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

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:


The message also announced that the House had passed the bill (S. 611) for the relief of Sophia A. Beers, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 632. An act for the relief of Lucy Murphy; H. R. 873. An act for the relief of Carl P. Castleberry; H. R. 964. An act for the relief of Howard Emmett Tallmadge;


H. R. 4911. An act for the relief of Ralph E. Williamson for loss suffered on account of the Lawton (Okla.) fire, 1917;


H. R. 6855. An act for the relief of Sam Echols; H. R. 7636. An act for the relief of William R. Nolan; and

H. R. 8174. An act to exempt from the quota fathers and mothers over 60 years of age of United States citizens.

The VICE PRESIDENT laid before the Senate the petition of the Philadelphia (Pa.) Board of Trade, praying for the adoption of House Resolution No. 214, submitted by Mr. Echols; the authorizing an investigation into the activities of the Government in competition with private enterprise, which was ordered to lie on the table.

CONSTRUCTION OF PROJECTS THROUGH THE RECONSTRUCTION FINANCE CORPORATION

Mr. BARBOUR presented a letter from D. J. O'Connor, manager of the Jackson (Mich.) Chamber of Commerce, which was referred to the Committee on Banking and Currency and ordered to be printed in the Record, as follows:


Dear Senator BARBOUR: I have very carefully gone over your bill which was introduced to expand the Reconstruction Finance Corporation and I believe that it is one of the most constructive pieces of legislation with regard to the relief of the unemployed that has been devised to date.

There has been a great deal of experience in organizing of late, in the building and modernizing projects for the relief of the unemployed as well as stimulating the general business through the sale of building supplies and material.

Your bill should initiate such a movement nationally and should be of great assistance for the relief of the unemployed, particularly in the sections or districts where the building of small-income homes or rental property has heretofore been neglected.

There is no doubt but there is a great demand for projects of this character, homes that will fit the needs of individuals with an income up to $2,500 to $3,000 per annum.

I would suggest that it is necessary, or at least advisable, for the Government or for private business interests, especially those connected with the building trade, to immediately initiate a national campaign upon the passage of your bill so as to have each section organized where there has been a need determined for this type of class of construction.

The call could be made nationally that would illustrate the exact number of such projects in various sections of the country and the publicity gained from such a survey would be of material assistance in stimulating this type of construction.
Personally, if I can be of any assistance to you in the advisory capacity or otherwise, feel perfectly free to call upon me.

Thanking you for your courtesy and cooperation in sending me a copy of your telegram, and giving me the opportunity to express my opinion of the same, I remain

Sincerely yours,

D. J. O'CONNOR,
Manager Jackson Chamber of Commerce.

EXCHANGE OF TIMBERLANDS, YOSEMITE NATIONAL PARK, CALIF.

Mr. SHORTRIDGE. Mr. President, I ask unanimous consent to have printed in the Record and appropriately referred a resolution adopted by the board of supervisors of Tuolumne County, Calif., a telegram from the district attorney of that county, and also a letter addressed to me by the California State Chamber of Commerce, protesting against the passage of the bill (S. 4472) to provide for the restoration, through exchange, of certain timberlands to the Yosemite National Park, Calif., and for other purposes.

There being no objection, the matters were referred to the Committee on Public Lands and Surveys and ordered to be printed in the Record, as follows:

Whereas information has come to the board of supervisors of the county of Tuolumne, State of California, of an organization known as the Emergency Conservation Committee, and having its headquarters at 113 East Seventy-second Street, New York City, is urging the acquisition of certain timberlands immediately outside of the west boundary of Yosemite National Park by the grant in exchange thereof of an equal value of Stanislaus National Forest stumpage.

Whereas it is contended by said Emergency Conservation Committee that the lands in question will lie adjacent to the new Big Oak Flat Road, and, in the fact that the said new Big Flat Oak Road, per present survey, will not traverse any portion of said lands, but will be totally bypassed by said committee.

