilizing purposes.	do	
1670	Dyeing or tanning materials: Quebracho wood, whether crude or advanced in value or condition by shredding, grinding, chipping, crushing, or any similar process, and not containing alcohol.	do	
1681	Furs and fur skins, not specially provided for, undressed:		
	Guanaquito	do	
	Nutria	do	
	Otter	do	B
	Fox (other than silver or black fox)	do	B
	Wildcat	do	
	Ocelot	do	
	Lamb	do	B
1685	Tankage of a grade used chiefly for fertilizers, or chiefly as an ingredient in the manufacture of fertilizers.	do	B
1688	Hair of the horse, cleaned or uncleaned, drawn or undrawn, but unmanufactured, not specially provided for:		
	Body hair	do	B
	Other	do	
1755	Sausage casings, weasands, intestines, bladders, tendons, and integuments, all the foregoing not of sheep, lambs, or goats, and not specially provided for.	do	
1765	Horse, colt, ass, and mule hides, and raw skins.	do	
1780	Tankage, unfit for human consumption	do	

Internal Revenue Code, section	Description of article	Present rate of import tax	Symbol
2491 (a)	Tallow	3 cents per pound (in addition to tariff duty).	
2491 (c)	Oleo oil and oleo stearin	do	

Mr. THOMAS of Idaho. Mr. President, at present negotiations with Argentina have been stopped; but I do not believe there is a particle of doubt in anyone's mind as to why they were stopped. It was not because the State Department suddenly discovered that we have a corn surplus or that the cattle industry is already being injured by imports of canned beef. It does not take lengthy hearings to develop these facts.

Moreover, the agreements that have been made previously, over the strongest protests farmers and producers were capable of making, indicate that perhaps the Department is not particularly concerned by the extent to which American markets are injured by trade agreements. The negotiations were called off because the State Department is asking the Congress this year to renew its authority to write tariff laws. Officials of the State Department have condemned Congress for logrolling. Apparently their desire is to roll their own logs; and they are now doing it on a grander scale than Congress ever attempted.

More important than the reason for calling off negotiations on the treaty with Argentina, as far as the people I represent are concerned, is the fact that there is no assurance that the negotiations will not be reopened after the law has been reenacted. When Secretary Hull was asked in the course of the House hearings, "Is it your idea that conditions may so change that negotiations may be resumed a little later?" he replied, "This general statement said that these negotiations were terminated."

The statement referred to is a joint statement by the Governments of the United States and Argentina, released by the State Department. It is not at all reassuring when we compare it with the statement of the President of Argentina, who is reported by an Associated Press dispatch to have said that he feels that President Roosevelt would favor resumption of the negotiations in the near future, and he is quoted as saying, "For my part, I fully desire it."

In the light of what tariff reductions have already cost the people of the West, I feel safe in saying that our people do not share the attitude of the President of Argentina. The Argentine proposal was a threat to their prosperity, which only the expiration of the Trade Agreements Act can remove.

The Chilean agreement is still pending. An inquiry at the State Department as to its status reveals that it is "temporarily quiescent"—if you know what that means. In this agreement we find that it is the farmer again who will bear the burden.

A reduction in the tariff on beans is being considered, notwithstanding the fact that the United States has the largest surplus of beans on record, amounting to approximately 3,500,000 bags. Large purchases by the Surplus Commodities Corporation have not been sufficient to assure the bean grower the cost of production. Idaho produces one-third of the Nation's bean crop, and the producer there is compelled to pay very high freight rates to reach the principal markets of the East. It is impossible for him to compete with the cheaply produced beans from South America and Japan, which can be transported by water to the great cities of the East, except for the protection the tariff gives him. Any reduction of the tariff on beans simply means destruction of that industry in the West.

In addition to the tariff on beans, tariff reductions are being considered on apricots, grapes, peaches, plums, pears, melons, lentils, and other farm products. Mr. President, I ask unanimous consent to have the list of these products, prepared by the State Department, inserted in the RECORD at this point as a part of my remarks.

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

LIST OF PRODUCTS ON WHICH THE UNITED STATES WILL CONSIDER GRANTING CONCESSIONS TO CHILE

NOTE.—The rates of duty or tax indicated are those now applicable to products of Chile.

For the purpose of facilitating identification of the articles listed, reference is made in the list to the paragraph numbers of the tariff schedules in the Tariff Act of 1930, and to the appropriate section of the Internal Revenue Code. The descriptive phraseology is, however, in some cases limited to a narrower field than that covered by the numbered tariff paragraph. In such cases only the

articles covered by the descriptive phraseology of the list will come under consideration for the granting of concessions.

In the event that articles which are at present regarded as classifiable under the descriptions included in the list are excluded therefrom by judicial decision or otherwise prior to the conclusion of the agreement, the list will nevertheless be considered as including such articles.

Tariff Act of 1930, paragraph	Description of article	Present rate of duty
52	Spermaceti wax	2½ cents per pound.[1]
735	Apricots, green, ripe, or in brine	½ cent per pound.
742	Grapes in bulk, crates, barrels, or other packages.	25 cents per cubic foot of such bulk or the capacity of the packages, according as imported.[2]
745	Peaches (including nectarines), green, ripe, or in brine.	½ cent per pound.
748	Plums, prunes, and prunelles, green, ripe, or in brine.	Do.
749	Pears, green, ripe, or in brine	Do.
752	Melons (except watermelons) in their natural state, or in brine, pickled, dried, desiccated, evaporated, or otherwise prepared or preserved, and not specially provided for.	35 percent ad valorem.
765	Beans, not specially provided for, dried	3 cents per pound.
767	Lentils	½-cent per pound.
769	Chickpeas or garbanzos, dried	1¾ cents per pound.
770	Onions	2½ cents per pound.
770	Garlic	1½ cents per pound.
1611	Argols, tartar, and wine lees, crude or partly refined, containing less than 90 percent of potassium bitartrate.	Free.
1611	Calcium tartrate, crude	Do.
1658	Copper ore; regulus of and black or coarse copper, and cement copper; old copper, fit only for remanufacture, copper scale, clippings from new copper, and copper in plates, bars, ingots, or pigs, not manufactured or specially provided for.	Free (subject to import tax of 4 cents per pound of copper content under sec. 3425, Internal Revenue Code; see below).
1669	Drugs which are natural and uncompounded and not edible, and not specially provided for, and are in a crude state, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to the proper packing of the drugs and the prevention of decay or deterioration pending manufacture, and not containing alcohol: Soap bark or quillaya.	Free.
1681	Furs and fur skins, not specially provided for, undressed:	
	Sheep and lamb	Do.[3]
	Nutria	Do.
1685	Guano	Do.
1685	Substances consisting chiefly of sodium nitrate and potassium nitrate, used chiefly for fertilizers, or chiefly as an ingredient in the manufacture of fertilizers.	Do.
1698	Iodine, crude	Do.
1700	Iron ore, including manganiferous iron ore	Do.
1765	Sheep and lamb skins, raw	Do.
1766	Sodium nitrate, crude or refined	Do.
1766	Sodium sulfate, crude, or crude salt cake	Do.
1777	Sulfur in any form, and sulfur ore, such as pyrites or sulfide of iron in its natural state, and spent oxide of iron, containing more than 25 percent of sulfur.	Do.[4]

[1] This rate was reduced from 3½ cents per pound to 2½ cents per pound pursuant to the trade agreement with the United Kingdom, effective Jan. 1, 1939.

[2] Rate on hothouse grapes bound against increase pursuant to the trade agreement with Belgium, effective May 1, 1935.

[3] Duty-free status bound against change pursuant to the trade agreement with the United Kingdom, effective Jan. 1, 1939.

[4] Free status of sulfur in any form bound against change pursuant to the trade agreement with the United Kingdom, effective Jan. 1, 1939.

Internal Revenue Code, section	Description of article	Present rate of duty
3425	Copper-bearing ores and concentrates and articles provided for in paragraph 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the Tariff Act of 1930. *Provided*, That no tax under Internal Revenue Code, sec. 3425, shall be imposed on copper in any of the foregoing which is lost in metallurigcal processes. *Provided further*, That ores or concentrates usable as a flux or sulphur reagent in copper smelting and/or converting and having a copper content of not more than 15 percent, when imported for fluxing purposes, shall be admitted free of said tax in an aggregate amount of not to exceed in any one year 15,000 tons of copper content.	4 cents per pound on the copper contained therein.
	All articles dutiable under the Tariff Act of 1930, not provided for heretofore in this item, in which copper (including copper in alloys) is the component material of chief value.	3 cents per pound.
3425	All articles dutiable under the Tariff Act of 1930, not provided for heretofore in this item, containing 4 percent or more of copper by weight.	3 percent ad valorem or ¾ cent per pound whichever is the lower.

Mr. THOMAS of Idaho. Mr. President, copper is one of the items on this list. Copper was originally considered for a reduction in the import tax which was established by act of Congress in 1932, and renewed by Congress the last time on June 29 of last year. Congress renewed this tax because the United States has large copper surpluses at the present time, and the ability to supply adequately the domestic market. Moreover, foreign producers can supply copper at least 4 cents per pound cheaper than it can be obtained from American mines. A reduction in this tax would close mines, throw men out of work, and do irreparable damage to an industry that is of vital importance to the prosperity of the West.

It has been the custom of the State Department to give out no information as to the changes contemplated until the final publication of the agreement. In this instance, however, they have seen fit to make the announcement, "in view of the widespread interest in this question," that no changes in the tariff rate would be made.

Mr. President, I ask unanimous consent to have this announcement by the State Department included in the RECORD at this point as a part of my remarks.

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

DEPARTMENT OF STATE, *December 21, 1939.*

The public notice of intention to negotiate a trade agreement with the Government of Chile, issued by the Department of State on October 2, 1939, was accompanied by a list of products on which the United States would consider granting concessions to that country. Among the articles listed were copper and copper products, the present tariff and tax treatment of which were indicated in the list.

Hearings upon the negotiations with Chile were completed on November 28, and voluminous data have been submitted to the trade-agreements organization from industry and labor in the United States with respect to the position of copper in international trade and the effect which a concession to Chile in the import tax on that product might have upon domestic production. Following the study of these data and additional material available to the Government from other sources, and after consultation with the Chilean Government, a decision has been reached to make no concession on copper or copper products in the agreement with Chile, when and if concluded. In view of the widespread interest in the question, it has been decided to make this decision known publicly at this time.

Mr. THOMAS of Idaho. Mr. President, it is difficult for many of us not to wonder if this announcement was not made for its effect upon votes of Members of Congress from the copper-producing States. If so, it would be well for them to reflect that their constituents will not receive the same thoughtful consideration from the State Department after this act has been extended.

I have considered primarily the effect of the trade agreements upon agriculture, because the Secretary of State has again and again, in his official statements, indicated his solicitude for the farmer. Most of what I have said, however, could apply as well to labor. It is as foolish to attempt to raise wages at a time when we are importing goods made with substandard wages as it is to attempt to raise farm prices while we are importing agricultural commodities. Labor suffers from foreign imports. As Matthew Woll, vice president of the American Federation of Labor, has expressed it:

We do not think that it is good economics * * * to transfer to foreign countries the opportunities of employment which would be ours if we produced those imported products which we are in a position to produce.

Mr. President, I have tried as briefly as possible to present some of the effects of the trade agreements on the people of

the State I have the honor to represent. Every industry and every citizen of the West has felt the injury of this program.

In return for a concession obtained from only one country, under our unconditional, most-favored-nation policy, we lower tariffs to every country in the world except Germany. We open up our markets to other countries, and receive nothing in return.

In the agreement with the United Kingdom, we lowered numerous tariff rates, in return for which we supposedly received certain concessions. Among these were reduced rates by England on apples and tobacco, but today we find that importation of apples and tobacco has been forbidden by England. Yet the benefits we gave England to the injury of our own producers still stand.

Under the reciprocal-treaty program more than 1,000 tariff rates have been reduced. Of these reductions, 166 have been made in rates on farm commodities. It is apparent that it is the intention of the State Department to lower the tariffs on all farm crops, livestock, and products of the mines and forests. The program has just begun, and unless we halt it it will eventually accomplish the economic ruin of our great primary industries, which are the basic foundation of all our prosperity.

In his Budget message the President called for a reduction in payments to the farmers, and no provision was made in the Budget for parity payments. The administration has gone a long way since the President gave his assurance that farm prices would be raised. His words, I believe, were these:

> If we cannot do it one way, we will do it another. Do it we will.

And now he calls for a reduction in farm payments when the Nation's agriculture is virtually bankrupt.

I have voted for parity payments. I expect to vote for every measure that will help restore to the farmer his share of the national income. Until farm prices reach parity, there can be no lasting prosperity in our country.

This administration has committed our Nation to a low-tariff policy. Even if the treaty power is not extended, agreements already effected have greatly reduced our protection. In view of these circumstances, it would be ruinous to withdraw Government support from the farmer at this time.

I should like to call attention to another phase of this situation. The war in Europe has kept us from feeling the full effects of the tariff reductions. But when the war is over—and all of us hope that will be soon—some 25,000,000 men will be released to an industry already geared to high production. There will be a chaos of unemployment and inflation. Foreign standards of living will be reduced to starvation level. There will be a mad scramble for the markets of the world. It will be a repetition of 20 years ago, when American markets were flooded by goods from across the Atlantic. Do we want American labor and American industries to be in a defenseless position when that time comes?

If the reciprocal trade agreement program is in operation when peace comes, then the hands of Congress, which the Constitution says shall write the laws and ratify treaties, will be tied. Then the people of the United States will pay the full price for Congress having abdicated its constitutional duties.

American agriculture, American labor, and American industries have suffered enough from the effects of the reciprocal trade agreements. I shall cast my vote to take this power away from the executive department and return it to Congress, where it rightfully belongs.

During the delivery of the speech of Mr. THOMAS of Idaho,

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

Mr. THOMAS of Idaho. I yield.

Mr. BARKLEY. I again renew my request, made a few moments ago, that at the hour of 4 o'clock p. m. tomorrow the Senate proceed to vote on the pending amendment, and amendments thereto, and substitutes therefor.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The Senator from Kentucky submits a request for unanimous consent, that at the hour of 4 o'clock tomorrow the Senate proceed without further debate to vote upon the pending amendment and any amendments thereto, or any substitute therefor.

Mr. McNARY. Mr. President, I hope the agreement may be entered into.

The PRESIDING OFFICER. Is there objection?

Mr. PITTMAN. Mr. President, I merely wish to say that the Senator from Montana [Mr. WHEELER] and the Senator from Nebraska [Mr. BURKE] are absent. They have both expressed a desire to be paired in favor of the amendment. I understand it has been arranged that the Senator from Maryland [Mr. TYDINGS] is to be paired with the Senator from Montana [Mr. WHEELER], and that the Senator from Nebraska [Mr. BURKE] is to be paired with the Senator from North Carolina [Mr. BAILEY]. Is that correct?

Mr. McNARY. That is correct, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the agreement is entered into.

RELATIONS WITH RUSSIA

After the conclusion of the speech of Mr. THOMAS of Idaho,

Mr. LODGE. Mr. President, a short time ago before the subcommittee of the Committee on Appropriations holding hearings on the Treasury appropriation bill, the Commissioner of Customs developed facts bearing on the increase of American exports to Soviet Russia. Those facts were developed just at the time when American sympathy for Finland was at white heat, and a few days later I referred to the disclosure on the floor of the Senate.

Later, in order to attract attention to the subject of American relations with Russia, and as a gesture of protest, I moved to strike from the State Department appropriation bill the provision for the salary of the American Ambassador to Russia.

In order to have the RECORD clear and complete, I desire at this time to read into the RECORD certain figures, some of which have been made available to me only this afternoon over the telephone, and have never been heretofore published. The figures bear on the increase of American exports to Soviet Russia.

The first table I shall read covers the months from June to December 1939, and shows the following dollar figures, covering the value of exports, including reexports, from the United States to Soviet Russia: June, $262,000; July, $3,201,000; August, $3,712,000; September—a drop—$1,785,000; October, $8,626,000.

Notice how exports to Russia increase with the war—November, $7,282,000; December, $11,922,000.

I should like to point out that the bulk of this trade is in the following commodities: Gasoline, refined copper in ingot, bars, and so forth; brass plates and sheets; metal-working machinery; refined copper and manufactures; and tin in bars, blocks, and so forth. Tin, as is known, Mr. President, is a critical material.

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

Mr. LODGE. I yield.

Mr. McKELLAR. Is cotton in that category?

Mr. LODGE. No; there is no cotton in that category. This seems to be entirely a list of articles which are useful for the purposes of war. Whether these American goods were used to attack the poor Finns, or whether they have been transferred to Germany for her use, I, of course, cannot say.

I should now like to read some concluding figures, comparing the first 2 months of 1940 with the first 2 months of 1939, and I think they will impress and shock the Senate.

The value of exports increased from $2,820,000 in January 1939 to $13,066,348 in January 1940.

For February 1939, as compared to February 1940—and these facts have never before been made public—the value of exports is as follows: February 1939, $2,993,000; February 1940, $7,320,033.

I will read the February figures over again. February 1939, $2,993,000. February 1940, $7,320,033.

In view of the actions that have been taken here, in view of all the protestations we have heard here from those in control, I simply present these figures and ask: What is the foreign policy of this administration?

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. ADAMS. Mr. President——

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

Mr. ADAMS. I yield.

Mr. McKELLAR. Mr. President, if the Senator will yield to me I shall move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. Does the Senator from Colorado yield for that purpose?

Mr. ADAMS. My interest was that I might be recognized upon the reconvening of the Senate tomorrow.

The PRESIDING OFFICER. The RECORD will show that the Senator from Colorado had the floor at the time of the taking of the recess or adjournment today.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 29, 1940, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 28, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We give Thee thanks and praise, our Father and our God, for our blessed Redeemer through whom Thy mercy and love have been made known to us. Grant us, we pray Thee, a ready response to every noble thought, incite us with fair play and with a deep desire to know and do Thy holy will. Inspire us to adorn the teaching of the Master, may it lead us in a grandly cooperative service, giving expression to deeds of unselfishness, wise and just for all men. We rejoice that this is our Father's world with its life deep and boundless; unaffrighted by the stars above and undismayed by the graves below. Out of the deep we came and into the deep we go, soothed and saved, deathlessly nourished by the one great Shepherd. His rod and staff will comfort us as we pass through the enshadowed valley leading to the lustrous portals of our eternal home. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill providing for judicial review of administrative decisions and to include therein an opinion of the Supreme Court which relates to the subject.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ENGEL. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Will the gentleman withhold that until we can dispose of these preliminary matters?

Mr. ENGEL. I will, Mr. Speaker.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement I submitted to the Ways and Means Committee.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a card from a carpenter, which is one of hundreds I am receiving from various working people in my district.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by The Assistant Secretary of War before an American Legion meeting in Milwaukee, Wis.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose at this time.

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short letter from one of the schools in northeastern Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JOHNSON of Illinois asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. WILLIAMS of Delaware. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial by Dr. Lewis Haney, relative to the silver question.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a brief editorial from Collier's weekly, entitled "The Russian Way."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the golden jubilee of Washington State College, one of the land-grant colleges established under the Morrill Act of 1862 under Lincoln's administration.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. The gentleman from Michigan makes the point of order there is not a quorum present. Obviously, there is not a quorum present.

Mr. TARVER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 58]

Barden	Flaherty	McGehee	Stearns, N. H.
Beam	Flannery	McKeough	Sweeney
Brewster	Folger	Mansfield	Taylor
Buckley, N. Y.	Garrett	Osmers	Ward
Burgin	Gilchrist	Sandager	Weaver
Byron	Goodwin	Schafer, Wis.	West
Carlson	Hoffman	Seger	Wheat
Clark	Hunter	Shafer, Mich.	Whelchel
Cooper	Jarman	Shannon	White, Ohio
Cummings	Jarrett	Sheridan	Whittington
Darrow	Jeffries	Smith, Ill.	
Dirksen	Kelly	South	
Evans	Kerr	Starnes, Ala.	

The SPEAKER. On this roll call 381 Members have answered to their names, a quorum.

Mr. TARVER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

AWARDS UNDER GENERAL CLAIMS CONVENTION, UNITED STATES AND MEXICO

Mr. DEMPSEY, from the Committee on Rules, reported the following resolution for printing under the rule, which was referred to the House Calendar and ordered printed:

House Resolution 443

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 326, an act for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

FEDERAL CROP INSURANCE ACT

Mr. COLMER, from the Committee on Rules, reported the following resolution for printing under the rule, which was referred to the House Calendar and ordered printed:

House Resolution 271

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6972, a bill to amend the Federal Crop Insurance Act. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

EXTENSION OF REMARKS

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial from the St. Louis Globe-Democrat.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in two instances.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a brief letter from a constituent.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article from the Courier Journal.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial from the Christian Science Monitor.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter from Carey McWilliams, of the Division of Immigration and Housing of California.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, including short editorials from the Sioux City Journal and the Chicago Tribune.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a statement on finances by the former Idaho Commissioner of Finance, Mr. Ben Diefendorf.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a list of Federal price-fixing laws.

The SPEAKER. Is there objection?

There was no objection.

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein a statement which I issued yesterday.

The SPEAKER. Is there objection?

There was no objection.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include a speech delivered by Mr. Beecher Hess.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a short article written by Emil Hurja.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LELAND M. FORD. 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 California?

Mr. TARVER. Mr. Speaker, reserving the right to object, I may say that I regret very much the fact that I have to object, because in 13 years' service I have never objected to a request of this sort. However, the gentleman knows that if one or two Members ask for a minute, others will desire the same privilege, and we are very anxious to continue the pending bill. Would not the gentleman reserve his request until after this bill has been disposed of?

Mr. LELAND M. FORD. Yes. If the gentleman is going to object, I certainly will. [Laughter.]

The SPEAKER. The gentleman withdraws the request temporarily.

Mr. FISH. 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 New York?

Mr. TARVER. Mr. Speaker, reserving the right to object, I, of course, would not take a different position with the gentleman from New York than that which I have just expressed.

Mr. FISH. I regret to say I was not paying attention, but this is a very brief matter, only 1 minute.

Mr. TARVER. The trouble is the gentleman's remarks usually incite someone else to address the House also, and it may lead to a great deal of discussion.

Mr. FISH. This is a very important matter.

Mr. TARVER. I could not afford to accord a privilege that I have just been compelled to refuse another Member.

Mr. FISH. I do not know what I can do to convince the gentleman.

Mr. TARVER. Will the gentleman temporarily withdraw his request?

Mr. FISH. Very temporarily; yes.

The SPEAKER. The gentleman from New York temporarily withdraws the request.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address given by Mr. David C. Mearns, of the Library of Congress, to the Congressional Secretaries' Club on the history and growth of the Library.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LABOR-SECURITY APPROPRIATION BILL, 1941

Mr. TARVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9007, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair will state that when the Committee rose last evening there was pending the substitute amendment offered by the gentleman from New York [Mr. TABER].

The question is on the substitute amendment.

Mr. FITZPATRICK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FITZPATRICK. Assuming the amendment offered by the gentleman from New York [Mr. TABER], cutting down the appropriation to $39,000,000, is adopted, that will eliminate the recommendation of the subcommittee and also the amendment offered by the gentleman from Mississippi [Mr. COLLINS] and the gentleman from Oklahoma [Mr. JOHNSON]. Is that true?

The CHAIRMAN. The Chair will state it is entirely up to the committee to vote on the amendment offered by the gentleman from Mississippi [Mr. COLLINS], as amended, afterward.

Mr. FITZPATRICK. If the substitute is adopted, then will we vote on the Collins amendment?

The CHAIRMAN. After that the committee will vote on the Collins amendment as amended by the substitute.

Mr. FITZPATRICK. And assuming that is defeated, we will then vote on the Collins amendment as amended by the Johnson amendment?

The CHAIRMAN. The gentleman is correct.

Mr. NICHOLS. I ask unanimous consent, Mr. Chairman, that the substitute amendment be reported.

The CHAIRMAN. Without objection the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER as a substitute for the Collins amendment: On page 41, line 4, after the comma, strike out "$79,635,000" and insert "$39,000,000."

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. TABER].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Mississippi [Mr. COLLINS] as amended by the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON].

Mr. NICHOLS. Mr. Chairman, may we have that amendment reported again?

The CHAIRMAN. Without objection the Clerk will report the amendment as amended.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. COLLINS as amended by the amendment offered by Mr. JOHNSON of Oklahoma: Strike out the figures "$79,635,000" and insert "$97,085,000."

The CHAIRMAN. The question is on the amendment as amended.

The question was taken; and the Chair announced that he was in doubt.

Mr. TARVER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. HARE and Mr. COLLINS to act as tellers.

The Committee divided; and the tellers reported there were—ayes 162 and noes 144.

So the amendment as amended was agreed to.

The Clerk read as follows:

PAR. 6. No non-Federal project costing in excess of $5,000 shall be undertaken or prosecuted under paragraph 1 unless and until the cosponsor has made a written agreement to finance such part of the entire cost thereof as the Federal Security Administrator determines, under the circumstances, is an adequate contribution taking into consideration the financial ability of the cosponsor. The National Youth Administrator, subject to the approval of the Federal Security Administrator, shall prescribe rules and regulations relating to the valuation of contributions in kind by cosponsors of projects through furnishing the use of their own facilities and equipment and the services of their own employees, which shall also allow credit only to the extent that the furnishing of such contributions represents a financial burden which is undertaken by the cosponsors on account of National Youth Administration projects.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment: On page 44, line 2, after the word "Federal", insert "construction."

Mr. TARVER. Mr. Chairman, this is simply a correction of an inadvertent error made in the drafting of the bill. The Committee intended that the restrictive language contained in this paragraph should apply only to construction projects, and the amendment is offered with a view to correcting the error.

Mr. GIFFORD. Mr. Chairman, I have only a few brief words to offer.

It is not so much the amount of money you have just voted in excess of the Committee's recommendation that disturbs me as it is the damage you have done to the confidence of the Nation in showing this new trend of spending. Of course, you must fully understand that you are flirting with national bankruptcy. Do not doubt it. Those who now furnish you with the borrowed money to run this Government are beginning to understand it, and some of us know they are getting very nervous indeed.