Whereas in leading in that the inference can and will be gained by many unsuspecting persons that the trees illustrations and testimonials are illustrative of quantity as well as quality of timber, when, as a matter of fact, isolated and scattered trees of such quality may be found outside of a great length of the border of said Yosemite National Park; and

Whereas the greater portion of the lands in question are privately owned and are now assessed for taxation purposes by the county of Tuolumne; and

Whereas since approximately 1,688,750 acres of the area of Tuolumne County do not appear on the assessment roll by reason of Government ownership, this board is of the firm opinion that no additional lands should be acquired by the Government unless some substantial annual return therefrom in lieu of taxes be granted: Now, therefore, be it

Resolved, That the board of supervisors of Tuolumne County, Calif., assert its stand and protest against the further acquisition of lands by the Government within the county of Tuolumne as hereabove fully set forth unless such lands be owned by the Government and all of which are owned by one or more of this group, hence this combined statement of the natural resources involved which may be needed for the future development of this State based upon this policy and further, upon the belief that to take additional lands out of the tax roll of Tuolumne County would place an undue burden on the citizens thereof.

The Central Valley Council of the State chamber of commerce and the emergency conservation committee, with headquarters at 113 East Seventy-second Street, New York City, which is advocating the acquisition of certain timberlands immediately outside of the western boundary of Yosemite National Park by the grant in exchange thereof of an equal value of Stanislaus National Forest stumpage.

It is the contention of the emergency conservation committee that the lands in question are adjacent to the Big Oak Flat Road, but the fact is that the proposed new Big Oak Flat Road will not traverse any portion of these lands.

The California State Chamber of Commerce has adopted a policy which opposes any further extension of national parks in California where there are natural resources involved which may be needed for the future development of this State based upon this policy and further, upon the belief that to take additional lands out of the tax roll of Tuolumne County would place an undue burden on the citizens thereof.

Thanking you for your courtesy and cooperation.

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years ago the Shipping Board expended nearly $10,000,000 in reconditioning her. Even the true value of the vessel has been lost by the time the case reached the courts, and the total amount needed to recondition the vessel is greater than the value of the mail in fact earned.

(b) Loans: The Shipping Board has lent this line $15,700,000 to build new vessels. The total amount needed to recondition the vessel is $12,775,000. A mere navigation incident in the Panama Canal. The contract will yield the line over $5,350,000 for 20 years.

(c) Postal contract: Route No. 46, between New York and Hamburg, Germany, for 20 years, which will receive not less than $14,000,000, and then will exceed $5,350,000 each year.

(d) Postal contract: Route No. 44, between New York and London, for 10 years, under which it will receive $10,500,000. Total from both mail contracts, $24,600,000.

The Dollars also own three trans-Pacific lines, viz: One from San Francisco to Manila, one from Seattle to Manila, and one from New York in "the round the world" service. With respect to each of these, also, it has received extensive financial aid from the United States in the low sales prices of vessels sold it, in the grant of loans at very low rates of interest, and in the award of ocean mail contracts at excessive rates.

(a) Sales prices: The board has sold 15 vessels in all. These were built after the World War and are among the finest the United States has built. Their cost exceeded $94,000,000. They have been sold to the Dollars for $12,775,000. While construction costs were greater than market value, the sales price was one-third of their true market value, a concession being made to promote their operation in foreign trade.

(b) Loans: The loan is $14,000,000 for 20 years at 3 per cent, and for two ocean round-the-world service. The amount being paid at present will exceed $5,350,000.

(c) Postal contract: Route No. 46, between New York and Hamburg, Germany, for 20 years, which will receive not less than $14,000,000, and then will exceed $5,350,000 each year.

That the annual compensation is excessive for the vessels used, is revealed by the terms of the contract, under which the Postmaster General may, after the first five years, require the contractor to build a new vessel, and it would cost the company over $4,000,000 to do so. The right to require the new vessel in imperitive; it is not a "mutual agreement" item. It is obvious the postal-contract compensation through the first five years was made higher than otherwise justified, to put the contractor in funds with which to build the new vessel if compelled to do so by the Postmaster General.

This interpretation is confirmed by the provision of the contract, that, if the new vessel is not built, the compensation for the second five years will be reduced by a more nearly proper level for the old vessels. It is an incredible provision that the contractor is thus (admittedly) compensated during the first five years on a scale covering a building program, and yet, should the new vessel not be built, he is to retain all this surplus compensation intended for the cost of the new vessel.

The nature of this compensation is revealed by the contract of this group, viz, the sales contract to the Dollars for the seven large, fine "President" vessels, operated in the "round the world" service.

The vessels lent this line, $12,775,000 each to build, and they were sold to the Dollars within three years of their completion at the nominal price of $5,350,000 each. This absurdly low price seemed explained by a stipulation in the preamble of the contract that "the buyer has agreed to establish, with said vessels and to maintain for a period of five years... the round-the-world service." That is, they were guaranteeing to do it, apparently, whether it paid or not. And the great difference between sales price and market price was to compensate for this risk.

But the body of the contract imposed no such guaranty; they were to abandon the service in the event of the abandonment of that service to impair the contract of sale; the board could have taken the vessels to operate them, but only temporarily and at its own expense, and with obligation to return them in good condition to the Dollars not later than at the end of the 8-year period; and, of course, that period having passed, they would then be free of all limitations as to use—returning them to their normal market price value—the excess above the low price being the Dollars', this result is not based on any ambiguity of language, but clear and express provisions of the contract.

The success members of this group have had in procuring terms and policies serving their purposes, as in obtaining a postal contract for an intercoastal service, in direct contravention of law and policy; these two instances showed above that the successful opposition of the Shipping Board has been demonstrated by the successful opposition of the Dollars to the declared purpose of the Postmaster General to advertise as a postal route a service between two points for which the board could have taken the vessels and to operate them, but only temporarily and at its own expense, and with obligation to return them in good condition to the Dollars not later than at the end of the 8-year period; and, of course, that period having passed, they would then be free of all limitations as to use—returning them to their normal market price value—the excess above the low price being the Dollars', this result is not based on any ambiguity of language, but clear and express provisions of the contract.

After extended hearings the Dollars were successful in their opposition, their success being largely explained by the fact (revealed in the records) that the chairman of the Shipping Board supported the Dollars in their opposition, an amusing attitude in the face of the fact that the Shipping Board has recommended an extension of the coastwise laws to the Philippine Islands.

And thus was lost a direct passenger service with the Philippines Islands, which would have given seven days average mail to the end that traffic by the Dollar vessels, which take a route seven days longer, might not be impaired.

FRANKLIN-ROOSEVELT-DOLLAR LINE GROUP

Name of line | Loans on low interest rates | Postal contract established sales prices by
---|---|---
1. United States Lines | $9,700,000 | $5,350,000 | $10,350,000 |
2. American-Belgian Line | $5,500,000 | $3,850,000 | $5,000,000 |
3. American-South America Line | $3,750,000 | $2,350,000 | $3,500,000 |
4. American-Dutch Line | $4,000,000 | $3,000,000 | $4,000,000 |
5. American-Canadian Line | $1,500,000 | $1,000,000 | $1,500,000 |
6. American-Canadian Line | $1,500,000 | $1,000,000 | $1,500,000 |
Total | $25,300,000 | $12,300,000 | $25,000,000 |
Mr. WALSH of Montana. Mr. President, in the discussion of the amendment offered by the Senator from Nebraska [Mr. Norris] to the revenue bill relating to the tax on electric energy, a difference of opinion was manifested as to whether the tax which is provided for will be passed on to the consumer. In view of the difference of opinion expressed in the amendment to be be incorporated in the Recomp an article appearing in to-day's Journal of Commerce on that subject entitled "Electric Industry Not to Shift 3 Per Cent Tax—Utility Men Say Companies Will Absorb New $35,000,000 Levy on Gross Income."

The Vice President: Without objection, it is so ordered.

The article is as follows:

[From the New York Journal of Commerce, June 2, 1932]

ELECTRIC INDUSTRY NOT TO SHIFT 3 PER CENT TAX—UTILITY MEN SAY COMPANIES WILL ABSORB NEW $35,000,000 LEVY ON GROSS INCOME

The electric power and light industry is not expected to be able to pass on to immediate consumers any important part of the 3 per cent excise tax added to the Senate bill and included in the new revenue bill, it was indicated yesterday by local utility men.

The amendment to the tax bill, submitted by Senator Howell of Nebraska, provides that there shall be imposed upon energy by private companies a tax equivalent to 3 per cent of gross revenues paid therefor and that this tax shall be paid from net and otherwise.

With gross revenues of approximately $2,600,000,000 after allowing for the tax the 8 per cent decrease in 1932 gross, the tax would raise in the neighborhood of $55,000,000.

TWICE RAILROAD TAX

The utilities would enjoy a small partial partial, however, inasmuch as the 3 per cent payment would reduce net income on which their tax payments are computed. With the fact in mind that the power industry last year paid out a sum greater than $200,000,000 in taxes, equal to more than 10 per cent of gross revenues, it is indicated that a 3 per cent rate addition is a considerable burden. Under the new bill the companies, taken as a whole, would pay approximately 13 per cent of their total gross receipts in taxes, while the railroad industry, for example, pays only slightly more than 6 per cent.