I sympathize with today's Democratic leaders—there seems to be about 20 Democrats trying to conduct the party along proper lines of economy. Your leaders have proved to the Nation that you can no longer control. I call the attention of the Nation to the fact that the Republicans have constantly and continuously stood for economy in expenditures. We lost only a very few votes just a few moments ago from this side of the aisle. I was sorry indeed to see that small loss, because we Republicans have stood for economy so solidly. I am sorry for these Democratic leaders who got their followers into the habit of squandering money.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. No. I beg the gentleman's pardon, but "No" at the present time.

A few years ago when you started on this downward road, when your leaders, oh, so enthusiastically, threateningly, demanded that you vote $4,800,000,000 in blank checks, then another $3,500,000,000 in blank checks you got firmly fixed in your heads the philosophy of this spending spree—this political paradise where you found you could borrow money and not have to raise taxes. I close with the thought I had in my mind in taking the floor, which is that the Chairman of this Committee, the gentleman from Georgia, has my deep sympathy. He has awakened too late. His forces have so long gone on spending sprees they cannot stop.

The Republicans believe in N. Y. A. as much as you. How you rejoiced when you voted this extra money. I rejoice that those boys will get it, but I do not rejoice in the feeling that is going over this Nation today as the people realize the trend of the spending spree. It is going to do havoc with the confidence of those whose confidence you have been trying lately to restore.

Leaders of the Democratic Party, I sympathize with you deeply. You are reaping the rewards of your previous willingness to throw away money. [Applause.]

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes; if I have the time.

Mr. WHITE of Idaho. The gentleman from Massachusetts says the Republicans believe in N. Y. A. as much as we do. How do you account for the fact that the Republicans do not vote the way they believe?

Mr. GIFFORD. Just because we will not vote for any skyrocketed amount does not mean we do not believe in the principle of it. The N. Y. A. is good. Your C. C. C. camp program at $1,200 per head is wrong. You should not spend more than $300 on each individual case. We have not enough funds to exceed that and do justice to all. I would like to have time to portray the picture with regard to the C. C. C. camps. You politically minded gentlemen stood here yesterday and rejoiced so greatly in spending $1,200 per head to maintain camps, half of them, in winter, not functioning. I have not the time to portray that as I would like to. But go ahead and vote away this money. Rather you are voting away the confidence of the Nation.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the last speaker made the statement that you cannot spend over $300 on any boy. I want to remind the gentleman that he is spending many, many hundreds of dollars on American jailbirds. [Applause.] He is spending three thousand some hundred dollars just to secure them individually in institutions, and this figure does not include the cost of their maintenance.

Let me remind you that there are many fathers and mothers in this country who do not mind being broke when they look over the family table and see their children about them. They went broke to provide for the children they love. There is a great party in this country today that is interested in the whole of America and in the youth of America, and that party today is the Democratic Party. They will to carry on. [Applause.] We might just as well face the facts. Some have been feeding the public language long enough, but there are others here determined to give them service, and we are giving service today when we take care of the youth of this Nation as we did this morning. It is economy, I tell you. If only 10 percent of those we are looking after were protected from the pitfalls which ensnare youth, we would be more than recompensed for the money which we have spent or authorized to be spent this morning.

I am happy to have this opportunity to say in contradiction to the statement of the gentleman from Massachusetts, that any boy in this country is worth more than $300.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I shall be happy to yield to the gentleman from Massachusetts.

Mr. McCORMACK. While the gentleman from Massachusetts [Mr. GIFFORD] is sincere in his position—and he has steadfastly taken that position—I call to the attention of my friend the fact that one of the slogans of the Republican Party last fall in the campaign in Massachusetts was to help youth, yet today we see the spectacle of only one Republican Member from Massachusetts voting for the amendment which was just adopted.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. GIFFORD. In the remarks of the gentleman from Mississippi he recited how certain Republicans——

Mr. RABAUT. What gentleman?

Mr. GIFFORD. The gentleman from Mississippi [Mr. RANKIN] made a speech yesterday about certain Republicans. We have one splendid, honest, upright Democrat from Massachusetts, a splendid specimen, Mr. McCORMACK. [Applause.] But how many Democrats have we from Boston in jail or about to go there, and in New York and New Orleans, and all over this Nation? I want to bring that in because I did not have the time yesterday to answer the gentleman from Mississippi. There are dozens of Democrats in jail to one Republican.

Mr. RABAUT. Variety of opinion makes a horse race. If the gentleman had sat on a committee as I have, a committee that appropriates for the housing and care of the inmates of the Federal prisons of the Nation, he would realize how many there are all over the country.

Mr. McCORMACK. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. So that the remark of my friend from Massachusetts will not be misunderstood—and I know he does not want it misunderstood—I may say that my district is a very wholesome American district, and, as the gentleman knows, we have very few from my district confined in jail.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman from Massachusetts [Mr. GIFFORD] has apparently overlooked the economic factor in connection with the problem of youth delinquency. [Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

I did not understand the remark of the gentleman from Massachusetts [Mr. GIFFORD] about the jailbirds, but he was probably referring to those members of the Republican Cabinet to whom I referred yesterday who went to jail 10 or 15 years ago.

May I repeat that we are not going to get out of this depression by borrowing from the rich and giving to the poor for the all of us to pay back with interest. Until we depreciate our currency and bring about sufficient expansion to raise commodity prices back to their proper level—until we do that we are not going to restore prosperity in this country and we are not going to be able to stop spending.

Mr. TARVER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. Mr. Chairman, I shall have to make the point of order that the gentleman is not addressing his remarks to the pending amendment.

Mr. RANKIN. Has the gentleman read the amendment? What is the amendment?

Mr. TARVER. The amendment is to strike out the last word.

Mr. RANKIN. What is the last word? I am having the last word. The chairman of the Subcommittee on Appropriations ought to inform himself what the amendment is.

Mr. TARVER. Mr. Chairman, I make the point of order that the gentleman should address his remarks to the pending amendment.

Mr. RANKIN. Mr. Chairman, I submit this must not be taken out of my time. If the gentleman is going to raise a point of order, let him point out wherein I am not discussing the amendment. He has not even referred to the bill and does not seem to know what the last word is.

Mr. TARVER. I wonder if the gentleman knows what the last word is?

Mr. RANKIN. I am trying to explain to the gentleman what the last word is.

Mr. TARVER. The gentleman is discussing something with which he is not familiar.

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] will be obliged to confine his remarks to the amendment now pending before the committee, which is a committee amendment offered by the gentleman from Georgia [Mr. TARVER]. The Chair is therefore constrained, however regretfully, to sustain the point of order.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word to discuss this amendment. What are they trying to do by this amendment? They are trying to restore prosperity, and, as I have pointed out, you never can restore prosperity by borrowing from the rich and giving to the poor and having the rest of us pay it back with compound interest.

The trouble with the Republican Party on this issue is that they have no program. They have no more program than is manifested in this amendment.

Mr. TARVER. Mr. Chairman, a point of order. The gentleman from Mississippi [Mr. RANKIN] is proceeding in contravention to the ruling of the Chair. The gentleman's remarks have no relation whatever to the committee amendment.

Mr. RANKIN. Mr. Chairman, I demand the reading of the committee amendment and that it be not taken out of my time, to show the gentleman from Georgia that he is wrong.

The CHAIRMAN. Without objection, the committee amendment will be again reported by the Clerk.

Mr. TARVER. Mr. Chairman, I object. If the gentleman does not know what the committee amendment is, he is not in position to discuss it.

Mr. RANKIN. If the gentleman from Georgia does not know, bring in some other members of the Appropriations Committee and maybe they can tell him.

Mr. TARVER. It is the gentleman from Mississippi who does not know.

Mr. RANKIN. Mr. Chairman, I object to the gentleman from Georgia [Mr. TARVER] taking up my time. I fear he is violating the rules of the House.

But Mr. Chairman, having had the last word, and having answered all the arguments of the opposition, I yield the floor to the gentleman from Georgia. [Laughter and applause.]

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

PAR. 10. No alien shall be given employment or continued in employment on any work project prosecuted under the appropriation in paragraph 1 and no part of the money appropriated in paragraph 1 shall be available to pay any person who has not made or who does not make affidavit as to United States citizenship, such affidavit to be considered prima facie evidence of such citizenship.

Mr. TARVER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 45, line 16, after the figure "1", insert "or paragraph 2."

Mr. TARVER. Mr. Chairman, this provision in paragraph 10 is an inhibition against the employment of aliens which has been carried in the bill heretofore and is simply being carried forward in the language of the pending bill. However, when the bill was originally submitted to the committee all the appropriation was set up in paragraph 1, but the committee broke the appropriation down into two paragraphs, paragraph 2 carrying the appropriation for administrative expenses. The sole purpose of this amendment is to make the inhibition against the employment of aliens applicable to both paragraphs in the bill which carry money.

Mr. MARCANTONIO. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill.

The CHAIRMAN. All this section regarding the National Youth Administration is legislation on an appropriation bill, but it was made in order under a rule. This is merely a perfecting amendment. The Chair overrules the point of order.

The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

PAR. 12. No person shall be employed or retained in employment in any administrative position, or in any supervisory position, on any project under the appropriation in paragraph 1 unless such person before engaging in such employment subscribes to the following oath:

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office (or employment) on which I am about to enter (or which I now occupy). So help me God."

The National Youth Administrator shall designate administrative and supervisory employees to administer such oath, but no fee shall be charged therefor.

Mr. TARVER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 46, line 6, after the figure "1", insert "or paragraph 2."

Mr. TARVER. Mr. Chairman, the same explanation is applicable to this amendment as to the one proposed to paragraph 10. It is simply a perfecting amendment.

The committee amendment was agreed to.

The Clerk read as follows:

PAR. 13. No portion of the appropriation in paragraph 1 shall be used to pay any compensation to any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States through force or violence.

Mr. TARVER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 46, line 20, after the figure "1", insert "or paragraph 2."

Mr. TARVER. Mr. Chairman, this amendment is offered for the same purpose as the other two amendments which have been adopted, that is, to make these restrictions apply to the entire appropriation, which has now been broken down into two paragraphs.

The committee amendment was agreed to.

The Clerk read as follows:

PAR. 14. The provisions of Executive Order No. 7916, dated June 24, 1938, shall not apply to positions the compensation of which is payable from the appropriations in paragraphs 1 and 2, and such appropriations shall not be available for the compensation of the incumbent of any position placed in the competitive classified civil service of the United States after January 10, 1939.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: On pages 46 and 47, strike out all of paragraph 14.

Mr. RAMSPECK. Mr. Chairman, the relief bill which was passed last year contained a provision restraining the President from putting under civil service employees paid out of relief appropriations. On the floor the gentleman from Virginia [Mr. WOODRUM] offered an amendment to limit that restriction to employees of W. P. A. When the bill got over to the Senate the prohibition was made applicable to all employees paid out of relief funds. This paragraph carries the same prohibition against the effectiveness of an Executive order issued by the President, and would carry that prohibition into effect as of July 1, 1940, and for 1 year thereafter.

Since that time the House has passed by a vote of almost 2 to 1 the bill H. R. 960, which removes all restrictions on the power of the President to extend the civil service to the employees in the newer agencies and in some cases to employees in the old agencies, with the exception of employees of W. P. A. This bill does not deal with W. P. A., and I am at a loss to understand why the committee should continue this prohibition which the House has voted against in passing the bill H. R. 960. I hope the Committee may adopt this amendment and eliminate this restriction which is placed upon the power of the President which exists under the general civil-service law to extend the application of the civil-service law to these employees.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Michigan.

Mr. MICHENER. Has H. R. 960 become a law yet?

Mr. RAMSPECK. No; it has not. It is pending in the Senate. Of course, if it does not become a law, then the President will not have that power; but if it does become a law and should pass prior to the passage of this appropriation bill, this prohibition would still hold good against the language of H. R. 960.

I hope the Committee will adopt the amendment. I am going to offer an amendment to the next paragraph for the same purpose. [Applause.]

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the desire of my colleague, the gentleman from Georgia, to extend the provisions of the civil service to all Government organizations, and I feel that I join with all of you in believing that he has accomplished very creditable work along those lines. However, we on the committee felt that in view of the provision carried in the bill for the present fiscal year which is applicable to the employees of the National Youth Administration, in view of the fact that Congress has not yet taken action by proper legislation to make this a permanent organization, in view of the fact that under the very terms of the bill you are considering, it would expire on June 30, 1941, unless further legislation is passed by Congress, and in view of the further fact that the Ramspeck bill is still pending and has not been finally acted on by the Congress to fix the status of all Government workers, it would be unwise at this time for the committee to undertake to permit by this legislation the employees of this organization to be covered into the civil service.

May I say that if you want these employees covered into the civil service, which is the objective that my friend hopes may be achieved by Executive order, you ought to put even more money in the bill than you have placed in it so far, because their being covered into civil service will necessarily involve considerable increases in salaries of supervisory personnel.

For example, the supervisors of projects are paid on the average about $90 per month, and the National Youth Administration is able to get competent persons for salaries of that kind. This, of course, is field service, not within the provisions of the Classification Act; but it is representative of salaries being paid by this organization which, in Washington, would be considerably increased if under civil service.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I will yield in a moment.

I am not saying that these salaries are sufficient in amount, but I do say that if all of the employees of the National Youth Administration are covered into civil service, the salary expense item will necessarily be considerably in excess of what it is under the provisions of the bill as we have prepared it.

I now yield to my colleague.

Mr. RAMSPECK. I think my colleague is in error in his statement because the civil-service law does not affect salaries. The Classification Act regulates salaries and only applies to employees in the District of Columbia.

Mr. TARVER. Yes; I understand, but classification of these employees will take place if they are covered into the civil service; and when they are classified, in my judgment, the salaries of most of them will be increased.

Now, with regard to the legislative situation, if the Ramspeck bill passes the Senate and is approved by the President after the passage of this appropriation bill, the Ramspeck bill, whatever its provisions may be, will take precedence over the provisions of this bill; and if, when this bill reaches the Senate and is ready for action by the Senate, the Ramspeck bill shall already have been enacted into law, which I do not anticipate will be the case, because I think this bill will undoubtedly pass first, yet the Senate should, and undoubtedly would, take action to remove from this bill any provisions which might be in conflict with the Ramspeck bill. So I see no possibility of the situation arising on account of which my colleague is concerned. If his bill is enacted into law after the enactment of the pending bill, it will certainly repeal any conflicting provision of the pending bill; and if it is enacted into law before the enactment of the pending bill, then certainly the Senate will take out of the bill any provision which might be in conflict with it. So I hope the amendment will not be adopted.

[Here the gavel fell.]

The CHAIRMAN (Mr. McCORMACK). The question is on the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The amendment was rejected.

The Clerk read as follows:

PAR. 15. In carrying out the purposes of the appropriation in paragraph 2, the National Youth Administrator, subject to the approval of the Federal Security Administrator, is authorized to accept and utilize voluntary and uncompensated services, to appoint and compensate, without regard to civil-service laws or the Classification Act of 1923, as amended, officers and employees, and to utilize, with the consent of the head of the Federal agency by which they are employed, Federal officers and employees, and with the consent of the State or local government, State and local officers and employees at such compensation (without regard to the Classification Act of 1923, as amended) as shall be determined by the National Youth Administrator to be necessary, and to prescribe their authorities, duties, responsibilities, and tenure.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: On page 47, in line 10, after the word "compensate," strike out the word "without" and strike out all of line 11, and in line 12, down to the words "as amended."

Mr. RAMSPECK. Mr. Chairman, this amendment deals with future appointments in the National Youth Administration. We are setting up now for the first time in the National Youth Administration a substantive law creating a permanent organization, and in this paragraph it is provided that the employees may be selected by the National Youth Administrator, subject to the approval of the Federal Security Administrator, without regard to the civil-service laws or the Classification Act of 1923, as amended, which means, of course, that all future appointments in the National Youth Administration shall be patronage appointments and shall not be subjected to the general law passed by Congress in 1923, fixing like pay for like work in the Government service in the District of Columbia.

As I said a while ago, during the speech of my colleague from Georgia, the Classification Act as it now stands does not apply to positions outside of the District of Columbia and therefore it would not apply to the project supervisors, because it only applies to the departmental employees located in the District of Columbia.

I do not think the Congress ought to continue to eliminate new appointments from the civil-service law, and for the purpose of giving my colleagues the opportunity of voting on that question I am offering this amendment and I hope it may be adopted.

Mr. TARVER. Mr. Chairman, in view of the action which has just been taken by the Committee of the Whole on the amendment offered to the preceding paragraph, the adoption of this amendment would bring about a very difficult situation. The language which you have allowed to remain in the bill provides that the amounts appropriated in the bill shall not be available for the compensation of the incumbent of any position placed in the competitive classified civil service of the United States after January 10, 1939. Now, if the amendment now offered by my colleague from Georgia should be adopted, the provision in the succeeding paragraph allowing the National Youth Administrator to appoint, without regard to the Classification Act of 1923, would be stricken out, and he could not appoint without regard to that act, and yet, if he appointed with regard to the provisions of the Classification Act, the appointee could not be paid any money. So it seems to me it necessarily follows that this amendment also must be rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The amendment was rejected.

The Clerk read as follows:

PAR. 17. In making separations from the Federal service, or furloughs without pay to last as long as 3 months, of persons employed within the District of Columbia, under the provisions of paragraph 2, the appointing power shall give preference, as nearly as good administration will warrant, in retention to appointees from States that

have not received their share of appointments according to population: *Provided, however,* That soldiers and sailors, and marines, the widows of such, or the wives of injured soldiers, sailors, and marines, who themselves are not qualified, but whose wives are qualified to hold a position in the Government service, shall be given preference in retention, in their several grades and classes, where their ratings are good or better.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word. I feel that the RECORD would not be complete in view of the vote we took this morning without this additional explanation. I think it is safe to say that there are certain people who may have voted against the Johnson amendment who are very, very vigorously in favor of the N. Y. A. I place myself in that class, and I rise to state to you these simple facts, so that the RECORD will be clear and show once and for all what has been done.

It will be observed that the committee reported in the bill an appropriation of $85,000,000 for the N. Y. A. That included $79,675,000 for the expense of the various activities of the N. Y. A., $5,290,000 for administration and $75,000 for printing and binding, a total of $85,000,000. Under the Johnson amendment, which you have adopted, you have voted $97,085,000 in the first item, $5,290,000 for administration, $75,000 for printing and binding, or a total of $102,450,000. They had available for the last fiscal year in the N. Y. A. $100,450,000. You have, therefore, given to the N. Y. A. $2,000,000 more than was available in the last fiscal year. It has been attempted to justify that increase as being due to the fact that the record discloses that the N. Y. A. this year would have to assume disbursing costs that were formerly assumed by the Treasury Department, and those costs amount to $650,000. It is also claimed that they will have to assume some accounting costs next year that are not assumed in the present fiscal year by the Department, and those costs are estimated by Mr. Williams to amount to $465,000, a total of $1,115,000.

Therefore it definitely appears that you have voted $885,000 more than anybody thought was necessary for the N. Y. A. Even the most radical proponents of N. Y. A. have never asked the amount you have voted this morning. You have given them $885,000 more, including the assumption of disbursing costs and the accounting costs than was allocated to the N. Y. A. in the present fiscal year. Here is another fact which I think will be interesting, and which I think the Members of Congress and the public should know. If you will turn to page 615 of the hearings you will find that Mr. Williams testified as follows:

I asked originally for $125,000,000 for this year; but the request went in to the President from the Budget Bureau for $100,000,000. That was the request that was actually transmitted to the President.

The President's Budget reduced that amount to $85,000,000. Place the responsibility for the original reduction where it belongs. I am one of those who believe in the N. Y. A. I demonstrated that in my argument before this House. I vigorously approve of it, but I cannot in good conscience vote $885,000 more than anybody has asked for N. Y. A. activities for the next fiscal year; and I think the record should be kept straight, because I cannot conceive that many of the gentlemen on my right voted with the knowledge that they were voting $885,000 more than anybody asked. Had you adopted the Collins amendment, there might have been some sense to the situation.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to extend my remarks which I made a while ago in moving to strike out the last word.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Section 3709 of the Revised Statutes (41 U. S. C. 5) shall not be construed to apply to any purchase with funds appropriated under this title when the aggregate amount involved in such purchase does not exceed the sum of $100.

Mr. COCHRAN. Mr. Chairman, I reserve the point of order to the language in lines 10, 11, 12, and 13, page 50.

The CHAIRMAN. The gentleman from Missouri reserves the point of order and is recognized for 5 minutes.

Mr. COCHRAN. Mr. Chairman, it is not my purpose to make a point of order to this section or against other similar provisions in the bill, but I want to call attention of members of the Committee on Appropriations to just what they are doing and above all what they have done. I think few Members know what section 3709 of the Revised Statutes provides. Dozens and dozens of limitations have been placed on appropriation bills affecting this section.

Section 3709 of the Revised Statutes was put on the books for the purpose of requiring advertisements for procurement—in other words, bids for Government supplies. In this instance the Committee on Appropriations provides section 3709 shall not apply in this case to purchases of $100 and less. That is not so objectionable nor are the similar provisions in this bill, but when you make the amount $300 or $500 it is objectionable.

What has happened in the past? Among the dozens and dozens of provisions that you have added to appropriation bills you have gone so far in a number of instances as to remove purchases from the provisions of the statutes entirely. I do not know whether you are aware of it or not, but one of those provisions gives the War Department the power to buy all the medicine that it needs for the entire United States Army without asking for bids, if it so desires. The same thing can be done under another provision, insofar as the Department of Agriculture is concerned, in the purchase of poisons to exterminate insects. Does anybody tell me that is sound business?

The reason I shall not insist on my point of order at this time is that I have in preparation a bill which I hope will be reported in a few days, wherein it is provided by amendment to section 3709, for purchases without advertising when approved by department head or agency of supplies under $100 and also giving the head of a department or agency in an emergency the right to make purchases without advertising.

I hope the Committee on Appropriations will be careful in the future, and if it places any limitation in these bills it will be confined to $100 because if any bill is brought in with a provision in excess of $100 it is my purpose to insist on a point of order which I will make.

As I say, in reference to this bill the amount comes within the bill I expect to report, so I am not going to insist on a point of order.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. TARVER. Prior to this bill the amount of the limitation has been $300. Our subcommittee reduced it to $100.

Mr. COCHRAN. I know that and commend the gentleman. I say I have no objection to this $100 limitation. I am glad to see that the gentleman deemed it was advisable to reduce it from $300. I do not say that any Government official is taking advantage of the exemptions, but I do say that if one does he should not alone be blamed but the Congress should be also held to account for giving him the opportunity to abuse the privilege. Stop it before it is too late. [Applause.]

[Here the gavel fell.]

The reservation of the point of order was withdrawn.

The Clerk read as follows:

Salaries: For three Board members of the National Labor Relations Board and other personnel services of the Board in the District of Columbia and elsewhere necessary in performing the duties imposed by law or in pursuance of law, $2,072,000.

Mr. MURDOCK of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Utah: On page 53, line 21, strike out "$2,072,000" and insert "$2,320,000."

Mr. MURDOCK of Utah. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mrs. NORTON. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. MURDOCK of Utah. I hope the gentlewoman will not insist on the point of order.

Mrs. NORTON. I withdraw the point of order, Mr. Chairman.

Mr. MURDOCK of Utah. Mr. Chairman, I had hoped that when we reached this point in the bill, to wit, the appropriations for the National Labor Relations Board in the administration of the National Labor Relations Act, the friends of labor would fill every seat on the floor of this House, because, in my opinion, no amendment which has been or will be offered to this bill is quite as important to the cause of labor as the amendment which I have offered. My amendment simply restores to the amount of the Budget estimate the appropriation for salaries of the personnel of the National Labor Relations Board.

Labor legislation, from the time of the introduction of the first bill in Congress for the improvement of conditions for the great mass of American labor, has had rough going. The friends of labor legislation have had to battle every inch of the way for each and every item intended to improve the working conditions, the economic and social position, and other matters pertinent to the subject. Great barriers have been raised by able legislators to thwart and impede and hamper every bill submitted to Congress in behalf of labor. After the legislative battle had been won, then labor found the going just as tough, just as hard, with just as many barriers and hurdles to overcome, before the judiciary, as they found it in the Halls of Congress. Acts such as the Clayton Act, the very purpose of which was to aid labor against adverse court decisions, were almost immediately turned into weapons against labor instead of weapons in its behalf, as was intended by Congress.

The friends of labor in Congress, led by Mr. LaGuardia in the House and Mr. NORRIS of the the Senate, were successful in enacting the LaGuardia-Norris Act—another milestone of progress in labor legislation. Collective bargaining and rights protecting independent organization found their first encouragement under Federal legislation in the N. I. R. A., but because of defects in this act and a none-too-favorable judiciary, these great fundamental principles, the very cornerstones of protection for the man who labors, were soon found to be ineffectual and were finally stricken down by the Supreme Court when it held this act unconstitutional.

But almost immediately after the striking down of the N. I. R. A., that indomitable statesman, Senator WAGNER, began to rebuild on the fundamental principles of collective bargaining and freedom and independence in organization. Then after months of hearings and one of the most bitterly fought legislative battles that has ever been fought under the dome of the Capitol, where every inch of ground was only won after the most persistent efforts on the part of the friends of labor in the National Congress, the National Labor Relations Act was passed. After its passage by Congress and approval by the President, it received about the same reception that had been accorded every other piece of labor legislation. A hostile press, joined by hostile industrialists, buttressed by the keenest legal brains in the United States, began a devastating, destructive, and incessant war against this magna carta of labor, this act which meant the emancipation of the men and women upon whose shoulders this great Nation largely depends.

No act ever passed by the Congress met with more criticism, more condemnation, and more hostile attack than the National Labor Relations Act. Even before a Board was appointed to administer the act we find the unprecedented, deplorable, and despicable spectacle of 58 Liberty League lawyers, men whose profession solemnly devolves upon them more than any other group in the United States the responsibility of upholding the law of the land duly passed by the Congress and approved by the President, banding themselves together and, under the deceptive guise of legalistic vigilantes, jointly issuing their solemn and, as they styled it, well-considered opinion that the National Labor Relations Act was unconstitutional. Not being satisfied with this, they took the next step of inciting and encouraging disobedience to the act, rebellion against it, on the grounds that they had determined it was unconstitutional; unwilling to abide by the deliberate and well-considered action of the Congress and the approval of the President under the democratic processes of the Constitution, unwilling to await action by the Supreme Court, they maliciously and deliberately endeavored to usurp the powers of the Court for the destruction of this law passed for the benefit of the workers. Happily, under the Constitution of the United States this unprecedented, unlawful, and despicable act of this group of lawyers was not given much weight by the Supreme Court, which, in April 1937, decided that the act was constitutional.