As an offset, it is said that in the long run, in view of the constitutional protection afforded the companies, the new tax might mean that the 3 per cent payment would reduce net income on which their tax payments are computed. With the fact in mind that the power industry last year paid out a sum greater than $200,000,000 in taxes, equal to more than 10 per cent of gross revenues, it is indicated that a 3 per cent rate addition is a considerable burden. Under the new bill the companies, taken as a whole, would pay approximately 13 per cent of their total gross receipts in taxes, while the railroad industry, for example, pays only slightly more than 6 per cent.

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Meanwhile the question of reduced earnings is problematical. As numerous power companies have hardly begun to cut expenses to meet yesterday's needs, it will be a matter of extreme difficulty to make such wires and letters. Among them is a letter from the American Federation of Labor, Mr. Green, president of the National Federation of Federal Employees, Mr. Steward, which I ask to have printed in the Record.

Charles E. Smith, president of St. Paul Branch Railway Mail Association, wires in behalf of its members.

J. W. Koktay, Minneapolis, wires in behalf of the Minneapolis post-office motor-vehicle employees.

C. M. Harvey, president tenth division, Railway Mail Association, St. Paul, wires in behalf of railway postal clerks.

E. Hanslik wires in behalf of 5,000 members of property tax reduction clubs.

Margaret West, president Minneapolis Teachers' Federation, wires in behalf of teachers.

H. P. Borgman, secretary, Local No. 125, National Federation, Post Office Clerks, wires in behalf of 550 members.

T. H. Allender, secretary, Local 248, Cass Lake, wires in behalf of 70 employees.

Mr. Redpath, commander, Railway Mail Post, American Legion, St. Paul, wires in behalf of 150 members.

James H. Long, president Federal Employees, St. Paul, wires in behalf of its members.

W. A. Fish wires in behalf of Minneapolis postal employees, and hundreds of other such wires representing smaller groups, besides a great mass of individual protests.

Mr. President, there is undoubtedly a universal protest of the workers and producers of my State against this legislation who demand of me my opposition to the lowering of living standards and favor the preservation of the wages and conditions which Federal employees have gained through years of struggle and effort.

Minnesota has received only 75 per cent of the apportionment of civil-service employees she is entitled to, and under any plan there should be no dismissals of employees whose residence is in the State of Minnesota unless the reduction in personnel is more than 25 per cent.

There being no objection, the letters above referred to (with an accompanying table) were ordered to be printed in the Record, as follows:

WASHINGTON, D. C., June 1, 1932.

Hon. Thomas D. Schall,
Senate Office Building, Washington, D. C.

Mr. President: Because of the deep distress felt by the American Federation of Labor takes in the economic welfare of the Government employees we are deeply concerned over the provisions in the economy bill. For this reason I am taking the liberty of communicating with you to officially advise you of the position of the American Federation of Labor, and of labor generally throughout the Nation, so far as the American Federation of Labor can speak for it.

It is the opinion of the officers and members of the American Federation of Labor that a reduction in the salaries and wages of the Government employees would be economically wrong. Through such action a great injustice would be imposed upon thousands of Government workers without a corresponding benefit to the Government. Wage cutting on the part of the Government would aggravate the disturbed state of mind which already exists, would intensify a paralysis of buying power, which at the present moment is having such a disastrous economic effect, and would increase the social unrest and economic discontent which is so noticeable in all sections of the land. Private employers who have followed an unwise policy of wage cutting and have aroused feeling and passion in the minds of the masses of the people everywhere. They believe that wage cutting on the part of the Government will be the signal for further reductions in private industry.

In my judgment a great service can be rendered the people by the Congress of the United States if with officially declare, in opposition to the lowering of living standards and in favor of the preservation of the wages and conditions which Federal employees have gained through years of struggle, that such action would strengthen and encourage employers in private in-
### Number and cost of salaries of civil employees of the executive branch of the Government—Continued

#### Civil

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#### WL. GREEN, President American Federation of Labor.

National Federation of Federal Employees, Washington, D. C., June 1, 1922.

My DEAR SENATOR: We are including with this letter the statement showing the number of civilian employees grouped by $100 salary steps. This preparation was made in the Bureau of the Budget in an attempt to bring to the attention of the Senate the magnitude of cut the pay of employees in the lower salary ranges. The total savings must be secured by cuts in this group. The savings effected by cuts in this group are so negligible as not to warrant the United States Government lowering employment standards.