A Board was appointed to administer the act. And, may I say, there never was an agency in the Government confronted with a more difficult, a more thankless, a more misunderstood job than the Board which was appointed to administer the National Labor Relations Act. Not only were they confronted from the time of their appointment with the bitter hostility of the traditional foes of labor, but in the ranks of labor itself two great hostile factions arose, adding enormously to the already difficult position of the National Labor Relations Board. In my opinion, the Board has vigorously and courageously administered the act. Mistakes have been made, of course, but did human agency ever do anything without mistakes?

Coming now to the matter immediately in hand and to which my amendment is directed, I call your attention to the fact that the Appropriations Committee, acting on the recommendation and the report of the subcommittee handling this legislation, the chairman of which is the distinguished gentleman from Georgia [Mr. TARVER], saw fit to reduce the appropriation for the three members of the National Labor Relations Board, and other personnel services of the Board in the District of Columbia and elsewhere, necessary in performing the duties imposed by law, or in pursuance of law, from $3,180,000 to $2,072,000, a total of $248,000, itemized in their report as follows:

Field examiners	$18,000
Clerical staff	21,000
Field attorneys	48,000
Administrative Division	20,000
Trial Examining Division	57,000
Division of Economic Research	45,600
Legal Division:	
Litigation section	15,400
Review section	18,000
Reduction in salaries of employees given more than two-step administrative promotions in 1939	5,000

As I understand the duties of the Appropriations Committee of this House, it is their province to consider the amount of appropriations necessary to carry on the functions and the administration of acts passed by Congress. Certainly, if they recommend reduction of an item of appropriation they are within their rights, they are exercising the prerogatives delegated to them by the House, and I have no quarrel with this delegation of authority. But it is my understanding that this committee has absolutely no right, under the rules of this House, to change existing law in an appropriation bill. If it has no right to change existing law directly in an appropriation bill, then most certainly it has no right, power, or authority to change existing law, or even attempt to change existing law, by the indirect method which this subcommittee and the Appropriations Committee are attempting in connection with the item of $45,600 set out above, and which is required to maintain the division of economic research set up by the National Labor Relations Act. But it is by this questionable method, by this unauthorized method, that the elimination of this item of appropria-

tion for the division of economic research of the National Labor Relations Board is being attempted.

I call your attention, Mr. Chairman, to page 36 of the report accompanying this appropriation bill. The last sentence in the first paragraph on that page reads as follows:

It is felt, however, that no need exists for a division of economic research, and it is expected that this section will be entirely eliminated.

Why did the subcommittee, and why did the Appropriations Committee, not put a proviso in the bill itself to do directly what they are attempting to do, and probably will do, by this questionable method, indirectly? The answer is this: If such a proviso were contained in the bill, it would be subject to a point of order and stricken out. Knowing this, but intent on achieving by indirection something that could not be done directly, they put the statement set out above in their report.

It will probably be argued this afternoon that this admonition contained in the report is not mandatory, that the Board could ignore it, which, of course, it could lawfully do, but Mr. Chairman, the power that controls the purse strings can accomplish, by this indirect method, more than it could accomplish if such a proviso had been put in the bill. Is there an agency of the Government, is there a Board or Department that would dare to ignore the admonition contained in this report? My answer is "No," and I am just as sure as I am standing here that the subcommittee and the Appropriations Committee knew what the effect of such an admonition would be. My term in Congress has not been long, but in the nearly 8 years that I have been here this is the first time I have seen this procedure resorted to for the purpose of avoiding the raising of a point of order, but nevertheless with the intent of accomplishing the purpose of changing existing law.

Now, let us consider for a minute whether it will change existing law. What is the law that will be affected? We find in the National Labor Relations Act this clause:

Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor.

This clause without doubt shows that the question of maintaining an economic research division was considered by Congress; it indicates clearly that Congress had in mind the Statistical and economic research bureau of the Department of Labor, now so ably administered by Dr. Lubin; but it just as conclusively shows that Congress considered that the National Labor Relations Board would probably need statistical work and economic research performed that they could not get from the Department of Labor. It shows conclusively that Congress did not want a duplication of effort, did not want a duplication of expense, but that Congress knew that economic data and statistical data would be necessary in the efficient administration of the National Labor Relations Act. It was for this purpose that the above clause was written into the act, giving to the Board, at least by implication, full right and authority to supply itself with any and all statistics and to perform any and all economic research that it could not get from the Department of Labor through its own personnel. This very subcommittee and the Appropriations Committee of the House have, time and again, construed the clause set out above as meaning just what I say it means today. They have construed this law to mean what I contend that it means today by carrying an item in the appropriation bill each year since the enactment of the law for the division of economic research. Mr. Chairman, I have carefully analyzed the hearings on this item, and, because they are brief, I include them in toto so that the RECORD will be complete and clear on this question.

EXHIBIT A

DIVISION OF ECONOMIC RESEARCH

Mr. TARVER. The figures at the top of page 29 will go into the record at this point.

(The figures referred to are as follows:)

	Total number of positions	Total salaries
Fiscal year 1940, estimate	15	$45,600
Fiscal year 1941, estimate	15	45,600

Mr. TARVER. It appears that you intend to retain the same number of employees as you have for the present year.

SALARIES OF PERSONNEL

There are some questions that we want to ask you with regard to the activities of this division of economic research. What are the salaries attaching to those positions?

Mrs. STERN. I will describe the salaries. They are in the professional classification in the Budget.

Mr. MADDEN. That is on page 215 of the Budget.

Mrs. STERN. The Chief Economist is classified as grade 7, P-7, that is professional classification, receiving $6,500 a year.

There is one senior economist, grade P-5, $4,600.

There is one associate industrial economist, grade P-4, at $3,800.

There are three associate economists, grade P-3, averaging $3,200 each.

There are five assistant economists, grade P-2, averaging $2,626 each.

There are four junior economists each receiving $2,000.

ACTIVITIES OF DIVISION

Mr. TARVER. May I ask if the duties of these people are to prepare case statistics to enlighten on the activities of the Board such as the numbers and different types of cases?

Mrs. STERN. Yes; that is one part of it.

Mr. TARVER. Would you explain what the other parts of it are.

Mr. MADDEN. The preparation of a Labor Relations case for trial very often involves an investigation of economic problems. Take this question of jurisdiction. When the Board first undertakes a case in a particular industry, it is necessary to make an investigation of the way in which that industry in general and the particular plant or employer does its business; where its raw materials are coming from; where its goods are shipped to.

Now a lawyer could make that investigation but he does not know where to look for the information the way that one who has had some education in economics does; that is, you may get the information from papers filed with the Securities and Exchange Commission. You may get it out of such books as Moody's Manual, Dun & Bradstreet, or other financial sources. You may get it from other trade magazines. You may get information about labor organizations and their history. You may get these out of reports of conventions of labor organizations. The economist can do that chore much more quickly than a lawyer can because he does know that source material and knows where to go for it.

Mr. TARVER. Their work, as I understand it, consists in addition to the collection of statistics regarding cases which have been handled by the Board, in the preparation of the evidence particularly that of expert witnesses to be used by the review and legal division in the performance of their duties?

Mr. MADDEN. Yes; either in the preparation of materials for the trial of the case, things to be put into evidence at the hearings, or else on the other side assisting the review division of the Board in the analysis of the economic facts that may be in evidence.

Mr. TARVER. Do they contact for you expert witnesses and go over with those witnesses the facts with regard to any particular pending matter?

Mr. MADDEN. They may.

Mr. TARVER. That is, of what value their evidence would be?

Mr. MADDEN. They may. We do not have many cases in which we use expert witnesses. In a handful of cases our chief economist has, like other Government departments do, himself taken the stand as an expert and has testified to certain things as an expert. Very often the employer hires an expert and puts him on the witness stand in his behalf. The actual giving of expert testimony is not a very large part of their job although the chief economist has done it a few times. Very frequently the transcript of the evidence and the exhibits which come into the Board may contain a mass of figures and employment figures, such as the number of hours worked by each man over perhaps a considerable period, and there may be figures concerning hundreds of men, because the problem for the Board may be this: Whether 10 members of the union were discriminated against when they were laid off and other people were not laid off.

Well, the answer may be right in this mass of figures and somebody has to settle down and go through those records and distill out of it the answer that those records will disclose. Now, an economist can do that more quickly and more intelligently than a lawyer, because he has a certain technique and methods whereby he can tabulate things like that and bring forth what the right answer is.

Mr. TARVER. Who is the head of this division?

Mr. MADDEN. Mr. David Saposs.

Mr. TARVER. I understand that Dr. Saposs testified before the Smith committee that he had some 14 economists and some 30 persons in all working and making up the staff of his division. What employees does he have besides these 15 who are listed here?

Mr. MADDEN. I do not know whether he meant to say that that included all the stenographers and typists.

Mrs. STERN. And the clerical help.

Mr. MADDEN. I might say at the moment with reference to those 15, I am sure that he has in that division, in addition to the 15 professional people, a few people who are classified as clerks. But they are economic clerks, so to speak. I mean, they are not typists or stenographers in the ordinary sense. They are persons who do have some training in the technique of what these other people do and who do these economic chores or help to do them.

Mr. TARVER. Among the other information collated by this division, is there information as to labor strikes and labor conditions, and other material of that type?

Mr. MADDEN. No; we get all that information about strikes and the causes of strikes from the Bureau of Labor Statistics of the United States Department of Labor.

RELATION OF WORK TO THAT OF BUREAU OF LABOR STATISTICS

Mr. TARVER. What I am interested in there is whether or not you are duplicating work of the Bureau of Labor Statistics in that field?

Mr. MADDEN. We are not. The Chief of the Bureau of Labor Statistics testified before the Smith committee on Wednesday, and he said in that testimony that we were not duplicating anything that he and his Bureau were doing.

Mr. TARVER. Do you need 14 economists to analyze this material and prepare evidence for the review and legal divisions? And also to do these various other things which you have outlined here? Is not a good part of that work, such as the collection of statistics regarding cases that you have had come under your jurisdiction, work of a type which might be performed by one who is not trained as an economist, or a lower-paid type of employee? Fourteen is a good many economists to have in one organization, it seems.

Mr. MADDEN. If your idea is that it could be done by cheaper help——

Mr. TARVER. By cutting down the number of your economists and perhaps increasing or leaving at its present level the number of your other employees in that division could you not handle that work satisfactorily?

Mr. MADDEN. Of course, I cannot tell you, Mr. Chairman, about this division, any more than I can about Mr. Fahy's division or any other division, that I know of my personal knowledge that every person in there is needed. I take Mr. Fahy's word to a considerable extent as to the needs of the legal division. I have no reason to think that he would pad his division and pretend to need the help that he does not need. And in the same way I cannot be absolutely certain that every person in the economics division is needed. But I know that every addition to the present staff has been gotten by the chief of the division by great pressure on the Board and great argument to the Board that he needed this additional position and that he has convinced the Board that he did need it. I cannot say at all that he does not.

Mr. TARVER. I believe that section 4 of the act under which you operate provides that you shall not appoint persons for the purpose of obtaining statistical information where such service may be obtained from the Department of Labor, does it not?

Mr. FAHY. Yes; there is that provision in the act. But as I said, Dr. Lubin, the Commissioner of Labor Statistics of the Department of Labor, testified before the Smith committee on the 28th of February.

Mr. TARVER. I do not think that we would care to have any excerpts from some witness' testimony there without having the others' and I do not believe we would care to go into that more deeply than I have undertaken to do in this rather brief and superficial examination.

QUALIFICATIONS AND SALARIES OF ECONOMISTS

Mr. HARE. Do you have any special qualifications to apply to your economists?

Mr. MADDEN. Oh, yes; those are all civil-service positions, the economists' positions.

Mr. HARE. In other words, they have special training in that field?

Mr. MADDEN. Yes; and they are obtained from the Civil Service Commission. We simply call upon the Commission.

Mr. HARE. I think the question is, if you can obtain them from the Commission, Judge TARVER's inquiry was that probably that instead of using 14 or 15 highly trained technical men that they might be reduced to a half a dozen economists who are trained to take statistics and analyze and interpret their meaning and the remainder on the force might be what we know in most of the departments as statistical clerks who could obtain this information by research or perhaps from some other department of the Government. I gather that that was the purpose of Judge TARVER's inquiry, to see whether or not this item could be reduced.

Mrs. STERN. There are on this staff 3 economists at $3,800 and the balance of the 15 are below $3,800. As a matter of fact the balance of the latter is $3,200, or below that.

Mr. MADDEN. Twelve of the fifteen are $3,200, are they not?

Mrs. STERN. Or below. As a matter of fact, you can say that 9 are at $2,600 or below. The greater proportion of those people who at most constitute a very small percentage of the total amount devoted to salaries are below $3,200 and they in turn preside over a clerical staff which answers to their directions in looking up material, and so forth. And they must be responsible, of necessity, knowing that the statistics have got to be put in a form where the correct conclusions can be drawn. This is not just statistical material, of course, but it is economic research material. You would not think, of course, turning over an important case to a low-class lawyer without being under the supervision of a high-class trial lawyer.

Mr. HARE. The thing that strikes me as being strange is that you have here a requirement of technical training, highly technical training for economists, and then you have quite a number of others where no training and experience is required at all in their work. That is what has been testified to here.

Mr. MADDEN. Of these economists there is scarcely one of them that I would send out to be a field examiner or a regional director. They are not just that kind of people.

Mr. HARE. The point that I am getting at is that it is strange to me that you are able to get these highly technical trained people at a salary lower than you get people that have no requirements as to experience and training.

Mr. MADDEN. That is just the way the market is.

Mr. HARE. And with reference to those no experience is required.

Mr. MADDEN. That is just the way the market is. I think that it is perhaps unfortunate that some of these people, nearly all of these economists have a Ph. D. degree which would mean 7 years of higher education, but it just happens that the market at this time for economists is in that state.

Mr. HARE. It is flooded more than the market for lawyers, is that it?

Mr. MADDEN. And it happens also that you can turn out economists more or less en masse. I mean you can take almost any kind of individual and if you put him through a certain type of education he can do this kind of work. But this other business of tact, judgment, and experience, and all that kind of thing that you need to go out and confront a savage employer and a savage labor leader is something else again.

Mr. HARE. I would not want to argue with you on that point at all. The point that I am trying to get at is to endorse the position taken by Judge TARVER. The point which occurred to me in reading these figures here and the justification for them is whether or not the amount of work in this Board was such as to require the employment of 14 or 15 highly trained technical economists. There is a question in my mind as to whether or not you could not get people at smaller salaries to do some of the work.

Mr. MADDEN. You would have to start pretty low when, as Mrs. Stern says, 9 out of 15 get $2,600 or less. You cannot go very much below that and pay them what a first-class stenographer gets.

Mr. HARE. Then the next question I would ask myself is whether or not if you are getting these men for $2,600 whether they are really highly technical trained economists or whether or not they are just called economists by name.

Mr. MADDEN. No; I think that again is a question of the market. I think it is probably unfortunate that these people with plenty of education and plenty of capacity in their lines are as available at these low prices.

Mr. ENGEL. In other words, you are paying doctors of philosophy $2,000 and doctors of hard knocks $7,000; is that the idea?

Mr. MADDEN. That is the way it works.

Mr. ENGEL. These salaries totaling $45,600—that division is all taken up by economists?

Mr. MADDEN. That is right.

Mr. ENGEL. What other salaries—they have stenographers in that Division?

Mrs. STERN. Yes.

TOTAL COST OF DIVISION

Mr. ENGEL. What is the total cost of the total number of positions that you have in this division of economic research and the total cost of the Division?

Mrs. STERN. I have to give you that. As I explained here in the justification, the entire clerical administration of everyone of the staff is included in that first item of departmental service that you looked at on page 27. May I furnish this for the record? I think it would probably come out something like 15 clerical and stenographic people.

Mr. ENGEL. Are there any other people in those, in that division, outside of clerical and stenographic people?

Mrs. STERN. No, sir.

Mr. ENGEL. Would you furnish that?

Mrs. STERN. Except these economists.

Mr. ENGEL. I mean in addition to them.

Mrs. STERN. Oh, yes. Of course.

Mr. TARVER. Will you furnish a break-down of the cost of the entire division, including the economists and the clerical and stenographic help?

Mrs. STERN. Yes.

(The information is as follows:)

Cost of personnel, Division of Economic Research

	Number	Amount
Economists	15	$45,900
Clerical and stenographic	14	23,700
Total	29	69,600

Mr. ENGEL. Do you know what the salary grading is of a statistician?

Mr. SHOVER. The grades of statisticians vary.

Mr. ENGEL. What do those salaries run to?

Mr. SHOVER. Under the civil-service rating the lowest is for junior professional statistician, $2,000.

Mr. ENGEL. And if you change this classification from economist to statistician you will still have to pay the same salary practically?

Mr. MADDEN. I have heard of such a classification as a statistical clerk but I suppose it is below $2,000. It may be $1,600 or something like that.

Mrs. STERN. Most of these people are not doing statistical work.

GROWTH OF DIVISION

Mr. TARVER. How many economists did you have in this division in the fiscal year 1939?

Mrs. STERN. The same number.

Mr. MADDEN. In 1939, are you sure of that?

Mrs. STERN. In 1939, yes; I am quite sure we had the same number and the same number for 1940 and 1941.

Mr. TARVER. The gentleman just stated off the record that it was gradually worked up by this number as the need therefor developed. It seems to me you have had the same number for the last 2 or 3 fiscal years.

Mr. MADDEN. I would not be sure of that. My impression would be that there were probably two or three added in 1940 but I am not sure.

Mr. HARE. You anticipate an increase?

Mr. MADDEN. Well, I would say this, that we did not start out back yonder to set up an abstract economic division with 15 economists in it. We started out with the chief economist and some very small number of assistants and whether it was done before 1939 or not, why, the positions were added only one or two at a time and as each one of them, as my colleague Mr. Edwin Smith will testify, Mr. Saposs had to argue pretty hard with the Board to get it because I think it is always hard for people outside a particular profession or particular line of work to understand what the fellows are doing in the other line of work. I think it is hard for the economists to understand why it takes so many lawyers and what, if anything, the lawyers do over there. They are busy, and I hope, usefully busy.

Mrs. STERN. May I give you the figures you asked for? There were 11 men in the Budget of 1939 as submitted in the estimate of 1940.

Mr. HARE. Did you anticipate an increase in this, as I judge from the justification there?

Mr. MADDEN. No, sir. Those are people who are employed at the present time.

Mr. TARVER. Our figures here show 13 for 1939 instead of 11. On page 215 of the bill there is 1 at $6,500, 1 at $4,600, 3 at $3,200, 5 at $2,620, and 3 at $2,000.

Mr. MADDEN. That would be 13.

Mrs. STERN. Well, as I said, I took my figures from the estimate submitted in the 1940 Budget.

Mr. HARE. Going back to my inquiry as to whether or not you anticipated this increase in this force. I notice in the justification, however, you say that the growing complexity of the jurisdictional problems as the Board approaches the outer periphery, and questions on merits of cases, as employers exercise more subtlety in violations might well be expected to entail an increase in this staff.

Mr. MADDEN. That means if you gentlemen want to give us a little more money.

Mr. HARE. It is not a question of what we gentlemen want to give you. It is a question of what the work is and what you are going to require. That is what I want to get at.

Mr. MADDEN. It is like a good many other things, I suppose. This is an honest statement of what we think we need, namely, that we need more such people.

Mr. HARE. Do you anticipate that there will be an increased lack of cooperation on the part of employers in this work?

Mr. MADDEN. No; I should say that our cases probably will not increase in number but our experience is that those who do violate the law learn how to do it more subtly than they used to in the good old days when they did not think it was the law.

Mr. HARE. Then this word "subtlety" here is used in the wrong place. They cooperate more adroitly than they violate the law subtly?

Mr. MADDEN. No; that is not what I mean. I meant that those who do violate the law violate it more subtly and make, therefore, a more difficult case to prepare for trial than what we used to have.

Why, in the beginning, the employer if he wanted to discharge a man for being in union activities he said so and then when he came in to the trial he appeared and pleaded specially that the law was unconstitutional and turned his back and walked out of the hearing. And so the trial of the case on the facts was fairly easy. But nowadays, of course, nothing like that happens, and so if one is violating the law he does it in a way that makes it pretty hard to catch him, and you have to investigate very carefully and very fully in order to make a case. That is definitely our experience.

Mr. HARE. And with that experience you would naturally expect an increase in your staff?

Mr. MADDEN. Well, according to what the Bureau of the Budget has done here we are not going to get an increase.

Mrs. STERN. The same thing will hold true if you read through the work and requirements of the legal division. And the same thing happens, as a matter of fact, with respect to the field staff. We have a very tight budget here for the work we have to do.

I challenge any member of the subcommittee handling this bill today, any member of the Appropriations Committee, or any Member of the House, to point to one syllable of substantial evidence which will support them in their destruction of the division of economic research of the National Labor Relations Board. In finding no evidence to support this action on the part of the subcommittee and the Appropriations Committee, I began wondering why it was done. I contacted the distinguished chairman of the subcommittee. I asked him the question point-blank if it was the accusations made against Dr. Saposs before the Dies committee and before the Smith committee that caused his subcommittee to take the action which they have taken. He assured me emphatically that it was not. I accepted his statement, and for that reason will not, this afternoon, go into the question of the political philosophy of Dr. Saposs. In his philosophy I am not interested. I hold no brief for him nor for any other employee of the National Labor Relations Board. He and they must stand upon their own record. But Mr. Chairman, I do hold a brief for orderly parliamentary procedure in this, the greatest deliberative legislative body in the world. Seldom a day passes in this House that we do not hear somebody refer to the solemnity of our parliamentary rules of procedure. Without such rules we could not function for a day. Without such rules, chaos instead of order would confront us here in this great Chamber. I consider what is attempted here today in this effort to destroy the division of economic research of the National Labor Relations Board to be a violation of the solemn rules of this House. While I have no doubt about the statement of the gentleman from Georgia, Judge TARVER, that Dr. Saposs and his political and economic and social statements and writings had no bearing whatever on the action of his subcommittee on this item, there are other Members of this body who have indicated that their vote will be cast on that basis, and I am sure that in the argument this subject will be the first target of those who oppose my amendment restoring the amount of the appropriation to the National Labor Relations Board to the Budget estimate. But I intend to confine my argument to the rules of the House and to the devastating and destructive effect of eliminating the division of economic research in the administration of the National Relations Act.

Who was it that pioneered in bringing to the attention of the courts the importance, in the solution of legal questions, of economic data and information? It was none other than that distinguished Justice of the Supreme Court, Hon. Louis D. Brandeis. From that day back in 1907 until the present time, the importance of economists and economic data in the trial and disposal of litigation has progressively become greater. In every important lawsuit today involving great financial, industrial, economic, and social questions we find the economist sitting right at the side of the great lawyer. The economist has become the right arm of the lawyer in the preparation, in the trial, and in the briefing of legal questions. Under the National Labor Relations Act, one of the first questions confronting the National Labor Relations Board on every charge or complaint filed with them, is the question of jurisdiction under the commerce clause of the Constitution. On this question they must have economic data, they must know the source of raw materials, they must know the transportation problems involved, they must know where the finished products are consumed, they must know how much of the business or the operation of the respondent is intrastate and how much of it is interstate. How can this information be most efficiently and most inexpensively secured? The answer is, by using people specially trained, people who know the sources of such information, and who can efficiently and speedily compile it and analyze it. Absolute necessity prompted the setting up of the division of economic research. It is indispensable in the efficient administration of the act. The result of its elimination and destruction is to handicap and cripple the Board in carrying the benefits of the act to the laborers of America. If this division of economic research is eliminated, we will find the attorneys for the National Labor Relations Board sorely handicapped when, without this help, they walk into the courts and before the trial examiners of

the Board, and are confronted by the keenest lawyers in the United States, aided by the outstanding economists of the country.

I wonder if we want such a condition to exist. My answer is, "No"; and I hope that all prejudice and all bias and all fanaticism can be cast aside today, and that our votes on this question will ultimately be cast on the question as to the necessity for such an economic research division in the efficient administration of the National Labor Relations Board. It probably will be argued this afternoon by members of the subcommittee that the case load of the National Labor Relations Board is decreasing. I am happy to admit that there were fewer cases filed in the year ending June 30, 1939, than in the year ending June 30, 1938. To me this indicates a healthy condition. It indicates that the act and its administration are having the proper effect on the relations between the employee and the employer. But, in considering the present work of the Board, we must also consider two other items, which, in my opinion, are very relevant to the issue and must be considered in order to arrive at a proper conclusion. On June 30, 1938, the number of cases pending was 3,778; on June 30, 1939, the number of cases pending was 4,103. Certainly these figures do not indicate that the great load of the Board is less now than it was at the beginning of 1938. We must also take into consideration this fact, that before the constitutionality of the act was declared by the Supreme Court, the defense in the great majority of cases was simply the question of constitutionality. Since the establishment of the law's constitutionality the cases are being more closely tried by the respondents. Every technicality and every issue that can possibly be raised is raised so that the trial of cases on the part of the Board has become more technical and more burdensome, necessitating, of course, more economic data, more economic research. Since the report of the subcommittee has been published and its action has come to the attention of the press, we find that many newspapers which have been severe critics of the National Labor Relations Act and Board in the past are now condemning, in no uncertain terms, the action taken to eliminate the division of economic research. As illustrative of this attack I include below a report from the Christian Science Monitor of March 23, 1940 [see exhibit B], also the column by Ernest K. Lindley appearing in the Washington Post as of Wednesday, March 27 [see exhibit C].

You will have seen by reading from the hearings of the committee, set out above, that Chairman Madden, of the National Labor Relations Board, stressed the fact that the division of economic research had been built up step by step, and only after thorough investigation by the Board of the recommendation of the head of the division. You will see that he considers the economic division of utmost importance to the administration of the act, and that is about the only evidence before the committee on this question. After reading his testimony, and being familiar with the testimony of Dr. Lubin before the Smith committee, I contacted Dr. Leiserson, of the Board, and asked him what he thought of the elimination of the division of economic research. In response to my inquiry, he wrote me the letter, a copy of which is attached. [See exhibit D.]