Very truly yours,

LUTHER C. STEWARD, President.

[Compiled in January, 1933, from latest available information]

### Number and cost of salaries of civil employees of the executive branch of the Government

#### Annual salary

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**RECORD-S*

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**Mr. HASTINGS presented the following letter from H. S. Hayward, of Wilmington, Del., which was ordered to be printed in the RECORD:**

WILMINGTON, Del., May 31, 1922.

Senator DANIEL O. HASTINGS, Washington, D. C.

MY DEAR SENATOR: Do you know that you are sitting on a political volcano? Do you know that your fellow Senators and Congressmen in the lower House are sitting on a political volcano? Do you know unless drastic economy measures are taken in time that there will be a revolution worse than the French or Russian Revolution? Do you know that there will be a political revolution this year or, if they vote, will vote some one not in office rather than anyone who will increase their taxes in any shape or manner? Do you know that the business amelioration your opponents will have for your defeat and their election will be your vote for the $1,000,000,000 tax bill, whether the sales tax or other equally obnoxious taxes are written in it? Why don't you follow the plan formulated by Mr. Lammot du Pont, of the Du Pont Co. whereby the United States Government can save $1,000,000,000 in taxes? Then there would be no need for any present $1,000,000,000 additional taxes which are wholly uncalled for and the present income like the individual, company, or corporation must do or go into bankruptcy or receivership. It would be nothing but plain common sense, just good horse sense if the United States Government would cut its expenditures by $1,000,000,000. Why should a spendthrift Congress—Senators and Representatives—impose burdensome taxes upon a people suffering under a depression the worst they have known. Why do you allocate 17,000,000 investors in bonds and stocks already having terrible paper losses in their bonds and stocks by imposing the additional transfer taxes. Why don't you tax heavily the short sellers of wheat, cotton, stocks, and bonds, the criminal betrayers of our prosperity, who are prolonging this depression? Why don't you increase the tax on refined sugar and increase the employment in our sugar refiners rather than have them on part time or thrown out of work because more and more refined sugar is imported? Why do you regulate the railroads to the point of starvation so that they would be bankrupt or in hands of receivers? Is it not for the loans of the Reconstruction Finance Corporation? Why do you let the busses and trucks go unregulated, taking away business from the small refrigerator companies, which are producing a great deal of wholesome and proper goods and make the country prosperous. Why isn't there some constructive action in Congress rather than destructive in the $1,000,000,000 tax program.

Yours truly,

H. S. HAYWARD.
during the year 1932, reported it with an amendment and submitted a report (No. 761) thereon.

Mr. WHITE, from the Committee on Commerce, to which was referred the bill (S. 2370) for the conservation of lobsters, to regulate interstate transportation of lobsters, and for other purposes, reported it with amendments and submitted a report (No. 762) thereon.

Mr. HEBERT, from the Committee on Patents, to which was referred the bill (S. 1301) to renew and extend certain letters patent, reported it without amendment and submitted a report (No. 763) thereon.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session, Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. SHORTRIDGE:
A bill (S. 4793) to grant compensation, disability allowance, or pension to enlisted men retired from the Army, Navy, Marine Corps, Coast Guard, and transferred members of the U. S. Naval and Marine Corps Reserve; to the Committee on Military Affairs.

By Mr. LOGAN:
A bill (S. 4794) for the relief of Homer H. Keffer; and
A bill (S. 4795) for the relief of Charles Wilson; to the Committee on Military Affairs.

A bill (S. 4796) granting a pension to Maude Kinser Alexander;
A bill (S. 4797) granting a pension to Mary Burton;
A bill (S. 4798) granting a pension to Roscoe Johnson;
A bill (S. 4799) granting a pension to Mary A. Newkirk; and
A bill (S. 4800) granting a pension to William Russell; to the Committee on Pensions.

By Mr. STEPHENS:
A bill (S. 4801) for the relief of A. L. Marshall; to the Committee on Claims.

By Mr. FLETCHER:
A bill (S. 4802) to amend section 8 of the Reconstruction Finance Corporation act; to the Committee on Banking and Currency.

By Mr. BINGHAM:
A bill (S. 4803) for the relief of Daniel C. McIntyre (with accompanying papers); to the Committee on Finance.

By Mr. GLASS:
A bill (S. 4804) to provide for the construction of a suitable approach to the Arlington Memorial Bridge connecting Lee Boulevard (route No. 711 of Virginia) with the Memorial Bridge; to the Committee on Public Buildings and Grounds.

By Mr. BLAINE:
A bill (S. 4805) for the relief of Henry J. Westphal (with accompanying papers); to the Committee on Claims.

HOUSE BILLS REFERRED

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

H. R. 632. An act for the relief of Lucy Murphy;
H. R. 673. An act for the relief of Carl F. Castleberry;
H. R. 1774. An act for the relief of Mary A. Cox;
H. R. 2266. An act for the relief of Charles W. Dvorack;
H. R. 2478. An act for the relief of Silas B. Lawrence;
H. R. 3029. An act for the relief of William K. Lovett;
H. R. 3460. An act for the relief of Coughlan-Kaminer Co.;
H. R. 4059. An act for the relief of Rosamond B. McManus;
H. R. 5852. An act for the relief of Miles Thomas Barrett;
H. R. 6003. An act for the relief of A. L. Marshall;
H. R. 6655. An act for the relief of Sam Echols; and
H. R. 7650. An act for the relief of William H. Nolan; to the Committee on Claims.

H. R. 954. An act for the relief of Howard Emmett Tallmadge;

H. R. 2595. An act for the relief of Henry Dixon Lineberger; and
H. R. 5595. An act for the relief of Harry Manning Lee; to the Committee on Naval Affairs.

H. R. 8174. An act to exempt from the quota fathers and brothers over 60 years of age of United States citizens; to the Committee on Immigration.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 26) to establish a commission to be known as the United States Roanoake Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoake Island, N. C., was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

AMENDMENTS TO LEGISLATIVE APPROPRIATION BILL

Mr. GLASS submitted two amendments intended to be proposed by him to House bill 11267, the legislative appropriation bill, which were ordered to lie on the table and to be printed, as follows:

On page 49, lines 19 and 20, strike out the words "the Administrator of Veterans' Affairs."

On page 46, line 18, subsection (f), strike out the words "insolvent bank receivers and bank examiners" and insert "public officials and employees."

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 49, line 10 and insert in lieu thereof the following: "as follows: Compensation to sum of $1,500 shall be exempt from reduction; compensation on that portion above $1,500 to $2,000 shall be reduced by 5 per cent; compensation on that portion above $2,000 to $3,000 shall be reduced by 10 per cent; compensation on that portion above $3,000 to $5,000 shall be reduced by 15 per cent; and compensation above $5,000 shall be reduced 20 per cent of the amount thereof."

Mr. JOHNSON submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

At the end of line 11, page 45, insert the following language: "Provided, however, That the said reduction shall not apply to the compensation or salaries herein described which are not in excess of $2,500 per annum, and compensation and salaries herein described of said shall be exempt from the provisions of this section."

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and a joint resolution signed by the Vice President:

S. 154. An act for the relief of Amy Harding;
S. 669. An act for the relief of Chester J. Dick;
H. R. 338. An act to authorize transfer of the abandoned Indian-school site and building at Zebah, Mich., to the L'Anse Band of Lake Superior Indians;
H. R. 1029. An act for the relief of Basil N. Henry;
H. R. 3691. An act for the relief of J. P. Mynih;
H. R. 4143. An act for the relief of the Sherburne Mercantile Co.;
H. R. 4270. An act for the relief of Carroll K. Moran;
H. R. 4453. An act for the relief of Pasquale Mirabelli;
H. R. 4888. An act for the relief of George E. Casey;
H. R. 5206. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products; and
H. R. 9254. An act to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota; and
H. R. 341. Joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.
Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the Record an editorial from one of the leading dailies of South Carolina, the State, entitled "The South Carolina Bar and Prohibition.

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

The editorial is as follows:

[From the State, Columbia, S. C., June 1, 1932]

THE SOUTH CAROLINA BAR AND PROHIBITION

The question is being raised as to the merit of the vote recorded at the meeting of the South Carolina Bar Association last week in favor of the repeal of the eighteenth amendment.

In comment on the report published in the Greenville News that the resolution favoring repeal was passed by "a very large majority," it was stated that the vote was "50 to 42, and was taken when less than half those who had attended the association's meeting were present. Mr. Haynesworth adds that he wrote a letter in advance of the meeting to the chairman of the committee having the resolution in charge saying:

"The committee of which you are chairman has given public notice of its purpose to offer a resolution at the approaching meeting in disfavor of the repeal of the eighteenth amendment."