Inasmuch as I have referred to Dr. Lubin's testimony before the Smith committee, I call your attention to the fact that he very emphatically advised that committee that there was no duplication by the National Labor Relations Board of work being done by his Bureau.

Mr. ENGEL. Mr. Chairman, will the gentleman yield for a question?

Mr. MURDOCK of Utah. I yield.

Mr. ENGEL. Is it the purpose of the gentleman to offer an amendment to restore the Budget figures on this National Labor Board item?

Mr. MURDOCK of Utah. That is what my amendment does.

Mr. ENGEL. It restores the Budget figures on this appropriation?

Mr. MURDOCK of Utah. As I understand it, that is what my amendment does.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. FITZPATRICK. As a member of the Appropriations Committee, I am in sympathy with the gentleman's amendment and believe the Budget recommendation should be restored.

Mr. MURDOCK of Utah. I am glad to hear the gentleman say that.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. THOMAS F. FORD. I happened to be at the hearings of the Smith committee when Dr. Saposs was examined. They were not apparently concerned with whether or not he was a factor in the Board's administration. They devoted all their time trying to prove that he was something the evidence did not show he was.

Mr. MURDOCK of Utah. I thank the gentleman from California for this contribution. It is typical of his fairmindedness. I have served with the gentleman from California now for 8 years, and I have always admired his tolerance, his progressive viewpoint, and his ardent adherence to fair play. As to Dr. Saposs, who he is, what he has said, or what he has written, in my opinion, is beside the point that we are discussing today, so I will not go into that question further.

In conclusion, Mr. Chairman, I call your attention to the fact that there is pending today before the Labor Committee of this House, over which the distinguished lady from New Jersey, MARY NORTON, presides an amendment dealing directly with the question of prohibiting the National Labor Relations Board from maintaining a division of economic research. On the Labor Committee are serving some of the most distinguished Members of this House. Is it fair to them, is it orderly procedure, to attempt indirectly to eliminate this division by a cut in the appropriation instead of awaiting the action of the Labor Committee before taking such a step? Once again I call your attention to the importance of adherence to and compliance with the rules of the House. I earnestly request in behalf of the people for whom the National Labor Relations Act was passed that you do not by this method hamper, impede, and hamstring the administration of this act. I trust that my amendment will be adopted.

EXHIBIT B

[From the Christian Science Monitor of March 23, 1940]

REAL LABOR BOARD FIGHT IS ON ECONOMICS ISSUE—SMITH COMMITTEE AND HOUSE APPROPRIATIONS REPORT URGED THAT BOARD'S DIVISION ON ECONOMICS AND RESEARCH BE ABOLISHED—SHAFT IS AIMED AT ITS HEAD, WHO HAS DENIED CHARGES OF COMMUNISTIC LEANINGS

WASHINGTON, March 23.—The present battle against the National Labor Relations Board turns largely in the House on whether or not its division on economics and research should be abolished. The special Smith committee investigating the Board voted 3 to 2 to abolish it; the regular Labor Committee of the House this week rejected the Smith proposal; now the House Appropriations Committee recommends that it be wiped out, and that the $95,000 of economists' salaries be deducted for the Board's appropriations.

For a long time now economists have stood, figuratively, at the elbow of frock-coated lawyers who argued in suave tones labor cases before the nine members of the United States Supreme Court. The use of economic facts in labor cases was introduced dramatically before the black-robed Supreme Court by Louis D. Brandeis in 1907 in *Muller* v. *Oregon*, assisted by Josephine Goldmark, in a case which established the reasonableness of general hours legislation for women.

STEPS TO SUPREME COURT

Mr. Brandeis himself was elevated to the Supreme Court, and Felix Frankfurter was substituted as counsel in *Bunting* v. *Oregon* in 1916, and a 35-page list of economic and factual sources was included in the brief. Again and again in matters dealing with labor, the same Brandeis-Goldmark-Frankfurter system of economic briefs has been used in recent years or modified to meet special issues. In the Government's unsuccessful effort to outlaw child labor in *Hammer* v. *Dagenhart*, both sides offered economic factual material with elaborate citations to support arguments for or against the thesis that child labor is injurious, and subject to Federal control.

The first five cases brought by the Labor Board itself before the Supreme Court featured economic arguments. To prove the constitutionality of the collective-bargaining provisions of the Wagner Act, it was necessary to convince the Court that industrial strikes affect interstate commerce, and result in part from an ab-

sence of collective bargaining. The Labor Board established its division of economic research, which is now under congressional attack, with the express purpose of preparing material needed in court presentations, and later extended it to secure guidance in technical industrial matters.

ECONOMICS, NOT LAW

Labor Board officials point with pride to their Supreme Court "score" of 19 orders enforced, and only 2 denied and 68 to 19 in Circuit Courts and attribute the success at least in part to the economic data supplied. In recent cases, with constitutionality assured, economic data have been less frequently used.

How does economics find its way into a law court, where matters are supposed to be decided on constitutional issues?

The Supreme Court supplied the answer itself in *Muller* v. *Oregon*, in response to the Brandeis brief which had been attacked as irrelevant by opposing counsel. While pointing out that "constitutional questions, it is true, are not settled by even a consensus of present public opinion" the Court said that "at the same time, when a question of fact is debated and debatable, then "a widespread and long-continued belief concerning it is worthy of consideration. We take judicial cognizance of all matters of general knowledge."

OLD ISSUE REAPPEARS

The same issue came up again in the Labor Board's famous Jones and Laughlin case, in which Chief Justice Hughes cited in a footnote some of the nonlegal economic documents referred to by the Board, in deciding in its favor, although the opposing counsel had characterized the material as "rank hearsay, rumor, unqualified opinion, and totally irrelevant."

In a recent compilation of famous labor cases before the Supreme Court, David Ziskind, of the Department of Labor, writing in the University of Chicago Law Review, June 1939, estimates that in cases where one party used economic data and the other did not, victory went to the former 16 times and to the latter only 3 times. This was something more than a coincidence, he concluded.

"The Supreme Court opinions," he wrote, "bear many grateful acknowledgements of the economic data submitted * * * as long as courts seek the reasonableness of legislation in a changing economic order, as long as laws require an effect upon interstate commerce, or as long as attorneys must prove an intent to accomplish an economic objective, there will remain a need for economic data."

WHERE FIGHT CENTERS

Nevertheless the drive in Congress against the particular economic division of the Labor Board continues. It is directed against a particular personality, that of Dr. David J. Saposs, the N. L. R. B. research head. Largely to oust him, the drive against the whole Economic Division is instituted.

Dr. Saposs came to the Board from the United States Labor Department. He took undergraduate and graduate work at the University of Wisconsin and assisted Prof. John R. Commons there. He has taught at the University of Toledo, at Columbia in extension courses, had an educational connection with the Amalgamated Clothing Workers, and taught at the Brookwood Labor College, a left-wing organization. He did research work for the Twentieth Century Fund, and had a fellowship from the Rockefeller Foundation.

While at Geneva, Dr. Saposs reported a meeting of a labor left-wing group. His report of their utterances was interpreted as voicing his own views, and he has been attacked before the Dies committee, by Senator EDWARD R. BURKE (D.), of Nebraska, and more recently by members of the Smith committee. Dr. Saposs has on numerous occasions denied he was a Communist or ever connected with communism. He cites Communist attacks against him. Neverthless it is generally agreed that the fight on the N. L. R. B. research division largely centers round his personality.

[From the Washington Post]

EXHIBIT C

STRANGLING THE N. L. R. A.

(By Ernest K. Lindley)

THOSE AMENDMENTS

Many proposals for amending the National Labor Relations Act are before Congress. Some are complex. Some, in the proper mixture, would amount to repeal of the law. But nobody is openly advocating its repeal.

Without waiting for the orderly consideration of proposed amendments, the House Appropriations Subcommittee has apparently decided that the law is not worthy of effective enforcement. It has set out to dispose of it by a combination of strangulation and amputation. It has cut about $330,000, or 10 percent, from the appropriation requested for an agency which for several years has been overworked as few agencies have been overworked since Hugh Johnson was managing the Blue Eagle. In spite of long hours at high pressure, the N. L. R. B. has not yet been able to catch up with the demands on it.

One slash of $57,000 would require dropping about one-fourth of the N. L. R. B.'s trial examiners. At present they number 39, and each of them takes testimony in about 30 cases a year. It is inconceivable that the number of cases heard by each examiner can be increased. If the cut stands, fewer cases will be heard. Although the number of cases brought to the Board shows signs of slacking off, many of the new cases are more complicated, or, to borrow Chairman Madden's word, more "subtle," than those sometimes heard in the earlier days.

Many employers started off on the assumption that the N. L. R. B. was unconstitutional. So they were advised in 1936 by some 58 of the highest-paid lawyers in the country, who obliged the American Liberty League by going on the record on this point. About a year later the Supreme Court—the old court, before a single Roosevelt appointee sat on it—emphatically decided that these lawyers and their clients, actual or prospective, were wrong. In those early days, employers and their lawyers openly challenged the law. They did not resort to the more refined evasions, the detection and determination of which naturally requires the taking of elaborate testimony, and therefore uses up the time of trial examiners.

While, on the whole, the House subcommittee rested on slow strangulation, through reduced appropriations, it resorted in one case to outright amputation. In effect it decided to abolish the use of the N. L. R. B. of the Brandeis brief. The Brandeis brief is one packed with facts, usually economic data. Louis D. Brandeis, retired Associate Justice of the Supreme Court, developed it 30 years or so ago.

The Brandeis brief recognizes that intelligent interpretations of law cannot be made by logic operating in a vacuum. The courts must know not only the bare facts of a case but the economic setting. In many types of cases involving finance, industry, and labor the Brandeis brief has come close to being the standard.

In its profound wisdom, however, a House subcommittee has decided, in effect, to repeal this great legal advance insofar as the N. L. R. B. is concerned by abolishing its economics division. It has cut out $45,900 for the 15 economists employed by this division. Apparently it overlooked $23,700 for the clerks and stenographers who now work for these economists, so that the net effect of this bit of discriminating economy would be to pay the salaries of 14 clerks and stenographers who would have no work to do.

Whether the N. L. R. B. needs 15 economists, or 10, or 5, or 20, I haven't the slightest idea. Chairman Madden of the N. L. R. B. told the subcommittee he did not and could not know exactly how many it needs. He relies on the head of that division, David Saposs, to tell him. He did say that every economist employed was employed only after Mr. Saposs had made a strong case to the Board members.

What is certain is that the N. L. R. B. cannot operate intelligently without the aid of economists. If it does not employ economists, it must employ lawyers who are familiar with economics, or it must rely on another agency for its economic information. Some members of the subcommittee apparently thought it should rely on the Bureau of Labor Statistics in the Labor Department. Dr. Lubin, Chief of that Bureau; Chairman Madden, of the N. L. R. B.; and other persons assert that the work of the economics division of the N. L. R. B. does not duplicate that of the Bureau of Labor Statistics.

Economic facts probably were decisive in the test cases in which the Supreme Court upheld the National Labor Relations Act in 1937. What part of an industry's raw materials was imported across State lines, and what part of its finished products was exported across State lines? These were basic facts in determining whether the industry was engaged in interstate commerce and therefore subject to Federal law. They were economic facts.

In the University of Chicago Law Review of last June, David Ziskind, a senior attorney in the Department of Labor, analyzed the results of the use of economic briefs in labor cases. He found that in 19 cases before Federal circuit courts of appeals, where one side used economic data and the other did not, the side which used them won 16 times, and the side which did not won only 3 times. He found also that when the N. L. R. B. used them it usually won, and that when, for one reason or another, it had neglected the economic side it had lost.

The effect of the proposed cut would be to deprive the N. L. R. B. of economic assistance and leave this powerful weapon to the exclusive use of violators of the law. This is a slash too significant to be explained under the heading of "economy."

EXHIBIT D

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., March 27, 1940.

Hon. ABE MURDOCK,
House of Representatives, Washington, D. C.

DEAR MR. MURDOCK: In response to your request for my opinion on the proposal to abolish the division of economic research, I submit the following:

1. The work of the Board would be very seriously handicapped if it were deprived of the services of the Division. The notion that no need exists for a division of economic research seems to me quite erroneous and can only be based on inadequate information of the functions which that division performs in connection with the work of the Labor Relations Board. Shortly after I was appointed to the Board I made a special study of the operations of the division, and I was convinced that the division and the research it carries on are essential to proper functioning of the Board and to efficient performance of the duties imposed on the Board by Congress. I came to this conclusion after questioning practically every member of the tariff of the division, inquiring into the work they were doing, and reading reports they submitted.

2. If I may say so, I think that those who are attempting to kill off the research division are shooting in the wrong direction.

There is need for reorganization of the Administrative Division of the Board, and a staff less heavily weighted with lawyers would be desirable. To provide a better balanced personnel the proportion of men trained or experienced in administration, economics, and in labor relations needs to be increased and the proportion of lawyers decreased. The proposal to eliminate that part of the staff which is trained in economics and labor research, therefore, seems to me particularly unwise at this time.

3. The work of the economic division is not decreasing. Although the number of complaint cases is slowly falling off, the problems involved in the complaints are becoming increasingly complex. Representation cases at the same time are becoming more numerous. Moreover, I do not find any other branch of the Government equipped to supply the Board with the particular type of economic information which the administration of the act requires.

4. The notion that the Board is primarily a prosecuting agency may be responsible for the proposal to eliminate the research division. This is an erroneous notion. The National Labor Relations Act is a remedial and not a penal statute; it empowers the Board only to find facts and to order appropriate remedies. For investigating and fact finding a research division is, of course, essential. For prosecuting it may not be needed. The effect of eliminating the division would be to make the Board more of a prosecuting agency and less an investigating body. This, I think, would be very unfortunate.

5. The proposed drastic cut in the appropriation for trial examiners is likely to have the same effect of emphasizing prosecution rather than careful investigation and fact finding. The need is for better trained trial examiners, and for more thorough and careful preparation of intermediate reports by the trial examiners. Much improvement, in this direction, has been made during the last year. The proposed cut for the trial examiners division will hamper this development, and will be a backward step in the direction of less careful investigation and fact finding.

In accordance with your request I am also enclosing a description of the functions of the division of economic research.

Sincerely yours,

WM. M. LEISERSON.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to proceed for 15 minutes.

Mr. WHITE of Idaho. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Georgia [Mr. TARVER] yield for a parliamentary inquiry?

Mr. WOOD. Is the debate going to be cut off?

Mr. TARVER. Mr. Chairman, I yield for a parliamentary inquiry.

Mr. WHITE of Idaho. Mr. Chairman, I would like to be heard on the amendment, and I want to know if there is going to be an opportunity to be heard?

Mr. TARVER. Mr. Chairman, I may assure the gentleman there is no disposition on the part of the committee to refuse reasonable opportunity for debate. However, that is a matter within the control of the Committee and not within our control.

Mr. Chairman, I ask unanimous consent to proceed for 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

Mr. WOOD. Mr. Chairman, reserving the right to object, in asking for 15 minutes there is no intention on the gentleman's part to prevent a full discussion or debate of this matter?

Mr. TARVER. Of course not. I think my friend knows me well enough to appreciate I would not have any such idea, and I could not control it if I wanted to.

Mr. WOOD. The gentleman is willing to help us extend the time so that everyone can be heard and not reduce the time to 2 or 3 minutes per Member?

Mr. TARVER. I am very much in favor of reasonable opportunity for debate, but the question of limiting the debate is with the Committee, not with me; that is, with the Committee of the Whole.

Mr. WOOD. But the gentleman makes the suggestion sometimes that debate be limited.

Mr. TARVER. It is absolutely necessary to do that sometimes, as the gentleman knows.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. TARVER] that he may be permitted to proceed for 15 minutes?

There was no objection.

Mr. TARVER. Mr. Chairman, I do not know that I shall consume 15 minutes. I simply do not want to have to make a hurried statement regarding the matters that I desire to discuss.

I had hoped that this question might be determined without anybody being accused of trying to destroy any instrumentality of the Government, on the one hand, or being accused, on the other hand, of being in favor of the oppression of industry. Surely men of the caliber of those who compose the membership of this House are capable of discussing a question of this sort as Americans, interested not only in labor but in employers, and in the welfare of the people as a whole. I am a friend of labor. I think every workingman in my district knows that to be true. I am also not ashamed to make the statement that I am a friend of employers, and I think it is absolutely necessary for the interest of labor that reasonable protection be accorded those furnishing employment in industry in this country. However, your subcommittee in undertaking to fix the amount of this appropriation had no thought in the world of endeavoring to influence the question of whether the National Labor Relations Act should be amended or repealed, or what legislative action should be taken with regard to it. Our only purpose was to try to fix what in our judgment would constitute a reasonable appropriation for carrying on this activity for the next fiscal year.

Mr. Chairman, I am not one of those who believe that the National Labor Relations Board is either a panacea for all the troubles of labor or that it is an ogre with horns and a tail undertaking to oppress industry. Surely there is a medium between these extremes. Surely a man in the discharge of his obligations as a Member of Congress may conscientiously stand upon the floor of this House and advocate a medium course without being charged with the purpose to violate the rules of the House by legislating on a matter of this sort, and without being charged with undertaking to destroy an instrumentality of the Government, and, on the other hand, if he takes the contrary position to the one which I am assuming, he should not be charged with being a radical or interested in trying to put oppressive burdens upon industry. Permit me to say that the information to which the gentleman from Utah [Mr. MURDOCK] referred as having come from me was information which I gave him in order to correct a mistaken impression under which he was laboring. He thought that our subcommittee had undertaken to cut out the Division of Economic Research because of Dr. Saposs, when no such thought was ever advanced by any member of the subcommittee. I know nothing about Dr. Saposs. Of course, I have read something since the committee took action and I heard the speech of the gentleman from Virginia [Mr. SMITH] on the floor the other day, but I do not conceive it to be the duty of a subcommittee of the Appropriations Committee to raise or lower appropriations in accordance with whether or not they like the type of man who happens to be at the head of a particular division or bureau.

That is not our concern. We have no appointing authority and we have no authority to remove employees. If this is a necessary activity under the authority of the National Labor Relations Board it ought to be carried on. If it is authorized by law and if it is not a duplication of other activities of the Government, and if an improper person is at the head of the Board—and I express no opinion regarding that one way or the other, because, as I say, it was not discussed by our subcommittee—then it is to be assumed that in some way a proper person will be placed in charge of the activities.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I am sorry I cannot yield now. I hope to be able to do so later.

The gentleman from Utah [Mr. MURDOCK] admitted that there is no express authority in the National Labor Relations Act for the setting up of a Division of Economic Research under the jurisdiction of the National Labor Relations Board. He says there is implied authority to that effect. Of course,

that is a matter about which there would naturally be among lawyers a difference of opinion, but there is one thing about which I do not believe you can differ with me and that is that any work which is being done by this Economic Research Division is necessarily a duplication of work that is authorized by law in express terms and that is being conducted under the Bureau of Labor Statistics in the Department of Labor.

Let us see if that is true. I have already called attention to the fact that the National Labor Relations Act gives this Board no express authority to set up such a division, and the gentleman from Utah admits that. What authority does the statute law give to the Bureau of Labor Statistics? I read from section 1 of chapter I of title XXIX of the United States Code defining the jurisdiction of that Bureau.

The general design and duties of the Bureau of Labor Statistics shall be to acquire and diffuse among the people of the United States useful information on subjects connected with labor, in the most general and comprehensive sense of that word, and especially upon its relation to capital, the hours of labor, the earnings of laboring men and women, and the means of promoting their material, social, intellectual, and moral prosperity.

Can there be any broader authority? Can there be any more express authority than that which I have just read for the carrying on of investigations of this sort within the jurisdiction of the Bureau of Labor Statistics? And does it not necessarily follow that investigations which are being carried on under the National Labor Relations Board not expressly authorized by law are necessarily a duplication of the operations of the Bureau of Labor Statistics?

How many economic analysts—and you understand, of course, that this division is composed of economic analysts 14 in number, with certain clerical assistants—are employed by the Bureau of Labor Statistics? There are 75 economic analysts being paid large salaries by the Government, with one legal research assistant, now engaged under the jurisdiction of the Bureau of Labor Statistics in studying problems of the character outlined in this section of the code which I have just read in your hearing.

With that the fact, and it must be the admitted fact, is there anyone who will say that we ought to permit the setting up under another authority of the Government without any express provision of legislation to that effect of an organization which is substantially undertaking to duplicate work already being done?

This committee is not only impressed with the work of the Bureau of Labor Statistics and has not only dealt sympathetically with that Bureau but in this bill has added to the appropriation of the Bureau of Labor Statistics above the Budget the amount of $25,000. A disposition to hurt labor? Why, every provision of the bill negatives any such insistence.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I should be pleased to yield to the gentleman, although I have another subject matter to which I wish to make brief reference.

Mr. MARCANTONIO. Does not the gentleman concede that the Economics Division of the National Labor Relations Board is necessary in connection with the presentation of cases to courts where violations of the Labor Act are involved? Does not the gentleman concede that going to the Bureau of Labor Statistics is burdensome and lacks the correlation which is necessary to prepare efficiently a case in which the question of interstate commerce is involved?

Mr. TARVER. Of course, I do not concede that. On the contrary, I conceive that in construing the law reasonable persons must believe that it was the intention of Congress that all information of this character should be secured from the Bureau of Labor Statistics, because Congress expressly provided that the Bureau of Labor Statistics should do this work and it did not expressly provide that the National Labor Relations Board should do it. No gentleman is able to point out anything in the language of the Wagner Labor Relations Act which expressly authorizes such an activity.

The matter to which I have just referred affects only $45,000 of this reduction. Fifty-five thousand dollars of the decrease is occasioned by this fact: It developed in the hearings that for the present fiscal year the Board had $55,000 more than they needed for salary purposes and they transferred that amount to the printing and binding item. We felt that if they are able for this fiscal year to get along on $55,000 less than had been provided for them they ought to be able to take a similar reduction for the next fiscal year.

With regard to the volume of business before the Board, in the fiscal year 1938 there were in excess of 10,000 cases brought to their attention, in 1939 approximately 7,000 cases, a reduction of over 3,000 cases, and for the first 6 months of this fiscal year there were 3,085 cases only brought to their attention, thus showing that there is a steady diminution in the work which is being brought to the attention of the Board.

It is not true, in your opinion, that in view of this diminution in the labor of the Board there should be some small reduction in the amount of appropriations made available for the payment of their personnel?

Let me say this to you. This is supposed to be an effort made on the part of these gentlemen on behalf of the laboring men of this country. It is going to do these economic analysts, if it is successful, a lot more good than it will do the laboring people. This is a question of providing thousands of dollars more in order to pay high-salaried professors and economic analysts and other employees of that type in the Washington office of the National Labor Relations Board. This is an amendment for the relief of economic analysts. This is not an amendment for the relief of the working people of the United States, and the interests of no laboring man in this country will be adversely affected by the action which the subcommittee has proposed.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield?

Mr. MURDOCK of Utah. On the question of figures as to the pending work, I think the gentleman has stated the figures correctly as they appear in the record, but I call your attention to the fact that on June 30, 1938, there were pending before the Board 3,778 cases, and on June 30, 1939, 4,103 cases. I think this is the most pertinent data in the report as to the bulk of the work now remaining to be disposed of by the Board.

Mr. TARVER. That does not necessarily mean that the Board has not had sufficient personnel with which to function. In my opinion it does not mean that; it means that with the personnel they have had, they have not undertaken to decide those cases.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Utah [Mr. MURDOCK], for whom I have a great deal of personal respect, suggested that we were facing here a question of the policy of the Appropriations Committee in using its power in recommending appropriations to effect legislation. As I have always understood it, the purpose of the Appropriations Committee is to make an examination of the justifications presented to it and to determine whether or not the appropriations were being used to carry out the purposes of law as intended by the Congress, and also to determine the proper balance of appropriations with the funds that might be available.

It seems to me in this particular instance this subcommittee has performed a very definite service for the Congress. As has already been intimated in the expressions by the gentleman who just preceded me, the chairman of the subcommittee, the original intent of the law made it clear that it was intended that the Labor Department should furnish statistical information for the National Labor Relations Board.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I cannot yield, as I have only a few minutes, and I have some material I want the gentleman to get, because I am afraid that he would not read it.

Dr. Lubin, of the Labor Department, is on record as testifying that he was ready to provide this information for the Labor Board, and yet here we have the record that the National Labor Relations Board created the position of consultant and chief industrial economist and employed one David Saposs as that person.

I want to give you a little of the record from the hearings before the Smith committee as published in their report of February 14 to identify this man Saposs. In one exhibit, exhibit No. 911, it is found that Saposs was one of the directors of the Conference for Progressive Labor Action, an organization formed, according to the preamble to their constitution—

To band militant workers together to take control of industry and government.

Let me quote the closing paragraph of the preamble:

The C. P. L. A. has therefore been formed in the United States of America, the very stronghold of capitalism and imperialism, to band militant workers together. It is an organization of militants * * * which seeks in every way and on every front to unify and build up the power of labor, so that the workers may take over control of industry and Government, abolish the system which makes cannon fodder out of them in time of war and machine fodder in time of peace, and build a sane and just economic system and a workers' republic, to be united in bonds of comradeship with workers' republics throughout the world.

Mr. Chairman, those were the beguiling words that marked the invitation to communism in Russia. They run all through the preamble of this constitution of the C. P. L. A., of which Saposs was a director. The opening paragraph reads:

Planless, profiteering, war-provoking, imperialistic capitalism must be abolished. It cannot be reformed. Sham political democracy which has been the tool of capitalist business and finance must also go.

You members of the Democratic Party who say you seek to preserve democracy, I would like to have you get the import of that. I quote further:

The job of abolishing capitalism and building a new social order must be done by the workers, industrial, agricultural, clerical, technical, professional, who stand to gain, materially and spiritually, by the change. We, the workers, must ourselves provide the revolutionary will, the courage, and the intelligence for the task.

To realize our aims, we must achieve power. To gain power, we must organize.

There you have the philosophy of the destruction of the private capitalistic system which many people see in the policies of the N. L. R. B., for whom Saposs is the consultant and chief economist.

Let me now read from an article cited in this same hearing and identified as an article on the Role of the Middle Class, written by David Saposs, and published in 1935. Here, then, is the chief consultant of the N. L. R. B. speaking:

The genuine populist element must recognize that their original idea of small-scale industry and self-employment is unattainable. * * *

They must openly acknowledge that collectivism and socialization is the only way out.

Here is the man who is consultant to the National Labor Relations Board, who states that the workers must realize that socialization is the only way out and whose call to action, as expressed in this article, clearly shows the source of policies expressed in the administration of the National Labor Relations Act. Let me give you another sentence or two from this man who visions the job of the middle class:

They must hit squarely at the private ownership of big business. Social control is only feasible as a first step, and one which must be cautiously applied. The only solution is the socialization of the substance of power which rests in the private ownership of the essential means of production and distribution.

Is there any hope for labor in that philosophy? Only the dead end of regimentation and enslavement. Socialization and collectivism as we have seen them demonstrated in the world today are not the goals of men who want to be free.

Let me give you another sentence from Saposs:

Indeed, these three—a socialization program, separate political organization, and the building of a collectivist culture—must be featured and introduced simultaneously.

That is the creed, that is the goal of the man who does the research for N. L. R. B. He is the man who is the official consultant for the members of the National Labor Relations Board. He is the chief economist; consultant and chief economist. That is his official title. An economist who does not believe in the American economic system. A director of research who is a propagandist. A consultant who advises the middle class and the workers to develop a revolutionary will and to establish a collective system. The National Labor Relations Board is supposed to be a quasi-judicial board, one could say a full judicial board, free to protect the wishes of labor in selecting an organization of its own choosing. Such an attitude can be preserved only when there is no bias on the part of the Board or its advisers. But let me give you this final word from Saposs, in answer to a direct question in the Smith hearings:

Question. Is it not a fact, Mr. Saposs, that you for a long time have been in favor of the industrial type of union?

Answer. I have written indicating that the industrial type of union for mass-production industries was bound to be the most adaptable type, and I have also written and indicated that I doubted whether mass-production industries could be organized except through the industrial type of union.

So, if you want to understand the bias that has actuated the policies and administration of the National Labor Relations Board, you can find one source of it in these expressions of the man who is consultant of the Labor Relations Board for whose work the committee reduced the amount requested by the President. I hope the amendment offered by the gentleman from Utah, an amendment to restore money for the consultant and chief economist, will be voted down.

Mr. COX. Mr. Chairman, I shall not at this time, of course, undertake any extended discussion of the National Labor Relations Board. I shall reserve that attempt until we take up the consideration of the Smith amendments in the Walter bill, which I feel I am in a position to assure you will be soon.

In governmental matters the use of the purse string to correct evils which cannot otherwise be reached is always justifiable.

The Labor Board was set up as an administrative agency, but has functioned as a legislative body, engaging in every conceivable excess and abuse of the discretion which Members were intended to exercise.

Knowing better what you intended when you adopted the measure bringing the Board into existence, it has proceeded to make law and to substitute its judgment for that of the Congress.

The Board was brought into existence to serve as the agent of the Congress in the enforcement of congressional will, but it has become a Frankenstein to turn upon you and make you regret the birth of this hideous monster of your brain.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. COX. No.

Rather than perform as a democratic institution it has behaved as if it were the agents of Moscow. When you seek to correct any error that you may have committed in the adoption of the law or to correct bad practices on the part of the Board, members come up to the Hill and stop you in your tracks through the technique of staging a sit-down strike on the part of one of your committees.

By eliminating the appropriation for a division of economic research the committee handling this bill has opened the door for the exit of Mr. Saposs, a Russian naturalized in 1935, but it has left on the inside a group of others with the same kind of teeth and the same kind of appetite.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. COX. I am sorry; no.

Edwin Smith is worse than Saposs, and Madden is not much better. I shall not undertake to classify Nathan Witt,

who handles Smith and Madden as if they were his own private jumping jacks.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. COX. I am sorry; no.

If Congress did not intend to authorize the excesses of the Board, their total disregard of what is right and just, then it should use whatever means that are fair to bring the Board within the limit of congressional intent.

The Board exercises greater power under its interpretation of administrative law than is exercised by the Supreme Court under the Constitution.

Through the exercise of their discretion the Board reviews and modifies your legislative acts—something that the Supreme Court cannot do. It exerts a power which you have no constitutional right to grant. It is a fourth department of the Government, for which there is no constitutional authority.

The Board assumes to determine the legislative policy of the Congress. It substitutes personal government for government by law, a retrogression to the totalitarianism of monarchy. Freed of the restraint of judicial review, the Board has gone wild and has brought the whole philosophy of administrative law into disrepute and has done incalculable injury to every other administrative agency in the Government.

The power to legislate belongs to the Congress and this power it cannot delegate. It, of course, may declare its will and after fixing primary standards empower administrative officers to fill up details, but when such administrative officers go without the limits of the standards fixed by Congress they become legislators. Congress did not give to the Board the power to determine what the law should be but delegated only the right of discretion as to the execution of the law. The Board has greatly subverted and modified the terms of the act under which it was brought into existence.

The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COX. Mr. Chairman, I ask unanimous consent to proceed for 1 minute further.

Mrs. NORTON. Mr. Chairman, I object.

The CHAIRMAN. The gentlewoman from New Jersey objects.

Mr. WOOD. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection?

Mr. ENGEL. I object.

Mr. CASE of South Dakota. Mr. Chairman, will that give the gentleman opportunity to yield to questions?

The CHAIRMAN. The gentleman from Michigan [Mr. ENGEL] has objected.

Mr. WOOD. I have not consumed very much time of this House, but if that is the attitude to be assumed, I shall see that nobody else has an extension of time.

Mr. ENGEL. Mr. Chairman, I reserve the right to object. I would like to have the gentleman from Missouri have his time, but when the gentlewoman from New Jersey [Mrs. NORTON], after we had given the proponents of the amendment, the author of the amendment, 15 minutes without objection, objects to one additional minute for the gentleman from Georgia, I feel constrained to object to any further requests for additional time.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes.

Mr. ENGEL. Mr. Chairman, I shall withdraw my objection.

The CHAIRMAN. The gentleman from Missouri is recognized for 10 minutes.

Mr. WOOD. Mr. Chairman, my genial friend the gentleman from Georgia [Mr. Cox] referred to a sit-down strike engaged in by some Members of Congress, and I assume that he is referring to the Labor Committee, to a sit-down strike on the consideration of the proposed amendments to the National Labor Relations Act. I think that comes with ill grace from a man like the gentleman from Georgia, a member of the Committee on Rules, when, under his leadership the Rules Committee engaged in a sit-down strike on the Wage and Hour Act for nearly 2 years—and he did an able job of it.

Mr. Chairman, this amendment strikes at the very vitals of this magna carta of labor, the Wagner Labor Relations Act, and the Appropriations Committee has offered only one or two reasons for their reduction of the appropriation below the estimate of the Bureau of the Budget. Their first reason is that in 1938, the fiscal year, there were 10,430 cases and in 1939, 6,904 cases, and during the first 6 months of the current year, 3,085 cases. The fact of the matter is that when the law went into effect the Board got cases from labor organizations, and they got cases from employers, and many of those cases were for the purpose of defining the jurisdiction of the law. Many of those cases sent to the Board at first could be answered the same day. They were merely an interpretation and that accounted for so many more cases being received by the Board in the first year. But it should be remembered that the number of cases has nothing whatever to do with the work of this Board.

The Wierton Steel Co. case consumed more time than possibly 60 or 70 other smaller cases. So the number of cases has nothing to do with the work being performed by the personnel of the National Labor Relations Board.

On February 1, 3,566 cases were in the process of adjudication. Added to that were 3,085 cases received the first 6 months of 1938. So to reduce the appropriation below the estimate of the Bureau of the Budget means nothing else than to partially emasculate the law.

The committee suggested that the division of economic research would be eliminated. I am not going to discuss that matter with the committee because when the committee intimates that the division of economic research probably should be abolished, it convinces me that they have made no study of it. Dr. Lubin himself told the committee that he could not perform that service. So if you are going to take out that $45,000 appropriation, you will hamstring the proper administration of this act. Of all measures that should not be hamstrung is the administration of this act. Whatever may be the personnel of this Board, or the field examiners, or the field personnel, it can be changed.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. COCHRAN. Even if the recommendation of the committee is sustained, there is absolutely nothing that would require the Board to do away with this division of economic research. It is not an act of Congress; it is merely a suggestion of a subcommittee of the Appropriations Committee.

Mr. WOOD. The committee suggests it themselves. The committee realizes that if this appropriation is reduced it will be eliminated.

Mr. COCHRAN. It probably does, but the suggestion in the report surely is not mandatory upon the Board to destroy this unit.

Mr. WOOD. No; it is not mandatory, but that shows the trend of their mind. That shows what they are thinking about. They seek to destroy this law through reducing the appropriation when it could be done in the regular method, if at all.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. MURDOCK of Utah. I wonder if they intended it to have the effect of destroying that section, why did they say, "And it is expected that this section will be absolutely eliminated."

Mr. WOOD. I thank the gentleman for his contribution.

Mr. RANDOLPH. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. RANDOLPH. The gentleman has mentioned personnel. I cannot allow to go unchallenged the words of the gentleman from Georgia [Mr. Cox] against the chairman of the

Board, Mr. Madden. I have known him for many years. He is a splendid attorney, a devoted public servant, and has well done a difficult job. [Applause.]

Mr. WOOD. In addition to that, the Board has won almost every case that has been appealed to the Supreme Court.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. MARCANTONIO. As a matter of fact, this Board has the best Supreme Court record of any agency of the Government.

Mr. WOOD. There is no question about that.

Now, many assertions have been made by Members on this floor, "I am friendly to labor." If you are, then of all measures you should not try to hamper the administration of this act, which strikes at the very vitals of the future happiness of the wage earners of this Nation. It protects them in their right of collective bargaining, and we should give the Board ample appropriation, whoever may be the personnel, although the personnel can be changed. Our Labor Committee has agreed to increase the personnel of the Board from three to five members.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. THOMAS F. FORD. The gentleman from Georgia [Mr. Cox] said that this Board had gone outside its jurisdiction on various occasions. Out of 105 cases that went to the court, in just 1 did it go outside of its jurisdiction.

Mr. WOOD. I will say to the gentleman that the only mistake the Board has made that I know of is showing partiality between the C. I. O. and the A. F. of L. That has gotten them into nearly all of their trouble.

Mr. DINGELL. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. DINGELL. If we are going to make any change in the fundamental law, should it not come through the legislative committee rather than to be done through the Appropriations Committee?

Mr. WOOD. Yes. It should be done in the regular and orderly manner.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. MAY. It seems that the argument is that this appropriation is principally needed for the purpose of the economic research division and that the Department of Labor is to furnish the statistics for that purpose. What have they done with the appropriation for the Labor Department in that regard?

Mr. WOOD. The Department of Labor has neither the facilities nor the personnel to take care of this. Why go to the Department of Labor when the National Labor Relations Board is compelled to go to those points immediately when a case comes before the Board, and why should they not make that investigation themselves? Then they can go to the Department of Labor for any information they cannot get.

Mr. MAY. Will the gentleman yield further?

Mr. WOOD. I yield.

Mr. MAY. It has been stated by the gentleman from Georgia [Mr. Cox] that amendments will come up for consideration with the Labor Relations Board. Why refuse to give the appropriation if we are going to have an opportunity to amend the legislation?

Mr. WOOD. That is correct. I hope that this amendment will pass. I have never intimated that any Member of this House was not a friend of labor, but I say to you that whoever votes to reduce this appropriation hampers the administration of this law and is not performing a favorable act for labor, either organized or unorganized.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. CASE of South Dakota. A moment ago the gentleman said the board had gotten into trouble because of their partiality toward the C. I. O. as against the A. F. of L. If the gentleman would follow this statement by Saposs he would know why they have shown favoritism to one side as against the other.

Mr. WOOD. We all know there are accusations on both sides. They have been accused of leaning toward one side or the other and this has done more harm to them than anything else.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. DUNN. If the gentleman will permit, I want to say that I believe the Board has done an excellent job.

Mr. WOOD. As a whole they have, especially Mr. Madden. [Applause.]

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I want to see if we cannot reach an agreement as to time for debate on this matter. Ten gentlemen have indicated a desire to speak on this amendment.

Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 50 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. WHITE] for 5 minutes.

Mr. WHITE of Idaho. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have always had trouble between capital and labor. It would be difficult to compute the loss to the American people resulting from this struggle. It has been interesting to watch the progress of labor step by step in achieving its present independence, recognition, and improved labor conditions.

The thing we must consider at this time is whether we need a Labor Relations Board, and if we need it then we should give it sufficient appropriations with which to do the job it has been assigned. In considering whether we need a Labor Relations Board let us review history, let us turn back to the days when the welfare of the Nation hung in the balance, to the days of Teddy Roosevelt, when the eyes of the entire Nation were turned on him in his effort to settle the great coal strike, when people were shivering around fuelless stoves and factories were threatened with idleness for the want of fuel.

Let us then turn to the activities of President Wilson in his efforts to settle the great railroad strike when the fundamental principle of the 8-hour day was up for final solution. Had either one of those great men failed in their efforts to settle those strikes, the country would have suffered a great set-back, accompanied by misery and terrible conditions.

In adjusting this struggle between capital and labor it is my contention and my idea that the Labor Relations Board is one of the most important organizations of government charged with a great responsibility. The security of our people depends upon the success of the Labor Relations Board in investigating conditions and making fair decisions: according to labor what labor is entitled to, and according to capital what capital is entitled to. For this reason, as part of a constructive plan, I am entirely in support of this amendment, and I urge the Members of this House to make the necessary appropriation to carry on this great work of the National Labor Relations Board. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOUSTON] for 5 minutes.

Mr. HOUSTON. Mr. Chairman, I believe I have just as much interest in and sympathy for the welfare of labor as any Member of this House. I voted for the creation of the National Labor Relations Board and voted against the appropriation for its investigation by a special committee of the House. I do not believe there is a Member of the House who is honest and sincere in his belief that labor should have the right to bargain collectively who would vote to repeal this act directly or indirectly, or try to hamper the work of the Board.

I believe most of the criticism that has been directed toward the National Labor Relations Board has been developed and leveled toward the personnel, or some of the personnel of

the staff, and possibly against the administration of the act rather than the act itself.

After careful consideration the subcommittee handling this item thought a reduction could be made in the appropriation for 1941 without impairing the work of the Board; that even with the cut they could still carry out the intent of Congress. It has been pointed out here several times today that there has been a reduction in the number of cases coming before the Board. This is true, and it might have some bearing on the reduction of the personnel. I will not go over the number of cases that have been handled by the Board, because that has been covered, but I want to point the situation out briefly. Six field examiners were eliminated because we thought they were unnecessary. The clerical staff was reduced, and we eliminated the item in relation to the economic research bureau because they are synonymous with one another. Under field attorneys we eliminated 14. This still leaves them with 70. In the trial examining division we eliminated 12, but they still have 30. The division of economic research we eliminated, because although Dr. Lubin did not testify that he could not do this work, I think he testified that he was not doing this work. We think his Bureau can do the work.

I am not going into the matter of whether Dr. Saposs is competent or incompetent, whether he is a Communist, an American, or what not.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. HOUSTON. I yield.

Mr. HEALEY. It is a fact, though, that practically every governmental department has a division of economics.

Mr. HOUSTON. I think that is true.

Mr. HEALEY. And is it not also true that practically every large industrial concern in the country has a division of economics?

Mr. HOUSTON. I think the gentleman is absolutely correct.

Mr. HEALEY. Can the gentleman tell me in all fairness why this particular administration should be crippled and not be provided with sufficient funds to maintain a division of economics?

Mr. HOUSTON. Only this, we thought the Bureau of Labor Statistics could do the work.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. HOUSTON. I yield to the gentleman from New York.

Mr. MARCANTONIO. Then if the Bureau of Labor Statistics can do the work for this particular agency, why is not the same applicable to all the other agencies that have economic divisions?

Mr. HOUSTON. That probably is true. But at the same time, this is the only Bureau dealing with labor that has a research division outside of the Bureau of Labor Statistics.

Mr. MARCANTONIO. Then the Appropriations Committee should withhold funds from the economic divisions of all the agencies. Why single out the economic division of the N. L. R. B.?

Mr. HOUSTON. The gentleman is going far afield. We think the Bureau of Labor Statistics can handle this work. Maybe we are incorrect. I am not so sure about it myself. I do know that the chairman of the economic research bureau gets a salary of $6,500 a year. There is one economist immediately under him who receives $4,600 a year. There is one associate industrial economist who gets $3,800. There are three receiving $3,200, five getting $2,600, and four getting $2,000 each. We think they have grown a little too large in that Bureau and we believe that the Bureau of Labor Statistics can do the work, and at less cost. I may be wrong about that, I do not know, but that is what we think.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, I am going to address my remarks largely to what I consider to be the National Labor Relations Board's magnificent record in handling one of the most complicated problems that ever faced a body of men in the history of this country.

The National Labor Relations Board was called upon to stand in between two big labor unions and the employers. It was natural that every decision it made would not conform to the views of one or two of those three factors. Their decisions would be criticized if they were men possessed of the patience of Job, the wisdom of Solomon, and the tolerance of Lincoln. But if you will take the record over the 3 or 4 years it has been functioning, if you will consider the effect that the Board has had upon labor relations in the United States, I do not think any fair-minded Member of this House can justify the proposition that the Board ought to be hampered by depriving it of the services of so vital a facility as its economic division. The Board has been charged with everything short of arson, murder, and sudden death. It has been said that it has violated all the rules of fairness and all the laws of Congress and that it has gone beyond its jurisdiction. In regard to this unwarranted charge I want to assert that out of 105 cases taken to the courts of the United States, where the question of jurisdiction was involved, the courts have only held in one single instance that it had gone beyond its jurisdiction.

I would like to call attention to another point. The Board has had 25 cases before the Supreme Court of the United States, and 21 of those cases were sustained in their entirety, 2 were sustained in part, and 2 were set aside. If there is any other quasi-judicial body functioning in the United States with a better record than that, trot it out.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from California.

Mr. VOORHIS of California. Is it not the gentleman's understanding that this research bureau in the Labor Relations Board has been one of the main agencies that has assisted the Board in the preparation of its work and therefore would be responsible for having helped keep the Board within the proper limits of its work?

Mr. THOMAS F. FORD. I thank the gentleman. His statement is absolutely correct. As a matter of fact, when the constitutionality of the National Labor Relations Act was before the Supreme Court of the United States it was the brief which Mr. Saposs prepared and which the Board's attorneys submitted to the Court that enabled the Court to sustain the Board in its position.

Mr. GEYER of California. Will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from California.

Mr. GEYER of California. Does the gentleman know of any more effective way to cripple an institution than to cut out its funds?

Mr. THOMAS F. FORD. Yes; I know of a better way; that is, cutting off one of the principal facilities for securing the necessary information to function within the law, and whether the subcommittee intends it or not, that will be the effect of this particular denial of funds. For that reason I am supporting the Murdock amendment.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, I listened with great interest to the gentleman from Georgia when he gave as one of his reasons why this amendment should be defeated, the private-life record of Mr. Saposs. I am not acquainted with the record of Mr. Saposs either in his private or public life other than in his official duties. I am acquainted with the record that he made in connection with his brief filed in the United States Supreme Court in that famous labor case, which is one of the outstanding monuments in the history of labor jurisprudence. If the gentleman from Georgia wishes to be consistent or logical in his reasons for attempting to stop appropriations because of the personal background of one of its employees, the gentleman should remain consistent and be at least logical, because my memory is very vivid concerning the gentleman's vote that was cast in the affirmative for the continuation of a certain investigating committee, the chief investigator of which was at one time a speaker on the same

platform and delivered an address on the same platform with Earl Browder—No. 1 Communist in this Nation. He even went to Russia in the interest of communism. This great Communist is in my opinion the most dangerous man in this Nation in the position he now holds as chief investigator of the investigating committee. He is now on the pay roll of that committee at $7,200 per year. Let the gentleman from Georgia inform the people of this Nation that the committee on un-American activities now have this person on their pay roll directing the policy of that committee.

When it comes to the proposition of whether or not the National Labor Relations Board is to function properly, we should not be swayed by the argument of the gentleman from Georgia, because talking about a Frankenstein, I feel there has developed in this Congress through the actions of certain men who are in control of certain committees a Frankenstein that is stifling the rights of labor in this Congress. We are assured by the gentleman from Georgia [Mr. Cox] that amendments to the Wagner Act, known as the so-called Smith amendments, will be brought before this House very shortly, in opposition and over the head of the Labor Committee. The Labor Committee was constituted and legally constituted to study those questions and present them to the House not the Smith committee. The function of the Smith committee was to investigate and inform the Labor Committee of their findings, and then the Labor Committee should use its own judgment as to what action should be taken. Is the gentleman threatening that the great Rules Committee will again try to crush a standing committee of this House? If he makes such threat, then I say to him that the greatest Frankenstein that we have in this House will have developed and in my opinion has developed from the actions of the Rules Committee. Let us not take away the rights of the other committees just because there may be placed in the hands of the Rules Committee, according to the technicalities of our rules, the right to do it. If that right is in the Rules Committee, then I charge it is the duty of this House to protect the rights of the standing committees by taking away from the Rules Committee the right to crush other committees.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I want to present to this body in a very short statement the old prejudice against labor by the nobility who controlled, directed, and enslaved labor in the old days. I want to call attention to the universal opposition of the industrial leaders to the laws favoring labor, following that old prejudice, because I am speaking historically correctly. I want, then, to call the attention of the House to the fact that following this same prejudice against labor this House appointed what is known as the Smith committee to investigate especially the N. L. R. B.

Then I wish to state to you that upon the passage of the National Labor Relations Act 58 varieties of lawyers, acting for the Liberty League, for nearly 21 months held up the enforcement of that law and created a condition in this country that was a disgrace to the legal profession. Those men amounted to conspirators against the law and ought to have been punished for their crime. They brought forth prejudices and hatreds that ought not to have been permitted here; and, being themselves lawyers, they knew ahead of time what would be the effect of their shameless conspiracy in that matter.

The Appropriations Committee, as a committee, has absolutely no right to suggest a change in a law, as they did in this case in their report on this bill. Individually they had every right that I have or that any other Member on the floor of this House has, but acting as a committee and suggesting as they do very clearly that they are looking for and demanding a change in the law, they are not justified at all as a committee. They ought not to have done this, and I trust we will not have that sort of a mistake to contend with again.

The gentleman from Georgia [Mr. TARVER] says the consideration of Mr. Saposs had nothing at all to do with the suggestion of the cutting out of this appropriation, but the gentleman from South Dakota [Mr. CASE] devoted 5 minutes to showing that that was exactly the reason it was done. I do not know who is right or who is wrong in this matter, but I do know that the talk along that line has been too long indulged in not to have a good deal of foundation in fact. I am sure that the gentleman from Georgia [Mr. TARVER] personally had no such feeling, but that that feeling did exist somewhere in the committee there is little if any doubt.

Involving this whole matter of the usefulness and justification of the economists in this Government agency, I am preparing an address on Dr. Saposs and Judge Smith, and hope to deliver it before this body in the very near future. I shall pull no punch when I deliver this address. I shall tell the full truth, with the implications that necessarily follow statements of fact. Then we will find out, I believe, whether or not this body, the N. L. R. B., has use for economists.

To expect or demand that the Department of Labor should be asked to furnish economists for this special Board is nonsense on its face. You ought not to do it, gentlemen, because it is not at all justified in reason. The National Labor Relations Board above all others has not only a right but a necessity for having the very best men obtainable along economic lines.

I am going to take up, I repeat to you, the very subject that has been hinted at so much here, and I am going to tell you the full truth. I am going to compare the records of the two men, the one who is criticizing the other, and the one who is acting as economist for the N. L. R. B. When I do, I repeat, I shall pull no punch. In my judgment, a very large proportion of the Members of this House have all too little understanding of the important service which this Government receives from the economists who serve it. In my address on Saposs and Smith I am going to contrast the service rendered by the economists of our own country and several other countries as compared with the politicians who know nothing about economics as applied to government. I shall cite historic instances showing what disaster has resulted from the ignorance of lawmakers who themselves had no knowledge of economics and too much bound by traditions and prejudice to seek or accept the assistance of economists who did and do know. Too often they seem oblivious even to the existence of any facts which should affect the policies of government. The politician who knows nothing of economics and who is unwilling to seek information from men who do know, ought not to pose as a lawmaker, much less to criticize the work of economists.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I rise in support of the Murdock amendment.

Mr. Chairman, I believe we should be honest with ourselves and should stop fooling the people about this elimination of the appropriation for the economic division of the National Labor Relations Board. The excuses that have been advanced really fool nobody, but I am not charging, of course, that they were advanced for the purpose of fooling anybody. That would not be parliamentary. As a matter of fact, they do not in any manner close the eyes of the American people to the real purpose behind the amputation of this vital arm of the National Labor Relations Board.

One of the excuses that has been advanced is that it is, after all, a reduction of only $45,000, and that it being a small amount, the National Labor Relations Board can stand it. That was said by one gentleman in favor of this amputation. Another gentleman in favor of the amputation advanced the excuse that we must save money. On the one hand, we have the statement that it is only $45,000 and that the sum is too small to hurt the National Labor Relations Board, and, on the other hand, we are told that the amputation is necessary in order to save money. No matter what

the alibi, the committee must admit that it has performed an amputation.

Then we are given the excuse that there is no authority in law for the existence of the economics division of the National Labor Relations Board. Anyone who reads that act will realize there is just as much authority by implication in the national labor relations law for the existence of this division as there is for the hiring of stenographers and other clerical help by the Board. If any particular division of any agency is an integral part of the administration of any law and incidental to the enforcement of that law, the agency charged with the administration of that law has the authority implied in law to establish that division. This is well established law and good government practice, and I challenge contradiction on this point.