"This is a subject involving certain moral, political, and economic considerations upon which the bar of this State is hopelessly divided.

"I question the propriety of entangling the association in controversies of this kind. Any resolution on the subject pro or con if it be adopted by the bar as a whole, cannot and would not represent the sentiment of a united bar.

"I hope that your committee will reconsider its purpose to press this resolution."

The South Carolina bar is, as Mr. Haynesworth says, "hopelessly divided."

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"I hope that your committee will reconsider its purpose to press this resolution."

SEC. 25.

"A World Conference."

The Washington-London suggestion of a world economic conference has been attacked in this Nation and others by the depression. One is that the basic causes are economic. The other is that economic forces are not national but international. Drop a stone in our economic puddle and the ripples circle out across the seven seas to the ends of the earth.

"No, that is the trouble with these other two economic conferences about which Mr. Hoover was so discouraged. The fault was not in the conference method. Nor was it in the failure to discern causes and to find at least partial solutions. The trouble was the insincerity of the governments participating. They were not willing to abolish their own selfish trade restrictions against foreign commerce and to lower down their own tariff walls. They were not willing to cut down war debts and reparations to a point which presently now imposes a burden."

"It is futile, however, to blame the other fellow as long as our own attitude is so unintelligently selfish. In the very breath that our own Government accepted the principle of an international-conference plan, it specified that the "conference would have nothing to do with war debts, reparations, disarmament, or any other question purely economic." It may be some agreement—though we can not understand it—as to whether disarmament is an economic question. But if debts are not an economic question, words have lost their meaning.

"Tariff is another economic question which Washington apparently would shut out from the "purely economic" conference.

For many months there has been need of an economic conference on debts, disarmament and expense and tariff—the 3-in-1 economic issue which must be settled to save the world depression. But a world conference which concentrated on results like the fall in commodity prices, without getting back to causes, would be just another conference.

MESSAGES FROM THE PRESIDENT

A message in writing from the President of the United States, submitting nominations, was communicated to the Senate by Mr. Latta, one of his secretaries.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, the pending question being on the amendment of the Committee on Appropriations, under the subhead "Schedule of Temporary Reductions," on page 45, line 6, after the word "reduced," to strike out "as follows:

"Compensation at an annual rate of $2,500 or less shall be exempt from reduction; and compensation at an annual rate in excess of $2,500 shall be reduced by 11 percent of the amount thereof in excess of $2,500" and insert "by 10 percent of the amount thereof," so as to read:

"Sec. 102. (a) During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in an establishment of the United States Government or the government of the District of Columbia is hereby reduced by 10 percent of the amount thereof.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

Mr. BYRNES. I have no objection.

Mr. NORRIS. I offer the amendment.

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. BYRNES. I yield.

Mr. NORRIS. I assume the Senator is going to discuss the question of salary reductions?

Mr. BYRNES. I am.

Mr. NORRIS. The Senator has given the matter so much attention that I would like to have the benefit of his discussion of an amendment which I have prepared. If he will yield for the purpose, I will offer the amendment. It can then be pending amendment, and the Senate can discuss it.

Mr. BYRNES. I have no objection.

Mr. NORRIS. I offer the amendment.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The Chief Clerk. On page 45, line 7, amend the House text as follows:

"Strike out the figures "$2,500" and insert in lieu thereof "$1,500"; and, in line 8, after the semicolon following the word "reduction," strike out the balance of the paragraph and insert in lieu thereof the following: "and that part of any annual compensation in excess of $2,500 shall be reduced by 6 percent; that part of any annual compensation in excess of $2,500 and not in excess of $4,000 shall be reduced by 10 percent; that part of any annual compensation in excess of $4,000 and not in excess of $5,000 shall be reduced by 15 percent; that part of any annual compensation in excess of $5,000 and not in excess of $7,500 shall be reduced by 20 percent; and that part of any annual compensation in excess of $7,500 shall be reduced by 25 percent."
Mr. BYRNEs. Mr. President, I do not believe there could be assigned to any committee of the Senate a more disagreeable duty than that assigned to the so-called Economy Committee. It is pleasant to increase the salaries of employees and to increase appropriations for activities which result in larger salaries for employees. It is very unpleasant to take a great reduction in the salaries of employees. I would rather exercise the appropriation for the Employment Service, and several other items, all of which have combined to make this total. That, however, is what the taxpayer wants to know. He says, "I do not want to become involved in any intricate set of figures; I want to know what the total bill is of this session of Congress as compared with the last." If we were to hand it to him to-day we would have to hand him a bill for $266,000,000 more than was appropriated by the last session of Congress.