The real facts are well known, particularly to the opponents of the law. The real facts are well known particularly to those who want to destroy the National Labor Relations Act. Every lawyer who represents violators of this law is now cheering over the amputation of the economic division from the N. L. R. B. By the elimination of the division of economic research you are cutting off the most important arm in the enforcement of this act. Every one who has had any litigation involving this law knows it. When a case, which has been before this Board has to be taken to court, a brief must be prepared. In the preparation of a brief in a labor case it is absolutely essential that the economic factors must be put into the brief and set forth thoroughly, particularly where the question of interstate commerce is involved. You cannot expect to win any case involving any question of interstate commerce, and you do not have to be a Supreme Court lawyer to know it, unless you put into your brief the economic factors and the entire economic background with regard to the interstate feature of the controversy. So what are we doing? By this amputation of the economics division you deprive the N. L. R. B. of the means by which its economic side of the case can be presented. You take away from the Board this very necessary weapon. This very important element in the enforcement of the law is being taken away from the Government, while on the side of the labor-law violators, while on the side of the manufacturer who decides to challenge this law in court, you have not only an economic division but you have an army of the best economic experts that money can buy.

No economic facts on the side of the National Labor Relations Board, but plenty of economic facts that can be mustered by the best-paid economic experts on the side of those who will violate this law. Hence, the issue is not one of economy. The issue is not one of authority in law. The only issue is whether or not you want the National Labor Relations Board to win its cases in behalf of American workers. When you cut off the economics division, you do so because you want labor to lose in the courts and no matter what the alibis may be this conclusion is inescapable. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, as the most of you know, I have been serving on the committee appointed to investigate the National Labor Relations Board. We have spent some months conducting hearings and have had a tremendous amount of testimony bearing on the administration of this act by the Board and its personnel. The committee has seen fit by a vote of the majority to make certain recommendations to the Congress at this time for changes in the act. With my colleague, the gentleman from Utah [Mr. MURDOCK], I have dissented from those recommendations and we are now preparing a minority report which will be submitted to the House and also, I am informed, the members of the majority of the committee are preparing a report which will be submitted to the House for its consideration. Both of these reports will reflect the views of the men who have sat for many, many hours receiving this testimony. These reports will be the result of our considered deliberations, and before any action of this sort is taken by the House, which means the elimination of an important adjunct of this particular Board, in fairness, I appeal to the Members of the House to wait so that you may have time to study these reports and have time to reflect on whether or not it should be your considered action to eliminate this particular branch of this administration. If, in your sound judgment, you consider that it ought to be eliminated, certainly, you ought to have all the facts presented and you ought to have more grounds for doing so than you have at this particular time. I think you owe this to the country. I think you owe this to the thousands of working people in this country who are affected by this act.

I believe the N. L. R. B. should have an economic division. Practically every other departmental bureau has an economic division. All of the large business houses and industrial concerns maintain an economic division today. In this particular field statistics and economics are most vital and important. Certainly, before we cripple this organization, we ought to have a sound reason for so doing. I appeal to you, therefore, to restore sufficient funds to this agency to enable it to maintain an economic division so necessary to the proper discharge of its functions. When you have the benefit of the committee majority and minority views, I submit you will be better informed. You will then be in a position to give this important matter the calm and deliberate consideration it merits.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I ask unanimous consent that I may have just 3 minutes more.

The CHAIRMAN. The time for debate has been fixed by action of the Committee.

Mr. HEALEY. Mr. Chairman, I ask unanimous consent to include in my remarks an article appearing in the Christian Science Monitor, a very conservative newspaper, which states the necessity and the reason for the maintenance of an economics division.

The CHAIRMAN. As the gentleman knows, that permission must be secured in the House.

The Chair recognizes the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, I rise in support of the amendment of the gentleman from Utah [Mr. MURDOCK].

I believe that the reduction in the appropriation has been made to embarrass the administration of the national labor relations law, and if I had any doubt about this, my doubt would have been cleared today when I heard the speech of the gentleman from Georgia [Mr. Cox]. The gentleman from Georgia [Mr. Cox] has taken time out on several occasions to chastize the Labor Committee of the House, and particularly has he referred to a sit-down strike of the Labor Committee of the House. I think the gentleman must have a very short memory or he would recall when the sit-down strike was one of his own making in refusing to grant a rule for consideration of a bill the Labor Committee had reported almost unanimously. We waited for more than 1 long year to get that bill before the Members of the House, and then had to resort to a petition which, by the way, was signed in 2 hours and 20 minutes—something that had never been done before—which certainly proved it was the will of the House; but that was the method we had to resort to in order to bring his sit-down strike to an end and bring the bill before the House.

I am tired of listening to criticisms of the Labor Committee, both on the wage and hour amendments and also on the national labor relations amendments. The Labor Committee reported a bill to take care of the inequalities in the wage and hour law more than a year ago, and you know the history of that bill and what happened to it in the Rules Committee. I may say further that we had been sitting patiently hearing evidence in the Labor Committee of any person who wished to appear for or against the National Labor Relations Act for many months when the matter was taken out of our

hands. We were not doing the job, apparently, to suit certain gentlemen who never have to account to labor for votes because the laborers in their districts are not allowed the privilege of voting. [Applause.] When I consider that in the district of the gentleman from Georgia he has as many constituents as I have in my district and that my majority, with a very good Republican opponent, was more than 72,000 votes, while the gentleman from Georgia, with no opposition in his election, received the magnificent amount of less than 6,000 votes to bring him here as a Member of this House, I want to know by what authority he speaks for labor or if he is the man to criticize the Labor Committee. [Applause.]

You gentlemen know that the Labor Committee was organized to protect labor. It is the duty of the Labor Committee to protect labor, and may I say that as long as this Member is chairman of that committee, she is going to do her job conscientiously and the protection of labor will be her first consideration. [Applause.] Any time that anybody in this House wants to bring charges against the chairman of the Committee on Labor, let him do it. I challenge any Member to say that the Committee on Labor of this House has not performed its work and done everything that it honestly could do in the interest of labor, and orderly legislation. I beg of the gentlemen of this House who are interested in labor to support the amendment of the gentleman from Utah [Mr. MURDOCK]. [Applause.]

The CHAIRMAN. The time of the gentlewoman from New Jersey has expired.

Mr. DINGELL. Mr. Chairman, I rise in favor of the amendment. I do not know that it will be necessary for me to consume the entire 5 minutes. I think my attitude in respect to labor is generally known and my attitude as regards these excursions on the part of the Committee on Appropriations into the realm of license is also pretty well known. I think the gentleman from Kansas [Mr. HOUSTON] has admitted that he did not know whether this clipping of the item was exactly the thing to do, but by some argument or other this particular method was adopted on the part of the Committee on Appropriations. Why does the Committeee on Appropriations always assume to accomplish by the method of clipping an appropriation, that which the legislative committeee does not authorize? If the question of the elimination of this Bureau of Economics, this statistical agency, is desirable, then it appears to me that the committee to pass on that is none other than the legislative committee, namely, the Committee on Labor, and not the Committee on Appropriations. I have said this a number of times, and I repeat it. Unless this sort of method of legislating by way of the purse strings ceases, sooner or later the rights and practices of the Committee on Appropriations will be sharply abridged. I am not here to lecture the Committee on Appropriations, but I say the time is coming when this House will lay down more stringent rules for that committee to follow. This is a fundamental thing, and should not be handled by a subcommittee of the Committee on Appropriations, when there exists a standing and important committee functioning properly which has already passed on a problem of this kind. I stand uncompromisingly for the restoration of this amount. I am in favor of the Murdock amendment. I shall interpret the vote on this amendment as defining clearly between those who are friends of labor and those who are unfriendly to labor.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes.

Mr. KEEFE. Would the gentleman be kind enough to point out specifically just where there has been any usurpation of legislative power on the part of the Subcommittee on Appropriations in this specific item?

Mr. DINGELL. In every instance, when the Appropriations Committee——

Mr. KEEFE. Oh, no; in this specific item.

Mr. DINGELL. Just a moment. I am answering the gentleman's question in my own way and not the way he wants it answered, and I refuse to yield further. In every instance when the Committee on Appropriations seeks to clip a legitimate function of any agency of this Government, in my estimation it usurps the power of the legislative committee, and it ought to be stopped.

Mr. KEEFE. May I ask another question?

Mr. DINGELL. Yes.

Mr. KEEFE. Does the gentleman know of any law which provides for this economic research body?

Mr. DINGELL. Just the general provision of the law. It authorizes the N. L. R. B. to establish a statistical bureau as the Federal Trade Commission and the Interstate Commerce Acts authorize similar action. The same broad general outline of the law permits them to have such economic bureaus, and so it permits the National Labor Relations Board to create a similar arm within its own agency.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RANDOLPH. Mr. Chairman, I rise in support of the amendment. Those who challenge the Murdock amendment do so with, I believe, the clear-cut purpose, which they themselves do not deny, of aiming at the very heart of the National Labor Relations Act. They seek to cripple the Board by attacking what they feel is a weak point. I think it proper, therefore, in my brief remarks, to review this act from perhaps one or two standpoints.

By the creation of the National Labor Relations Board we attempted rightly through legislative channels to give to workingmen certain fundamental rights. The act gives to laborers the power to organize unions and to bargain collectively with their employers against unfair labor practices, including interference with labor organizations and discrimination against their members.

The act in itself does not set wage and hour standards for industry. It concerns itself mainly with the enforcement of the rights and privileges of the workingmen in basic industries to be free to organize in a manner and method to be determined by themselves. The authority of the Board does not extend over the collective bargaining in all industrial plants in the United States. The scope and sphere of the Board's authority is limited to firms and corporations held to be participants in interstate commerce.

The Labor Board therefore has authority to eliminate any causes of obstruction to the free flow of commerce which may result from the denial by employers of the right of employees to organize and from the refusal of employers to accept the principle of collective bargaining. The act defines unfair labor practices and lays down rules as to the representation of employees for the purpose of collective bargaining, and its judicial function consists of the power to prevent the described unfair labor practices affecting commerce.

In order to effectively enforce those provisions we have established a Labor Relations Board consisting of three members who act as a quasi-judicial body. The Labor Committee, meeting in consideration of proposed amendments, perhaps will desire a five-member board to allay certain fears that within the Board itself at the present time there has grown up a disregard for the obligations of that group.

The Board, by authority granted under the act, has broad powers of investigation, but we must remember that any person or any corporation aggrieved by a final order of the Board may obtain a review of that case in the designated courts, with the same provision as in the case of an application by the Board for the enforcement of its own orders.

I recall to the committee a decision of the United States Supreme Court on April 12, 1937, when in the majority opinion it was said:

> This is a fundamental right. Employees have as clear a right to organize and select their representatives for lawful purposes as the industrialists have to organize their business and select their own officers and agents.

The decision goes on to clearly state:

> Discrimination and coercion to prevent the free exercise of the right of employees to self-organization and representation is a proper subject for condemnation by competent legislative authority.

The social implications of that decision from the viewpoint of the laborer are tremendous. It means that the workingman can stimulate his own organization and bring about

contractual relationships with his employer through collective bargaining. The spirit of the decision of the Supreme Court prevents the ocurrence of manifest injustices to those of the laboring classes who have suffered grievously for their advocacy of the principles of the right of the worker to strike and his right to collectively bargain with his employer. If this Board is allowed to go forward, unimpaired and unhampered, there will come to this country soon a fuller coordination of the industrial structure, because the laborer and the producer assume a place more equitably in proportion to the importance in the plan and organization of the industrial and commercial framework as it exists in America. [Applause.]

[Here the gavel fell.]

Mr. VOORHIS of California. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I do not take the position that the National Labor Relations Act is necessarily perfect, nor that I would under every circumstance oppose any amendment thereto.

I understand from the gentleman from Missouri [Mr. WOOD] who spoke this afternoon that the Labor Committee has favorably considered a proposition to increase the Board membership to five. If that is the case, I expect to support that amendment.

On the other hand, I believe most earnestly that in an industrial age such as the one in which we live, the protection and preservation of the basic right of collective bargaining to labor is no more than a matter of simple justice in view of the economic inequalities between the position in which the laborer finds himself and the position in which the employer finds himself, the one without tools and without the means of making a livelihood; the other with those tools and the means of making a livelihood.

There have been a number of things said this afternoon that are convincing to me that the elimination of the functions of the Labor Board which would be required, unless the Murdock amendment is adopted, would strike at the very heart of the work of this agency in attempting to protect that right of collective bargaining. I do not believe this is the way to legislate. I do not believe it is right to try to strike down the work of any agency such as this by denying adequate funds to carry it on. I think, with the gentleman from Massachusetts [Mr. HEALY], that such matters should be considered on their own merits, and when they come before the House should be strictly considered so that the House may vote "yes" or "no" on them.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes; I yield briefly.

Mr. PATRICK. Did the gentleman ever hear of anybody complaining because an engine could not pull its load, and then cut off the steam?

Mr. VOORHIS of California. That is right. The gentleman brings up a point that is most important, because there has been complaint because the Board did not deal rapidly enough with the cases before it. I understand that the gentleman from Utah [Mr. MURDOCK] has in his possession a letter from Dr. Leiserson, of the Labor Board, in which he speaks very earnestly about this matter and says that if this research division is cut out it would cripple the work of the Board considerably. I hope the gentleman will insert that letter in the RECORD. [Applause.]

Mr. MURDOCK of Arizona. Will the gentleman yield briefly?

Mr. VOORHIS of California. I yield.

Mr. MURDOCK of Arizona. The gentleman's statement just made accords almost exactly with my views in regard to this new agency of Government and the appropriation for it.

[Here the gavel fell.]

Mr. ENGEL. Mr. Chairman, we have had a demonstration yesterday and today of how not to appropriate money. Mr. McEntee, director of the C. C. C., testified that we had 270,000 enrollees and that he wanted $1,000 per enrollee. All he asked for was $270,000,000. Without any consideration on the part of a committee we gave him $280,000,000, or $10,000,000 more than he asked for. That $10,000,000, Mr. Chairman, will either have to be borrowed or taxes will have to be levied for that sum.

We have also given the N. Y. A. $1,000,000 more than enough to carry on the present program as was stated a few moments ago by my colleague, the gentleman from Wisconsin [Mr. KEEFE]. We are now confronted with an amendment which would restore this item to the Budget estimate.

The gentleman from Utah [Mr. MURDOCK] said in answer to my question that he wanted to restore this item to the original Budget figures submitted to the committee. In the few moments I have this afternoon I want to discuss that part of the cut made by the committee which was intended to eliminate the promotion item of certain employees in National Labor Relations Board. I asked for certain information in connection with promotions which Mr. Madden, Chairman of the Board, placed in the hearings at my request.

You will find that last year the Board had 464 civil-service employees and 381 non-civil-service employees, a total of 845. Of the 381 non-civil-service employees 100 came from the State of New York. A group of 78 employees, all of whom except 18 were non-civil-service or political appointees, received $28,920 increases in salary last year, or an average of $371 per employee. Individual salaries of these 78 employees were increased from an average of $2,820 to $3,200 a year. Forty-six of these employees received from $400 to $1,100 increase a year, aggregating a total of $20,400.

If you vote for this amendment and restore this amount to the Budget estimate, you are voting to approve that policy and are criticizing the committee for trying to eliminate this abuse.

Out of a total of 464 civil-service employees only 13 received more than two-step promotions, but out of the 381 non-civil service or political employees 154 received promotions of two steps or more. Of these 154, 33 received 3 steps, 36 received 4 steps, 6 received 5 steps, and 3 received 6 steps of promotion in 1 year. One man received a 3-step promotion with a rating of only fair.

Mr. Chairman, in the Committee of the Whole the other day I spoke of Sam Gompers, son of that grand old man who was at the head of the American Federation of Labor for so many years. Mr. Gompers, who works in the Labor Department, refused several promotions of $200 a year in order that three employees in his department might get a promotion of $60 a year each. This abuse of promotions is unfair to the thousands of civil-service employees, many of whom have worked faithfully for years without a promotion.

No one can justify the action of the Board in making these promotions. With few exceptions every one of these promotions of three steps or more was given to lawyers. I want now to read a little of the testimony to be found in the printed hearings. Referring to regional directors the gentleman from Georgia [Mr. TARVER] asked Mr. Madden:

Are there any educational qualifications required?

Mr. Madden replied—

No; no set specifications.

Mr. ENGEL. None whatever?

To this Mr. Madden answered—

We do not have them set down in writing.

Mr. ENGEL. You have no written provision that an applicant must be able to read and write the English language? You do not even make that requirement in writing?

Mr. MADDEN. We do not make any requirement in writing for these jobs.

There is absolutely no educational requirement. Again let us read the testimony.

Mr. HARE. The point that I am getting at is that it is strange to me that you are able to get these highly-trained technical people at a salary lower than you get people that have no requirements as to experience and training.

Mr. MADDEN. That is just the way the market is.

Mr. HARE. And with reference to those no experience is required.

Mr. MADDEN. That is just the way the market is. I think that it is perhaps unfortunate that some of these people, nearly all of these economists, have a Ph. D. degree which would mean

7 years of higher education, but it just happens that the market at this time for economists is in that state.

Mr. HARE. It is flooded more than the market for lawyers, is that it?

Mr. MADDEN. And it happens also that you can turn out economists more or less en masse.

Mr. ENGEL. In other words, you are paying doctors of philosophy $2,000 and doctors of hard knocks $7,000, is that the idea?

Mr. MADDEN. That is the way it works.

The CHAIRMAN. The time of the gentleman from Michigan has expired; all time has expired.

The question is on the amendment offered by the gentleman from Utah.

Mr. MARCANTONIO. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. MURDOCK of Utah and Mr. HOUSTON.

The Committee divided, and the tellers reported that there were—ayes 90, noes 160.

So the amendment was rejected.

The Clerk read as follows:

Miscellaneous expenses (other than salaries): For all authorized and necessary expenditures, other than salaries, of the Railroad Retirement Board in performing the duties imposed by law or in pursuance of law, including rent in the District of Columbia and elsewhere; traveling expenses, including not to exceed $1,000 for expenses of attendance at meetings concerned with the work of the Board when specifically authorized by the Board; not to exceed $2,500 for payment of actual transportation expenses, and per diem (not to exceed $10) in lieu of subsistence and other expenses, of persons serving while away from their homes without other compensation in an advisory capacity to the Railroad Retirement Board; repairs and alterations; contract stenographic reporting services; office appliances and labor-saving devices; supplies and equipment (including photographic equipment); not to exceed $5,000 for lawbooks, books of reference, newspapers, press clippings, periodicals, and for payment in advance when authorized by the Board for library membership in organizations which issue publications to members only or to members at a price lower than to the general public; operation, maintenance, and repair of motor-propelled passenger-carrying vehicles to be used only for official purposes in the District of Columbia and elsewhere; and expenses incident to moving the office of the Board from one building to another; $417,000: *Provided*, That the Board may procure supplies and services without regard to section 3709 of the Revised Statutes (41 U. S. C. 5) when the aggregate amount does not exceed $50.

Mr. TARVER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. TARVER: Page 57, line 10, strike out "$417,000" and insert in lieu thereof "$558,000."

Mr. TARVER. Mr. Chairman, this amendment merely corrects a typographical error.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 702. No funds appropriated in this act shall be available for the appointment of persons to non-civil-service positions in the departmental service in the District of Columbia unless such appointment is not in excess of the quota of apportionment, established in the manner provided by the civil-service laws for appointment in the classified civil service, for positions (compensated by the funds in the respective titles of this act) of a non-civil-service character: *Provided*, That this section shall not apply to any position, the appointment of which is made by the President.

Mr. BLAND. Mr. Chairman, I make a point of order against the section on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. TARVER. Mr. Chairman, I was aware, of course, that a point of order would be made. I am of the opinion that the language in the section is clearly a limitation on the appropriation and comes within the spirit of the Holman rule. I am advised, however, that the Parliamentarian maintains other views, and for this reason I shall not resist the sustaining of the point of order, although I desire to offer amendatory language to take the place of the stricken section.

The CHAIRMAN. The Chair is ready to rule. In the opinion of the Chair, the language in lines 14 and 15, "unless such appointment is not in excess of the quota of apportionment," and so forth, is clearly subject to a point of order.

The Chair sustains the point of order.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. TARVER: Page 59, after line 10, insert the following:

"SEC. 702. None of the funds appropriated in this act shall be used to pay the salary of any person appointed to a non-civil-service position under the appropriations in the respective titles of this act if the effect of such appointment is to increase the number of non-civil-service employees from the State of residence of any such non-civil-service appointee beyond the number of non-civil-service employees to which said State is entitled under the appropriations in the respective titles in this act on the basis of population: *Provided*, That this section shall not apply to any position the appointment of which is made by the President."

Mr. BLAND. Mr. Chairman, I make a point of order against the amendment on the ground it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. TARVER. Mr. Chairman, I respectfully submit that the amendatory language proposed comes clearly within the rule and amounts merely to a limitation upon an appropriation bill.

I do not desire to detain the membership in any lengthy discussion of the matter at this late hour, but I think there can be no successful contravention of that position.

Mr. CASE of South Dakota. Mr. Chairman, may I submit for the consideration of the Chair that the amendment proposed is not retrenchment on its face because it does not necessarily reduce appropriations or appointments, and furthermore, because it imposes additional duties. There is no agency of the Government at the present time in position to make a daily determination with reference to whether the several agencies covered in this bill or any of them exceed the apportionment on a population basis or on the same basis as is used in the classified civil service.

The CHAIRMAN. The Chair would like to inquire of the gentleman wherein additional duties are imposed under the amendment.

Mr. CASE of South Dakota. Mr. Chairman, before any agency could make an appointment it would have to make a determination as to whether or not there would be any excess of non-civil-service appointments in respect to population, not merely in its own agency, but in all the other agencies covered by this appropriation bill.

Mr. BLAND. Mr. Chairman, it must determine whether a party is under the civil service or not and it could not limit the qualifications of the person to receive appointment. This could not be legislation under the Holman rule because it is not necessarily retrenchment. It does impose additional duties. It contains affirmative direction and that affirmative direction is to determine whether the party is under the civil service or not. It has been repeatedly held in the House that any amendment or provision containing those directions is a violation of the rules.

Mr. TARVER. Mr. Chairman, may I submit that the enforcement of any limitation upon an appropriation requires some type of administrative action. If the Chair will examine section 703, relative to administrative appointments, he will find it is essential that the Administrator determine the question of who or what employee shall be affected by that limitation. Now, I suppose there would be no insistence that that provision is out of order. There is no duty imposed upon the Administrator except that of attempting upon the basis of population to determine the quotas of each of the respective States and whether or not the number of employees from those States already in the service exceed their proportionate share according to population.

Mr. CASE of South Dakota. Mr. Chairman, what the gentleman from Georgia has just said would possibly be true if this applied to only one agency, but this bill appropriates for many different agencies. The personnel board of any one agency could not determine whether or not the non-civil-service appointments on a given day were exces-

sive in all of the other agencies involved in this bill without imposing decided additional duties.

The CHAIRMAN. The Chair is ready to rule.

The Chair is of the opinion that under any limitation someone must make a ruling as to whether or not a particular employee comes within the qualifications which have been set up by the Congress. The Chair has examined the amendment offered by the gentleman from Georgia [Mr. TARVER] with a great deal of care and has also looked into the precedents.

The Chair feels that all of the language used in the amendment offered by the gentleman from Georgia is negative in character and entirely a limitation; therefore the Chair overrules the point of order.

The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The amendment was agreed to.

The Clerk read as follows:

SEC. 707. This act may be cited as the "Labor-Federal Security Appropriation Act, 1941."

Mr. TARVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offer this motion for the purpose of calling the attention of the Members of the House to certain language in the bill which has evidently been overlooked by gentlemen who offered amendments increasing the appropriation for the Civilian Conservation Corps. I call attention to the language on page 19, reading as follows:

Provided further, That expenditures under the several classes of objects of expenditure for which this appropriation is available shall not exceed by more than 10 percent the amounts estimated for such objects of expenditure by classes, in the schedule for the fiscal year 1941 appearing in the Budget for such fiscal year under this head, and any such excess must be approved in writing by the Federal Security Administrator in such amounts as he shall designate: *Provided further*, That the foregoing proviso shall not apply, to whatever extent the President shall direct, in the event of an emergency declared, by the President, to exist.

You will, therefore, observe that under the language of this proviso the $50,000,000 that has been added to the Civilian Conservation Corps appropriation will not be available and cannot be used for the purposes for which certain gentlemen hoped it might be used. In view of that fact it certainly seems to me that the membership of the House should not feel inclined to add $50,000,000 to the bill which cannot under the language which they have approved be used for the purposes for which they intended.

Mr. MAY. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kentucky.

Mr. MAY. If it is put in the bill, then made available, will it be available for any other purposes?

Mr. TARVER. No; it will simply be taken out of circulation and added to the Government's financial difficulties.

Mr. LUTHER A. JOHNSON. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. If we vote then for this amendment keeping in the additional amount, it will show that we are for the C. C. C. and it will not do any harm anyway?

Mr. TARVER. Oh, yes. It will take $50,000,000 and appropriate that $50,000,000 for a purpose for which it cannot be used. In other words, the gentlemen voting for it would be showing their interest in the C. C. C. by adding $50,000,000 over the Budget which could not be made use of for the purposes for which they desire it to be used.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Mississippi.

Mr. COLLINS. Under those circumstances we expect the gentleman from Georgia to vote for the C. C. C. amendment.

Mr. TARVER. The gentleman is very optimistic.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, the gentleman from Georgia [Mr. TARVER], the chairman of the subcommittee of the Committee on Appropriations, with a twinkle in his eye and a broad smile, has just informed the House that the $50,000,000 on which his committee voted and on which you will again vote in the House is merely a jest because of another hidden provision in the bill which he mentions, which, he says, will not permit the sum to be used or expended. Personally, I deplore the fact that the gentleman did not so inform the House until after, instead of before, the final section of the bill had been agreed upon. I am satisfied that the gentleman from Georgia is sincere in his efforts in holding appropriations down and in his plea for economy. Unfortunately, that does not apply to my Republican colleagues on the left, who are voting against all appropriations simply for the purpose of hamstringing the Departments and especially those agencies which have been created for the express purpose of protecting the labor of our country.

Mr. Chairman, earlier in the day the genial gentleman from Georgia, Judge TARVER; the gentleman from Massachusetts, Mr. GIFFORD; and my good friend from Virginia, Judge SMITH, attacked the National Labor Relations Board and the Wage and Hour Division of the Department of Labor, urging reduced appropriations for those agencies, which would make it impossible for those agencies to continue at anything like their full efficiency. They claim that these acts must be amended or modified, but their suggested modifications would, in effect, practically destroy them. Their advocacy of amending these acts is on the false premise that they tend to be hurtful to industry. Their objections to certain provisions of these acts are akin to those of the United States Chamber of Commerce and such outstanding labor-seducing Republicans as Mr. Thomas Girdler, of the Republic Steel Corporation; Mr. Weir, of another steel company; and, in fact, of those who directly or indirectly represent large industries and who dislike this legislation because it restricts them to some extent in the continuation of their practices and efforts to destroy organized labor.

I am satisfied that the colleagues whom I have mentioned, and even some Republicans, are misled by the misrepresentation on the part of these industrial leaders and their lobbies into believing that industry is being injured by legislation such as collective bargaining, wages and hours, and other legislative acts that we have passed in the interest of the underpaid and unfortunate wage earners of the United States. I am of the opinion that if my Democratic colleagues, and even some Republicans, instead of reading editorials in anti New Deal newspapers, propaganda publicity, and lobbyists' statements, were to peruse the financial reports appearing from day to day in these selfsame newspapers, they would hesitate and refuse to permit themselves to be deceived and used as they have been by these avaricious industrial and financial czars of our country.

Mr. Chairman, just a few moments ago, stepping in the Members' reading lobby, I glanced over the financial pages of several newspapers and I find headlines like these:

"United States Steel shows big improvement," "Bank deposits set new peak at fifty-six billions," "Rural retail sales set January record," "Individual incomes in January hold above year ago," "Construction awards show increase even in holiday week." "New York Shipbuilding pays first dividend since 1936," "Ford Motor Co. reports sharp sales increase," "Anaconda Copper net earnings climb more than 100 percent in 1939," "Rise of 60 percent in United States Steel production and shipment tonnages," "Knudsen foresees 1940 as third best year in the history of General Motors," and so forth.

Surely this does not indicate that business is going to the bow-wows, as the Republican political magicians would like to have the American people believe. Nearly every branch of American industry is making larger net profits—and larger profits, mind you, after making allowances for depreciation and all possible overhead charges, including—and do not fail to comprehend the full significance of this—provision for all Federal income taxes.

And what, think you, becomes of these increased earnings? Do they go to the workers that make them possible? Here is an item I read in yesterday's Washington (D. C.) Star that may provide the answer:

OFFICERS PAID $1,091,507 BY UNITED STATES STEEL

NEW YORK, March 27.—Proxy statements mailed to stockholders by United States Steel Corporation today for the annual meeting

on May 6 showed that officers and directors of the corporation and subsidiaries were paid in 1939—on an accrual basis—$1,091,507 for services in all capacities.

Here are a few additional quotations from newspapers of the last few days that surely do not show that industry is going bankrupt:

[From the New York Times of March 28, 1940]

UNITED STATES STEEL REPORT TELLS OF UPTURN—RISE OF 60 PERCENT IN DELIVERIES

Pointing out the close relations of the affairs of the United States Steel Corporation to those of the Nation, Edward R. Stettinius, Jr., chairman of the corporation's board of directors, says in his report for 1939, issued yesterday, that production and shipment tonnages were greater than in any year since 1930, with the exceptions of 1936 and 1937. The steel-making subsidiaries delivered 11,707,251 net tons of rolled and finished steel products to customers in 1939, compared with 7,315,506 net tons in 1938, an increase of 60 percent.

[From the New York Times of March 28, 1940]

DRY-GOODS GROUP CLEARS $2,017,000

The Associated Dry Goods Corporation, in its annual report for 53 weeks ended on February 3, 1940, issued for publication today, shows a consolidated net profit of $2,017,000 after deducting all charges, including provision for Federal income taxes, * * * as compared with $787,364 for the preceding fiscal year.

Bond Stores, Inc., disclosed a net profit of $2,643,552 for 1939 after deduction for depreciation, provision for Federal income taxes, and other charges, which sum is an increase of 60 percent over the $1,651,711 net profit shown for 1938.

[From the Wall Street Journal of March 27, 1940]

KNUDSEN FORESEES 1940 AS THIRD BEST YEAR IN THE HISTORY OF GENERAL MOTORS

Boston: With sales of General Motors Corporation running substantially above 1939, William S. Knudsen, president, predicted yesterday that this year's business would be the third best in the corporation's history.

[From the Wall Street Journal of March 28, 1940]

ELECTRIC OUTPUT UP 10.3 PERCENT IN WEEK ENDED MARCH 23

Production of electricity by the electric light and power industry of the United States for the week ended March 23 increased 10.3 percent over the like 1939 week, according to the Edison Electric Institute.

[From the Wall Street Journal of March 28, 1940]

TIRE SHIPMENTS RISE 13.1 PERCENT IN FEBRUARY

Shipments of automobile casings during February 1940 are estimated at 13.1 percent above shipments for February 1939.

[From the Wall Street Journal of March 28, 1940]

CAR SALES CONTINUE AT RECORD PACE

DETROIT.—Sales of Pontiac cars for the first 20 days of March totaled 12,990 units, a gain of 55.7 percent over the corresponding period of March 1939 and 46 percent ahead of the first 20 days of February this year.

Used-car sales, it was reported, continued to break all records.

[From the Wall Street Journal of March 28, 1940]

NINETEEN HUNDRED AND FORTY TIN-PLATE SHIPMENTS 16 PERCENT ABOVE 1939

PITTSBURGH.—At annual meeting of stockholders of McKeesport Tin Plate Corporation, * * * stockholders were told that during the first 8 weeks of 1940, shipments were 16 percent ahead of those in the like period of 1939.

And in the Chicago Tribune, of the issue of February 28, I read this:

TRADE UPTURN BOOSTS PROFITS OF MANY FIRMS

Last year's business upturn was reflected in numerous corporation reports yesterday showing larger earnings in 1939 than in 1938. Increases ranged up to nearly 300 percent in the case of the B. F. Goodrich Co., a leading rubber manufacturer.

You will find that nearly every corporation and every industry in the United States, every large company and even most of the smaller companies, have been making more money this year and even last year than ever before in the history of our country.

Mr. ENGEL. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ENGEL. Mr. Chairman, I make the point of order that the gentleman from Illinois is not speaking on the bill or on any amendment, and general debate on the bill has been closed.

The CHAIRMAN. The gentleman from Illinois will proceed in order.

Mr. SABATH. Mr. Chairman, notwithstanding the tremendous increase in business and in profits of large industry during last year and the first 3 months of this year, we hear some of the Republicans bewailing the condition of business, and I know they know better. Again, on the other hand, we read editorials and articles in the daily Republican press that create the impression that the administration under President Roosevelt is destroying the business of the country. Yet, as I have stated, the financial pages of the same issue of these newspapers daily give many headlines showing dividends are being declared and profits increased. These financial reports are not alluded to by the Republican Members, and the ordinary citizen has no reason to read or peruse the financial pages.

This continuous hue and cry that high taxes retard business is nothing but a falsehood and unadulterated bunk. Business and profits have been increased and, as I stated on the floor day before yesterday, I expect that in 1940 we may have a national income close to $80,000,000,000. I also called attention, and I repeat, that the taxes paid by these high financiers with their huge profits is not anywhere near the tax paid by business people in every outstanding country in the world.

Mr. Chairman, I feel and believe that despite the shrewdness, cleverness, and misinformation circulated by these big interests groups, the masses will not be fooled. The rank and file of the wage earners, and even the misled farmers, are daily showing confidence in the New Deal and President Roosevelt.

The world's most rabid Republican newspaper, the Chicago Tribune, in yesterday's issue, while hammering and attacking the President, the New Deal, and everything connected with the administration, gave in its columns the result of a Roosevelt-Garner poll in the State of Illinois which showed that 89 percent of the people are in favor of President Roosevelt allowing his name to go before them for reelection. In view of this and similar polls throughout the Nation, I feel that the President cannot well refuse to again serve the Nation for an additional 4 years. I hope and pray that he does not refuse. If again a candidate, I feel his majority over any Republican now mentioned, or particularly that candidate that I believe a clique of the Republicans would like to and in all likelihood will nominate—Herbert Hoover—will be as large as that shown in the Illinois poll between Roosevelt and Garner. I am strengthened in this belief with every day that passes.

Mr. Chairman, the people of this country know that all they can receive from the Republican Party is lip service. I have watched the fight against this legislation for the past 2 days and at no time have I seen more than nine Members of that party voting for the wage earners and youth of this country. Of that number two were Progressives, two independents, and one Farmer-Labor, and only four so-called regular Republicans, and of the latter, if I am not mistaken, two were from the Dakotas. While these were not record votes, I know that the people somehow will be informed of the duplicity of the Republicans. However, Mr. Chairman, although I did not expect anything else from the Republicans, yet I regret that some Democrats should permit themselves to be used by the Republicans.

I do not blame you Republicans for not wishing to hear what I have to say, but why the point of order on the part of the gentleman from Michigan? Is it because of that old adage "The truth hurts"? Naturally it is rather embarrassing to you. In view of the point of order raised and not wishing to violate the rules, I shall conclude, as I appreciate it is unpleasant to hear the real facts and the truth. I took the floor only at the last minute to answer the gentleman from Georgia, Judge TARVER, to resent his priding himself on the fact that he has so shrewdly withheld from the membership the fact that the sums under discussion cannot be used for the laudable purposes intended and desired.

Mr. TARVER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, be passed.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 9007, the labor-security appropriation bill, 1941, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TARVER. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. TARVER. Mr. Speaker, I request a separate vote on what is known as the Leavy amendment to the appropriation for the Civilian Conservation Corps, also on what is known as the Johnson-Collins amendment to the appropriation for the National Youth Administration.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. SCRUGHAM, as amended by the substitute amendment offered by Mr. LEAVY: Page 18, line 14, after the word "which", strike out "$143,130,000" and insert "$176,880,000"; and in line 18, after the word "Director", strike out $230,000,000" and insert "$280,000,000."

The SPEAKER. The question is on agreeing to the amendment.

Mr. DINGELL. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 170, answered "present" 2, not voting 53, as follows:

[Roll No. 59]

YEAS—205

Alexander	Dickstein	Izac	Murdock, Ariz.
Allen, La.	Dingell	Jacobsen	Murdock, Utah
Anderson, Mo.	Disney	Johnson, Luther A.	Myers
Angell	Doxey	Johnson, Lyndon	Nelson
Arnold	Duncan	Johnson, Okla.	Nichols
Barnes	Dunn	Johnson, W. Va.	Norrell
Barry	Eberharter	Jones, Tex.	Norton
Bates, Ky.	Edelstein	Kee	O'Connor
Beckworth	Edmiston	Kefauver	O'Day
Bloom	Elliott	Keller	O'Leary
Boland	Ellis	Kennedy, Michael	Oliver
Bolles	Fay	Keogh	O'Toole
Boren	Fenton	Kirwan	Pace
Boykin	Ferguson	Kitchens	Parsons
Bradley, Pa.	Fernandez	Kocialkowski	Patman
Brooks	Fitzpatrick	Kramer	Patrick
Brown, Ga.	Flaherty	Landis	Patton
Bryson	Flannagan	Larrabee	Peterson, Fla.
Buckler, Minn.	Ford, Miss.	Lea	Peterson, Ga.
Byrne, N. Y.	Ford, Thomas F.	Leavy	Pfeifer
Byron	Fries	Lemke	Pierce
Cannon, Fla.	Fulmer	Lesinski	Pittenger
Cartwright	Garrett	Lynch	Poage
Case, S. Dak.	Gathings	McAndrews	Rabaut
Casey, Mass.	Gavagan	McArdle	Ramspeck
Celler	Gehrmann	McCormack	Randolph
Claypool	Gerlach	McDowell	Rankin
Cochran	Geyer, Calif.	McGranery	Richards
Coffee, Wash.	Gibbs	McMillan, Clara G.	Robinson, Utah
Collins	Grant, Ala.	McMillan, John L.	Rogers, Okla.
Colmer	Green	Maciejewski	Romjue
Connery	Gregory	Magnuson	Sabath
Cooley	Griffith	Mahon	Schaefer, Ill.
Corbett	Hare	Maloney	Schiffler
Courtney	Harrington	Marcantonio	Schuetz
Cravens	Hart	Martin, Ill.	Schulte
Creal	Harter, Ohio	Massingale	Schwert
Crosser	Havenner	May	Scrugham
Crowe	Healey	Miller	Secrest
Cullen	Hendricks	Mills, Ark.	Shanley
Cummings	Hennings	Mills, La.	Smith, Conn.
D'Alesandro	Hill	Mitchell	Smith, Maine.
Davis	Hobbs	Monroney	Smith, Wash.
Delaney	Hook	Mott	Snyder
Dempsey	Houston	Mouton	Somers, N. Y.
DeRouen	Hull	Mundt	Sparkman
Spence	Tibbott	Wallgren	Wolverton, N. J.
Steagall	Tolan	Walter	Wood
Sullivan	Van Zandt	Weaver	Zimmerman
Sutphin	Vincent, Ky.	Welch	
Tenerowicz	Vinson, Ga.	White, Idaho	
Thomason	Voorhis, Calif.	Williams, Mo.	

NAYS—170

Allen, Ill.	Dondero	Johnson, Ill.	Rich
Allen, Pa.	Doughton	Johnson, Ind.	Robertson
Andersen, H. Carl	Douglas	Jones, Ohio	Robsion, Ky.
Anderson, Calif.	Drewry	Jonkman	Rockefeller
Andresen, A. H.	Durham	Kean	Rodgers, Pa.
Andrews	Dworshak	Keefe	Rogers, Mass.
Arends	Eaton	Kennedy, Md.	Routzohn
Austin	Elston	Kilburn	Rutherford
Ball	Engel	Kinzer	Ryan
Barton	Englebright	Knutson	Sasscer
Bates, Mass.	Fish	Kunkel	Satterfield
Bell	Ford, Leland M.	Lambertson	Seccombe
Bender	Gamble	Lanham	Sheppard
Blackney	Gartner	LeCompte	Simpson
Bland	Gearhart	Lewis, Colo.	Smith, Ohio
Boehne	Gifford	Lewis, Ohio	Smith, Va.
Bolton	Gilchrist	Luce	South
Brown, Ohio	Gillie	Ludlow	Springer
Buck	Goodwin	McGregor	Stearns, N. H.
Bulwinkle	Gore	McLaughlin	Stefan
Burch	Gossett	McLean	Sumner, Ill.
Byrns, Tenn.	Graham	McLeod	Sumners, Tex.
Caldwell	Grant, Ind.	Maas	Taber
Cannon, Mo.	Guyer, Kans.	Marshall	Talle
Carter	Gwynne	Martin, Iowa	Tarver
Chapman	Hall, Edwin A.	Martin, Mass.	Terry
Chiperfield	Hall, Leonard W.	Mason	Thill
Church	Halleck	Michener	Thomas, N. J.
Clason	Hancock	Monkiewicz	Thomas, Tex.
Clevenger	Harness	Moser	Thorkelson
Cluett	Harter, N. Y.	Murray	Tinkham
Coffee, Nebr.	Hartley	O'Brien	Treadway
Cole, Md.	Hawks	O'Neal	Vorys, Ohio
Cole, N. Y.	Hess	Osmers	Vreeland
Costello	Hinshaw	Pearson	Wigglesworth
Cox	Holmes	Plumley	Williams, Del.
Crawford	Hope	Polk	Winter
Crowther	Horton	Powers	Wolfenden, Pa.
Culkin	Jenkins, Ohio	Rayburn	Woodruff, Mich.
Curtis	Jenks, N. H.	Reece, Tenn.	Woodrum, Va.
Darden	Jennings	Reed, Ill.	Youngdahl
Dies	Jensen	Reed, N. Y.	
Ditter	Johns	Rees, Kans.	

ANSWERED "PRESENT"—2

Faddis Kilday

NOT VOTING—53

Barden	Flannery	Mansfield	Sweeney
Beam	Folger	Merritt	Taylor
Bradley, Mich.	Gross	Risk	Wadsworth
Brewster	Hoffman	Sacks	Ward
Buckley, N. Y.	Hunter	Sandager	Warren
Burdick	Jarman	Schafer, Wis.	West
Burgin	Jarrett	Seger	Wheat
Camp	Jeffries	Shafer, Mich.	Whelchel
Carlson	Kelly	Shannon	White, Ohio
Clark	Kennedy, Martin	Sheridan	Whittington
Cooper	Kerr	Short	Wolcott
Darrow	Kleberg	Smith, Ill.	
Dirksen	McGehee	Smith, W. Va.	
Evans	McKeough	Starnes, Ala.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. McKeough (for) with Mr. Warren (against).
Mr. Ward (for) with Mr. Dirksen (against).
Mr. Kelly (for) with Mr. Folger (against).
Mr. Brewster (for) with Mr. Whittington (against).
Mr. Sheridan (for) with Mr. Wheat (against).
Mr. Kleberg (for) with Mr. Faddis (against).
Mr. McGehee (for) with Mr. Short (against).
Mr. Merritt (for) with Mr. Hunter (against).
Mr. Buckley of New York (for) with Mr. Carlson (against).
Mr. Martin J. Kennedy (for) with Mr. White of Ohio (against).
Mr. Beam (for) with Mr. Risk (against).
Mr. Sachs (for) with Mr. Sandager (against).
Mr. Sweeney (for) with Mr. Hoffman (against).
Mr. Bradley of Michigan (for) with Mr. Kilday (against).
Mr. Flannery (for) with Mr. Wolcott (against).

General pairs:

Mr. West with Mr. Wadsworth.
Mr. Burgin with Mr. Jeffries.
Mr. Camp with Mr. Gross.
Mr. Cooper with Mr. Darrow.
Mr. Barden with Mr. Jarrett.
Mr. Smith of Illinois with Mr. Seger.
Mr. Kerr with Mr. Schafer of Wisconsin.
Mr. Mansfield with Mr. Shafer of Michigan.
Mr. Jarman with Mr. Burdick.
Mr. Clark with Mr. Shannon.
Mr. Allen of Louisiana with Mr. Taylor.
Mr. Starnes of Alabama with Mr. Whelchel.

Mr. FADDIS. Mr. Speaker, on this roll call I voted "nay," but having a pair with the gentleman from Texas [Mr. KLEBERG] I withdraw my vote and vote "present."

Mr. KILDAY. Mr. Speaker, on this vote I voted "nay." I have a pair with the gentleman from Michigan [Mr. BRADLEY]; therefore I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. RAYBURN). The Clerk will report the next amendment upon which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. COLLINS, as amended by the amendment offered by Mr. JOHNSON of Oklahoma: Page 41, line 4, after the first comma strike out "$79,635,000" and insert "$97,085,000."

Mr. TARVER. Mr. Speaker, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 221, nays 157, answered "present" 2, not voting 50, as follows:

[Roll No. 60]

YEAS—221

Alexander	Edelstein	Keogh	Pfeifer
Allen, La.	Edmiston	Kirwan	Pierce
Anderson, Mo.	Elliott	Kitchens	Pittenger
Angell	Ellis	Kocialkowski	Poage
Arnold	Fay	Kramer	Rabaut
Barnes	Fenton	Landis	Ramspeck
Barry	Ferguson	Lanham	Randolph
Bates, Ky.	Fernandez	Larrabee	Rankin
Beckworth	Fitzpatrick	Lea	Rees, Kans.
Bloom	Flaherty	Leavy	Richards
Boland	Flannagan	Lemke	Robinson, Utah
Boren	Ford, Miss.	Lesinski	Rogers, Okla.
Boykin	Ford, Thomas F.	Ludlow	Romjue
Bradley, Pa.	Fries	Lynch	Sabath
Brooks	Fulmer	McAndrews	Sasscer
Brown, Ga.	Garrett	McArdle	Schaefer, Ill.
Bryson	Gathings	McCormack	Schiffler
Buckler, Minn.	Gavagan	McGranery	Schuetz
Burdick	Gearhart	McLeod	Schulte
Byrne, N. Y.	Gehrmann	McMillan, Clara G.	Schwert
Byrns, Tenn.	Geyer, Calif.	McMillan, John L.	Scrugham
Byron	Gibbs	Maciejewski	Secrest
Camp	Gossett	Magnuson	Shanley
Cannon, Fla.	Grant, Ala.	Mahon	Smith, Conn.
Cartwright	Green	Maloney	Smith, Maine
Case, S. Dak.	Gregory	Marcantonio	Smith, Wash.
Casey, Mass.	Griffith	Martin, Ill.	Snyder
Celler	Guyer, Kans.	Massingale	Somers, N. Y.
Claypool	Hare	May	South
Cochran	Harrington	Mills, Ark.	Sparkman
Coffee, Wash.	Hart	Mills, La.	Spence
Cole, Md.	Harter, Ohio	Mitchell	Springer
Collins	Havenner	Monroney	Steagall
Colmer	Healey	Moser	Sullivan
Connery	Hendricks	Mott	Sutphin
Cooley	Hennings	Mouton	Tenerowicz
Courtney	Hill	Mundt	Terry
Creal	Hinshaw	Murdock, Ariz.	Thill
Crosser	Hobbs	Murdock, Utah	Thomas, Tex.
Crowe	Hook	Myers	Thomason
Crowther	Houston	Nelson	Tolan
Cullen	Hull	Nichols	Vincent, Ky.
Cummings	Izac	Norrell	Vinson, Ga.
D'Alesandro	Jacobsen	Norton	Voorhis, Calif.
Davis	Johns	O'Connor	Wallgren
Delaney	Johnson, Ind.	O'Day	Walter
Dempsey	Johnson, Luther A.	O'Leary	Weaver
DeRouen	Johnson, Lyndon	Oliver	Welch
Dickstein	Johnson, Okla.	O'Toole	White, Idaho
Dingell	Johnson, W. Va.	Pace	Williams, Mo.
Doughton	Jones, Tex.	Parsons	Wolverton, N. J.
Doxey	Kee	Patman	Wood
Duncan	Keefe	Patrick	Zimmerman
Dunn	Kefauver	Patton	
Durham	Keller	Peterson, Fla.	
Eberharter	Kennedy, Michael	Peterson, Ga.	

NAYS—157

Allen, Ill.	Bolles	Cole, N. Y.	Elston
Allen, Pa.	Bolton	Corbett	Engel
Andersen, H. Carl	Brown, Ohio	Costello	Englebright
Anderson, Calif.	Buck	Cox	Fish
Andresen, A. H.	Bulwinkle	Crawford	Ford, Leland M.
Andrews	Burch	Culkin	Gamble
Arends	Caldwell	Curtis	Gartner
Austin	Cannon, Mo.	Darden	Gerlach
Ball	Carter	Dies	Gifford
Barton	Chapman	Disney	Gilchrist
Bates, Mass.	Chiperfield	Ditter	Gillie
Bell	Church	Dondero	Goodwin
Bender	Clason	Douglas	Gore
Blackney	Clevenger	Drewry	Graham
Bland	Cluett	Dworshak	Grant, Ind.
Boehne	Coffee, Nebr.	Eaton	Gwynne
Hall, Edwin A.	Kinzer	Pearson	Stefan
Hall, Leonard W.	Knutson	Plumley	Sumner, Ill.
Halleck	Kunkel	Polk	Sumners, Tex.
Hancock	Lambertson	Powers	Taber
Harness	LeCompte	Rayburn	Talle
Harter, N. Y.	Lewis, Colo.	Reece, Tenn.	Tarver
Hartley	Lewis, Ohio	Reed, Ill.	Thomas, N. J.
Hawks	Luce	Reed, N. Y.	Thorkelson
Hess	McDowell	Rich	Tibbott
Hoffman	McGregor	Robertson	Tinkham
Holmes	McLaughlin	Robsion, Ky.	Treadway
Hope	McLean	Rockefeller	Van Zandt
Horton	Maas	Rodgers, Pa.	Vorys, Ohio
Jenkins, Ohio	Marshall	Rogers, Mass.	Vreeland
Jenks, N. H.	Martin, Iowa	Routzohn	Wigglesworth
Jennings	Martin, Mass.	Rutherford	Williams, Del.
Jensen	Mason	Ryan	Winter
Johnson, Ill.	Michener	Satterfield	Wolfenden, Pa.
Jones, Ohio	Miller	Seccombe	Woodruff, Mich.
Jonkman	Monkiewicz	Sheppard	Woodrum, Va.
Kean	Murray	Simpson	Youngdahl
Kennedy, Md.	O'Brien	Smith, Ohio	
Kilburn	O'Neal	Smith, Va.	
Kilday	Osmers	Stearns, N. H.	

ANSWERED "PRESENT"—2

Cravens Faddis

NOT VOTING—50

Barden	Folger	Merritt	Sweeney
Beam	Gross	Risk	Taylor
Bradley, Mich.	Hunter	Sacks	Wadsworth
Brewster	Jarman	Sandager	Ward
Buckley, N. Y.	Jarrett	Schafer, Wis.	Warren
Burgin	Jeffries	Seger	West
Carlson	Kelly	Shafer, Mich.	Wheat
Clark	Kennedy, Martin	Shannon	Whelchel
Cooper	Kerr	Sheridan	White, Ohio
Darrow	Kleberg	Short	Whittington
Dirksen	McGehee	Smith, Ill.	Wolcott
Evans	McKeough	Smith, W. Va.	
Flannery	Mansfield	Starnes, Ala.	

So the amendment was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Kleberg (for) with Mr. Faddis (against).
Mr. McKeogh (for) with Mr. Warren (against).
Mr. Kelly (for) with Mr. Folger (against).
Mr. Brewster (for) with Mr. Whittington (against).
Mr. Martin J. Kennedy (for) with Mr. Carlson (against).
Mr. Cravens (for) with Mr. Bradley of Michigan (against).

Until further notice:

Mr. West with Mr. Wadsworth.
Mr. Burgin with Mr. Jeffries.
Mr. Cooper with Mr. Darrow.
Mr. Barden with Mr. Jarrett.
Mr. Smith of Illinois with Mr. Seger.
Mr. Kerr with Mr. Schafer of Wisconsin.
Mr. Mansfield with Mr. Shafer of Michigan.
Mr. Sheridan with Mr. Wheat.
Mr. McGehee with Mr. Short.
Mr. Buckley of New York with Mr. White of Ohio.
Mr. Flannery with Mr. Wolcott.
Mr. Evans with Mr. Gross.
Mr. Beam with Mr. Risk.
Mr. Sachs with Mr. Sandager.
Mr. Ward with Mr. Dirksen.
Mr. Sweeney with Mr. Merritt.
Mr. Hunter with Mr. Jarman.
Mr. Starnes of Alabama with Mr. Shannon.
Mr. Taylor with Mr. Whelchel.

Mr. CRAVENS. Mr. Speaker, on this roll call I voted "yea." I have a pair with the gentleman from Michigan [Mr. BRADLEY], who would vote "no." I therefore wish to withdraw my vote and answer "present."

Mr. FADDIS. Mr. Speaker, I have a pair with the gentleman from Texas [Mr. KLEBERG], who would vote "yea." I therefore wish to withdraw my vote of "nay" and answer "present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. ENGEL. Mr. Speaker, I have a motion to recommit, which is at the Clerk's desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ENGEL. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ENGEL moves to recommit the bill to the Committee on Appropriations, with instructions to report the same back forthwith, with amendments effecting a total reduction of $50,000,000.

Mr. TARVER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The question was taken and the motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken and the bill was passed.

A motion to reconsider was laid on the table.

NIAGARA FALLS BRIDGE COMMISSION

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9016) to amend the joint resolution creating the Niagara Falls Bridge Commission.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the joint resolution creating the Niagara Falls Bridge Commission and authorizing said Commission to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y., approved June 16, 1938 (52 Stat. 767, ch. 490), as amended by the act of July 25, 1939 (53 Stat. 1083), be, and is hereby, amended as follows:

Insert in the third from last sentence of section 4 of said joint resolution, between the words "for" and "twenty-four months", the words "not exceeding."

SEC. 2. Section 6 of said joint resolution, as amended, is further amended in its entirety so as to read as follows:

"SEC. 6. Title to the bridge structure, exclusive of the approaches thereto, shall remain in the Commission until payment of the bonds and the interest thereon, or until a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, whereupon title to said bridge shall be conveyed to the State of New York and to the Canadian interests in the manner hereinafter provided. When, however, the State of New York shall be authorized by law to accept the same the Commission shall deliver to said State deeds or other suitable instruments of conveyance of the interests of the Commission in all properties or rights situated in said State theretofore acquired, other than said bridge structure, and title to all properties or interests in properties situated in the State of New York thereafter acquired, other than said bridge structure, shall be taken by the Commission in the name of said State; and when the Dominion of Canada, or any province, municipality, or agency thereof (herein referred to as the Canadian interests), shall be authorized by law to accept the same, the Commission shall deliver to such Canadian interests deeds or other suitable instruments of conveyance of the interests of the Commission in all properties or rights situated in the Dominion of Canada theretofore acquired, other than said bridge structure, and title to all properties or interests in properties situated in the Dominion of Canada thereafter acquired shall be taken by the Commission in the name of such Canadian interests. All such conveyances shall be subject to the following conditions:

"(a) That the Commission shall have the right to the use of all such properties for the construction and operation of the bridge. Any act to the contrary notwithstanding, the Commission shall commence the construction of such bridge on or before June 17, 1940, and shall complete said bridge within 3 years from said date;

"(b) That the Commission shall have the exclusive right to operate such bridge and shall be entitled to receive and apply the revenues derived from the operation of said bridge in the manner provided in said act of June 16, 1938, and acts amendatory thereof, so long as any bonds or the interest thereon, payable out of such revenues, shall remain unpaid;

"(c) That upon payment of all bonds issued by the Commission and the interest thereon, or after a sinking fund sufficient for such payment shall have been provided and held for that purpose, the Commission shall deliver deeds or other suitable instruments of conveyance of all title and interest of the Commission in and to that part of the bridge which is located within the United States to the State of New York, and shall deliver deeds or other instruments of conveyance of all title and interest in the Commission in that part of the bridge which is located within the Dominion of Canada to the Canadian interests, and thereafter the bridge shall be maintained and operated by the State of New York and by the Canadian interests in such manner as they may agree upon as a free, public bridge.

"If either the State of New York or the Canadian interests shall not be authorized to accept title to the above-described properties under such conditions, then title to all such properties shall be in the Commission, and after payment of the bonds issued by the Commission and the interest thereon, the Commission shall continue to own, maintain, and operate the bridge, and shall charge rates of tolls which shall be so adjusted as to provide a fund not exceeding the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management.

"The bridge hereby authorized or the income therefrom shall be subject to Federal, State, municipal, or local taxation only to the extent that a like structure or the income therefrom owned and operated by a public authority or public agency of the State of New York shall be subject to taxation. The bonds or obligations of the Commission, from time to time outstanding, and the income derived therefrom shall be subject to taxation in the hands of the holders thereof."

SEC. 3. That portion of section 8 of said public joint resolution as so amended be further amended by striking out the third sentence thereof reading, "After all bonds and interest thereon * * * Niagara Falls, Ontario, Canada," and substituting in lieu thereof:

"If the Commission shall have conveyed all of its properties and rights to the State of New York and to the Canadian interests, as provided in section 6 hereof, the Commission shall be dissolved and shall cease to have further existence after all bonds issued by the Commission and the interest thereon shall have been paid and all other obligations of the Commission paid or discharged, or provision for all such payments shall have been made, as hereinbefore provided. In the event that construction of such bridge is not commenced by the Commission and carried to completion within the times prescribed by section 6 hereof, the Commission shall be dissolved and shall cease to have further existence by an order of the comptroller of the State of New York, made on his own initiative or upon application of the Commission or any member or members thereof, but only after a public hearing in the city of Niagara Falls, notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof in a newspaper published in the city of Niagara Falls, N. Y., and in a newspaper published in the city of Niagara Falls, Ontario, Canada."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert in the RECORD at the point where I spoke this afternoon certain telegrams and communications on the National Labor Relations Board.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Labor-Federal Security appropriation bill, which has been under consideration today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERSONAL EXPLANATION

Mr. BRADLEY of Pennsylvania. Mr. Speaker, on the amendments to the National Youth Administration, my colleague the gentleman from Pennsylvania [Mr. SACKS] was unavoidably absent on official business. He voted for those amendments in the Committee of the Whole. Had he been present today he would have voted for them on the roll call.

EXTENSION OF REMARKS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks on a bill pending before the Committee on Immigration and Naturalization, in which the Philippines are demanding special privileges, and to include therein an article by Paul Sharrenberg.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by the junior Senator from Ohio [Mr. TAFT].

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a discussion of the civil-service retirement and social security, notwithstanding the length of the article.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks upon the life of Samuel Untermyer.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include two editorials.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. DONDERO. Mr. Speaker, I have a special order today granted me for 20 minutes. Because of the lateness of the hour I shall not use it, but ask unanimous consent that I be granted the same length of time tomorrow.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SEIZURE OF AMERICAN-OWNED TIMBERLAND IN MEXICO

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, the spineless policy of the administration is to blame for the recent seizure of 1,500,000 acres of American-owned timberland in Mexico. An immediate show-down in defense of American rights in Mexico is essential. Our prestige has already been impaired throughout Latin America as a result of our weak-kneed policy. The Cardenas government has repeatedly violated the rights of our citizens, seized their properties, and refused to pay adequate compensation for them.

American-owned farm lands and oil properties, amounting to hundreds of millions of dollars have virtually been confiscated by the Mexican Government, without vigorous protests from President Roosevelt or the State Department. The inept and cowardly attitude of our administration encourages a continuation of the lawless and ruthless confiscation of American-owned properties in Mexico, which may spread to other South American countries.

President Roosevelt threatens sanctions against Japan because of the destruction of American properties in the war zone in far-off China, and the internationalists and warmongers of the administration denounce dictatorial governments in Europe while fawning on the "red" dictatorship in Mexico, practically ignoring the plundering of our citizens by our next-door neighbor.

We should recall Ambassador Daniels, who has failed to properly represent or protect our interests; stop buying silver from Mexico, enriching that nation, and impoverishing our own when there are still millions unemployed, and let President Cardenas know that the good-neighbor policy must be mutual to be of any value.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. COOLEY. In what respect has Ambassador Daniels failed to properly represent the Government of the United States?

Mr. FISH. Because he has not been firm enough in the last 3 or 4 years in representing our interests in that country, which have been repeatedly violated.

Mr. COOLEY. That is just the gentleman's opinion.

Mr. FISH. Oh, no. Even Democratic Members will agree with me on that.

TAX-EXEMPT SECURITIES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I again want to call attention to the amount of tax-exempt securities that have been issued by the Federal Government, States, and counties.

On June 30, 1939, States, counties, cities, and so forth, wholly exempt, fifteen and one-tenth billion dollars.

Territories and insular possessions, wholly exempt one-tenth billion dollars.

Reconstruction Finance Corporation, partially exempt, eight-tenths billion.

Federal Home Loan System, partially exempt, two and eight-tenths billions.

Federal Farm Loan System, wholly exempt, one and two-tenths billions.

Federal Farm Loan System, partially exempt, one and three-tenths billions.

Federal Farm Loan System, total, wholly exempt and partially exempt, two and five-tenths billions.

United States Government, wholly exempt, seven and three-tenths billions.

United States Government, partially exempt, twenty-four and two-tenths billions; or a total of thirty-one and five-tenths billions.

Grand total, wholly exempt, twenty-three and eight-tenths billions.

Partially exempt, twenty-nine and five-tenths billions.

Wholly and partially exempt, fifty-three and three-tenths billions.

Every President, from President Wilson down to and including President Roosevelt, has recommended to Congress that legislation be passed to tax the income from such securities.

The staggering amount of tax-exempt and partially tax-exempt securities shows that it is possible to have a tremendous income through acquiring these securities and not pay any taxes to the Federal Government or State or subdivision thereof. As a matter of fact, in this fashion one would not be paying anything toward the cost of police protection, court rights, school purposes, or for any other governmental activity, which evasion necessarily throws a very heavy burden of taxation on the person who has property that the assessor can find. I introduced at the last session of Congress, H. R. 5632, providing for the assessment of such income. I am sorry to say that up to date I have been unable to secure any action thereon. Certainly it seems to me that the recommendation of our President in this regard should be given heed by Congress.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. TARVER. Mr. Speaker, a number of Members who did not speak on the Labor Department-Federal Security Agency bill desire to extend their remarks on the bill. Permission has already been obtained for those who spoke, but I desire at this time to ask unanimous consent that all Members, whether they addressed the Committee or not, may have permission within 5 legislative days, to extend their own remarks in the RECORD on the bill.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

HON. JAMES WOLFENDEN

Mr. DITTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. DITTER. Mr. Speaker, on Tuesday last a group of more than 1,200 friends and neighbors of our distinguished colleague, the dean of the Pennsylvania delegation [Mr. WOLFENDEN], tendered to him a testimonial dinner in appreciation of the services he has rendered to his community and the record he has established here in the House. At that

time the distinguished minority leader gave the address of the evening. I ask unanimous consent to extend my remarks and to include therein the address delivered by our colleague from Massachusetts, the Honorable JOSEPH W. MARTIN, Jr.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

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

There was no objection.

Mr. COOLEY. Mr. Speaker, neither the private nor the public life or record of the distinguished Ambassador to the Republic of Mexico needs defense at my hands, but I would not be true to the innermost feelings of my heart if I should permit this categorical and unwarranted attack upon him to pass unnoticed.

It is easy to slander the character and to smear the record of public servants, but it is difficult to establish a splendid record of public service such as has been established by the Honorable Josephus Daniels, the present Ambassador to Mexico. Nothing that the gentleman from New York may say here upon the floor of the House will dim the glory of the unselfish service and the splendid accomplishments of the Ambassador to Mexico, who early in his life dedicated himself and his talents to the welfare of his people and to the Government to which he is devoted. America is too familiar with the life and the labor of the subject of the gentleman's attack to permit a "small fry," though actuated by personal political ambitions and a crave for publicity, to defame either the reputation or the record of one who has so faithfully served his country.

Men may differ upon many matters of public interest but few men will differ upon the question of whether or not Ambassador Daniels has, with great ability, mental courage, unfaltering firmness, and with great tolerance, discharged the duties of the high position which he now occupies.

Josephus Daniels' name is a household word in all America and he ranks among the truly great men of a great and powerful nation. As Secretary of the Navy during the trying days of the World War he established a record unsurpassed in its brilliancy and did a job unprecedented in the history of this great Nation. It was Josephus Daniels who first really recognized the unusual and outstanding ability of the man who served as Under Secretary of the Navy during the World War, the man who today adorns the White House, our own President, Franklin D. Roosevelt. [Applause.]

I challenge the correctness of the gentleman's statement to the effect that 1,500,000 acres of American-owned timberland in Mexico have recently been seized. I am under the impression that the land became involved in a controversy because of defects in the title. While I am not prepared to discuss the matter at this moment, I shall obtain the facts and at a later date present them to the House. [Applause.]

EXTENSION OF REMARKS

Mr. COOLEY asked and was given permission to revise and extend his own remarks.

Mr. HOFFMAN asked and was given permission to extend his own remarks in the RECORD.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCK, for 1 week, on account of official business.

To Mr. MERRITT, indefinitely, on account of illness.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6724. An act to provide for the prompt deportation of aliens engaging in espionage or sabotage, alien criminals, and other undesirable aliens.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1955. An act to authorize the Secretary of Agriculture to delegate certain regulatory functions.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on Wednesday, March 27, 1940, present to the President, for his approval, a bill of the House of the following title:

H. R. 6724. An act to provide for the prompt deportation of aliens engaging in espionage or sabotage, alien criminals, and other undesirable aliens.

ADJOURNMENT

Mr. TARVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.) the House adjourned until tomorrow, Friday, March 29, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, April 2, 1940:

H. R. 7169, authorizing the Secretary of Commerce to establish additional boards of local inspectors in the Bureau of Marine Inspection and Navigation.

Tuesday, April 9, 1940:

H. R. 7637, relative to liability of vessels in collision.

Tuesday, April 16, 1940:

H. R. 8475, to define "American fishery."

COMMITTEE ON IRRIGATION AND RECLAMATION

There will be a meeting of the Committee on Irrigation and Reclamation on Friday, March 29, 1940, at 10:30 a. m., for the consideration of H. R. 9093.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Tuesday, April 2, 1940, at 10:30 a. m., in room 328, House Office Building, for the consideration of H. R. 3648.

COMMITTEE ON THE JUDICIARY

On April 2, 1940, at 10:30 a. m., there will be continued before Subcommittee No. 4 of the Committee on the Judiciary, a hearing on the bill (H. R. 7534) to amend an act to prevent pernicious political activity (to forbid the requirement that poll taxes be paid as a prerequisite for voting at certain elections). The hearings will be held in room 346, House Office Building, and will be continued on the following dates: April 3, April 9, and April 10, at 10:30 a. m.

COMMITTEE ON FLOOD CONTROL

SCHEDULE OF HEARINGS ON FLOOD-CONTROL BILL OF 1940 BEGINNING APRIL 1, 1940, AT 10 A. M. DAILY

The hearings will be on reports submitted by the Chief of Engineers since the Flood Control Act of June 28, 1938, and on amendments to existing law. The committee plans to report an omnibus bill with authorizations of approximately one hundred and fifty to one hundred and seventy-five million dollars, covering the principal regions of the country.

Maj. Gen. Julian L. Schley, Chief of Engineers, the president of the Mississippi River Commission, the assistants to the Chief of Engineers, the division engineers, and the district engineers will be requested to submit additional statements as individual projects are considered and as desired by the committee.

1. Monday, April 1: Sponsors and representatives of the Corps of Engineers for projects on the White River and tributaries.

2. Tuesday, April 2: Sponsors and representatives of the Corps of Engineers for projects in report on rivers in Texas and the Southwest.

3. Wednesday, April 3: Sponsors and representatives of the Corps of Engineers for projects in the Los Angeles area and in the Pacific Northwest.

4. Thursday, April 4: Sponsors and representatives of the Corps of Engineers for projects in Colorado and other western areas.

5. Friday, April 5: Sponsors and representatives of the Corps of Engineers for the lower Mississippi River and other tributaries.

6. Saturday, April 6: Sponsors and representatives of the Corps of Engineers for other drainage-basin areas for other projects in other parts of the country.

7. Monday, April 8: Representatives from the Department of Agriculture and other governmental agencies.

8. Tuesday, April 9: Senators and Members of Congress.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1492. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the act entitled "An act for the protection of certain enlisted men of the Army," approved August 19, 1937, with recommendation for early favorable action; to the Committee on Military Affairs.

1493. A letter from the Acting Secretary of the Interior, transmitting draft of a proposed bill for the relief of Alfred G. Balls, former special disbursing agent for the Alaska Railroad, Anchorage, Alaska; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DEMPSEY: Committee on Rules. House Resolution 443. Resolution for the consideration of S. 326, an act for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico; without amendment (Rept. No. 1894). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 271. Resolution providing for the consideration of H. R. 6972, a bill to amend the Federal Crop Insurance Act; with amendment (Rept. No. 1895). Referred to the House Calendar.

Mr. MURDOCK of Arizona: Committee on Indian Affairs. H. R. 6796. A bill to authorize the purchase of certain lands for the San Carlos Apache Tribe, Arizona; without amendment (Rept. No. 1896). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Idaho: Committee on the Public Lands. H. R. 8356. A bill for the exchange of lands adjacent to the San Juan National Forest and the Rio Grande National Forest in Colorado; without amendment (Rept. No. 1897). Referred to the Committee of the Whole House on the state of the Union.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 7733. A bill to provide increased pensions for veterans of the Regular Establishment with service-connected disability incurred in or aggravated by service prior to April 21, 1898; without amendment (Rept. No. 1898). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEWIS of Ohio: Committee on Election of President, Vice President, and Representatives in Congress. H. R. 8700. A bill to change the time of the appointment of Presidential electors and the election of Senators and Representatives in Congress; without amendment (Rept. No. 1899). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EBERHARTER:

H. R. 9138. A bill to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CANNON of Florida:

H. R. 9139. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

H. R. 9140. A bill to authorize the Secretary of the Navy to acquire land at Key West, Fla.; to the Committee on Naval Affairs.

By Mr. COFFEE of Washington:

H. R. 9141. A bill to restrict the exportation of certain Douglas fir peeler logs and Port Orford cedar logs, and for other purposes; to the Committee on Ways and Means.

By Mr. ELLIS:

H. R. 9142. A bill to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 28, 1938; to the Committee on Flood Control.

By Mr. SHEPPARD:

H. R. 9143. A bill permitting free entry of articles imported by returning residents from certain countries on the basis of the frequency of use of the exemption rather than the length of visit abroad, and for other purposes; to the Committee on Ways and Means.

By Mr. SNYDER:

H. R. 9144. A bill to authorize a preliminary examination and survey of the Redstone Creek and its tributaries in the State of Pennsylvania for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. BLAND:

H. R. 9145. A bill to amend the Canal Zone Code; to the Committee on Merchant Marine and Fisheries.

By Mr. KERR:

H. R. 9146. A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in peanuts, providing for the orderly marketing of peanuts and insuring a balanced flow of peanuts in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. ANDERSON of California:

H. R. 9147. A bill to authorize a preliminary examination and survey of the San Francisquito Creek, located on the county boundary line between San Mateo County and Santa Clara County, in the State of California; and also to authorize a preliminary examination and survey of the Matadero Creek, located in Santa Clara County, in the State of California, for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; also to authorize that Matadero Creek, Dry Creek, and Adobe Creek areas be diked off and controlled by tide gates similar to the plan for San Francisquito Creek; to the Committee on Flood Control.

By Mr. HOLMES:

H. R. 9148. A bill determining the exterior material and finish of public buildings to be erected in the northwest triangle, Washington, D. C.; to the Committee on Public Buildings and Grounds.

By Mr. LESINSKI:

H. R. 9149. A bill to amend the act of March 3, 1927, entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes"; to the Committee on Invalid Pensions.

By Mr. KEE:

H. J. Res. 501. Joint resolution for the relief of the distressed and starving men, women, and children of Poland; to the Committee on Foreign Affairs.

By Mr. RANKIN:

H. Res. 444. Resolution for the consideration of H. R. 9000; to the Committee on Rules.

By Mr. COLE of Maryland:

H. Res. 445. Resolution authorizing the Committee on Interstate and Foreign Commerce of the House of Representatives to have printed additional copies of part 1 of its hearings held pursuant to the resolution (H. Res. 290) authorizing the Committee on Interstate and Foreign Commerce to conduct an investigation of the petroleum industry; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FRIES:

H. R. 9150. A bill for the relief of the Illinois National Casualty Co.; to the Committee on Claims.

By Mr. COLLINS:

H. R. 9151. A bill for the relief of Thomas A. Smith; to the Committee on Military Affairs.

By Mr. ANDERSON of Missouri:

H. R. 9152. A bill for the relief of Edward P. Reilly; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7227. By Mr. GILCHRIST: Petition of the Farm Bureau of Emmet County, Iowa, concerning parity payments, etc.; to the Committee on Appropriations.

7228. By Mr. GOODWIN: Petition of the Fernald Parent-Teachers' Association, Fernald, Iowa, signed by Mrs. Russell J. Chitty, Mrs. Clarence Hilburn, Mrs. Arthur Couser, Mrs. Harris Enderson, Mrs. Alvin Nelson, Mrs. James Talbott, Olin C. Bissell, Mae B. Bair, Mrs. C. S. Toot, Mrs. Jake Wise, Mrs. Leo Moser, Leo Moser, C. S. Swanson, H. E. Enderson, Alvin Nelson, J. A. Wise, and Mrs. C. E. Swanson, urging enactment of the Neely bill, Senate file 280; to the Committee on Interstate and Foreign Commerce.

7229. By Mr. GILCHRIST: Petition of sundry citizens of Manning, Iowa, asking enactment of House bill No. 1, being the chain-store bill; to the Committee on Ways and Means.

7230. By Mr. LAMBERTSON: Petition of Mrs. R. A. Kapitan and 11 other members of the Women's Home Missionary Society of Blue Rapids, Kans., urging Congress to pass the Neely bill (S. 280); to the Committee on Interstate and Foreign Commerce.

7231. Also, petition of Zillah B. Lamb and 28 other citizens of Topeka, Kans., protesting against the shipment of scrap iron and other supplies to Japan in her war on China, and urging Congress to take action to eliminate this; to the Committee on Foreign Affairs.

7232. Also, petition of Mrs. Fred German and 53 other citizens of Atchison, Kans., urging the passage of the Neely bill; to the Committee on Interstate and Foreign Commerce.

7233. Also, petition of Mrs. Andrew E. Newcomer and 29 other members of the Annie Adams Baird Missionary Society, Topeka, Kans., urging Congress to take measures to stop the shipping to Japan of materials of war against China; to the Committee on Foreign Affairs.

7234. By Mr. LYNCH: Petition of the United War Veterans Committee of the City of New York, requesting certain recommendations for inclusion in the relief appropriation bill of 1940–41; to the Committee on Appropriations.

7235. By Mr. JOHNS: Petition of John A. Pahl and Joseph E. Jungwirth, of Sister Bay, Wis., respectfully asking speedy enactment of the Patman chain-store bill (H. R. 1); to the Committee on Ways and Means.

7236. Also, petition of A. Vande Walle, of Nichols, Wis., respectfully asking speedy enactment of the Patman chain-store bill (H. R. 1); to the Committee on Ways and Means.

7237. Also, petition of Thomas Rasmussen, of Mountain, Wis., respectfully asking speedy enactment of the Patman chain-store bill (H. R. 1); to the Committee on Ways and Means.

7238. Also, petition of H. H. Schulze, and five other citizens of Greenville, Wis., respectfully asking speedy enactment of the Patman chain-store bill (H. R. 1); to the Committee on Ways and Means.

7239. By Mr. LUTHER A. JOHNSON: Petition of F. R. Ender and others of Hubbard, Tex., urging legislation to prohibit gambling in farm products; to the Committee on Agriculture.

7240. By Mr. KEOGH: Petition of the United War Veterans Committee, Brooklyn, N. Y., requesting that certain recommendations for veterans, their wives, and widows be included in the 1940–41 relief appropriation, etc.; to the Committee on Appropriations .

7241. Also, petition of David C. Reid Co., New York city, concerning the Wheeler-Lea transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

7242. Also, petition of the American Communications Association, Postal Local 36A, New York City, opposing any reduction in the appropriation for the National Labor Relations Board and Wage and Hour Division; to the Committee on Labor.

7243. By Mr. PLUMLEY: Petition of Brandon Post, No. 55, American Legion, favoring the passage of House bill 7593, widows and orphans bill; to the Committee on World War Veterans' Legislation.

7244. By Mr. THOMASON: Petition of consumers, salesmen, and merchants of El Paso, urging passage of the Patman chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

7245. By Mr. VREELAND: Concurrent resolution of the House of Assembly of the State of New Jersey, memorializing the Congress to enact legislation to reimburse the Passaic Valley sewerage commissioners for damages occasioned to the outfall pipes of the Passaic Valley trunk sewer in New York Harbor by the steamship *Leviathan*, which was owned and operated by the United States of America; to the Committee on Claims.

7246. By the SPEAKER: Petition of the International Brotherhood of Electrical Workers, Stockton, Calif., submitting a resolution in favor of Senate bill 591; to the Committee on Claims.

7247. Also, petition of the Bricklayers, Masons, Marble and Tile Setters, Local No. 55, of the B. M. P. I. U., submitting a resolution in support of Senate bill 591; to the Committee on Banking and Currency.

7248. Also, petition of the Democratic National Committee, Women's Overseas Service League, Birmingham Unit, endorsing the proposed equal-rights amendment; to the Committee on the Judiciary.

7249. Also, memorial of the State of Rhode Island, memorializing the President and the Congress of the United States to consider their resolution with reference to proposing an amendment to the Constitution; to the Committee on the Judiciary.

SENATE

FRIDAY, MARCH 29, 1940

(Legislative day of Monday, March 4, 1940)

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

Rev. Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

Most gracious God, we humbly beseech Thee, as for the people of these United States in general, so especially for their Senate and Representatives in Congress assembled, that Thou wouldst be pleased to direct and prosper all their consultations, to the advancement of Thy glory, the good of Thy church, the safety, honor, and welfare of Thy people; that all things may be so ordered and settled by their endeavors, upon the best and surest foundations; that peace and happiness, truth, and justice may be established among us for all generations. These and all other necessaries, for them, for