Mr. VANDENBERG. Mr. President, if the Senate will yield, just for information, will the Senator indicate how many of the proposed expenditures will represent a saving from the previous session's taxation.

Mr. BYRNEs. I cannot give them in detail, but I think I can give the Senator the information he desires: That the decrease in the appropriations known as the regular annual appropriations as it stands to-day, by reason of the desire on the part of the Congress to economize wherever possible, amounts to $152,491,000.00.

How has that been brought about? It has been brought about because the Senate undertook to reduce expenditures and thereby respond to the demand of the people of America. After the House had undertaken its economy program we proceeded to a further 10 per cent reduction in the estimates. From the reductions by House and Senate, the Interior Department appropriation bill was reduced 33 1/3 per cent, and as a result of it hundreds of people will have to be dismissed from that service. We have greatly reduced other appropriations and similar dismissals will have to take place in the many departments affected.

The Post Office appropriation bill is pending before the Appropriations Committee, and as to it a controversy exists. It is contended by one Member that we can reduce it 10 per cent without causing dismissals because we can reduce the ocean mail subsidies and the air mail subsidies. That, however, depends upon the willingness of the carriers, and if it is possible to do that, the contracts can be violated. The United States can not afford to violate its contracts; it never has done so and it never will; and when the Appropriations Committee of the Senate goes into that matter and the Senate considers it, if it involves a violation of contract, such action will be taken, and then if the reduction shall be made, it will mean that men and women throughout the Postal Service must be dismissed; that rural routes must be consolidated; that carriers and clerks must be dismissed. That is the situation. This cut must be agreed to or else the Senate must retreat from its position in favor of a 18 per cent cut in the appropriation for the Post Office Department, otherwise hundreds will be dismissed.

Where else are we going to effect savings? The President of the United States in a very optimistic statement said that he thought in addition to the approximately $250,000,000 sought to be effected by this bill, we could hope for an additional $150,000,000 cut in other appropriations. Can we deduct 10 per cent from the independent offices appropriation bill? That bill carries approximately $1,000,000,000 for the veterans of the World War, the Spanish-American War, and the War between the States. We can not reduce it; and if we can not make a reduction in the appropriation for the veterans, manifestly we can not strike $100,000,000 from that appropriation bill. It can only be done by going to personnel and dismissing employees, destroying the service, closing regional offices throughout the country. We may as well realize that situation.

There is another thing. We talk about saving in this bill $338,000,000, and then say that we will add to that sum the savings effected in these other bills. If we should do that,
we would not be doing what the Economy Committee thought was right. I want to explain that to the Senate right now.

In the Interior Department bill, as I have said, we reduced the appropriation below last year by 33% per cent. That means the dismissal of employees who have been in the service for years; it means turning them out at a time when more than $6,000,000 men walk the streets seeking employment. No more inhumane thing could be done even under extremity. We do not believe that it should be done, and we have sought to prevent it not only as to the Interior Department but to the other departments. How have we sought to prevent it? In this bill we seek to apply a reduction of 10 per cent in salaries. If for the Secretary of the Interior there was an appropriation of $100,000—using that figure merely for mathematical purposes—and when the appropriation bill reached the Senate, by reason of the action of the majority of the Senate, under the McKellar motion we reduced that appropriation 10 per cent, then the amount left for personnel in the office of the Secretary of the Interior is $90,000, a reduction to the extent of $10,000, and to that extent employees will have to be discharged. This bill comes along, and we reduce by 10 per cent the salaries of the people that otherwise would have been discharged. Here, then we reduced 10 per cent the salaries paid to employees in the office of the Secretary of the Interior then he is able to keep in that office every employee now there. It is true they will all get 10 per cent less for this year, but not one employee will lose his job. This is the way we have put into this bill a provision that the savings effected by this reduction of 10 per cent shall be available to apply in the departments and bureaus solely for the purpose of paying salaries. In other words, the head of the bureau can not take that reduction and use it to put up a building, but the head of the bureau, by reason of the action of the Senate in the final plan, to which I have referred, can take the 10 per cent saving and apply it to the employees of that office and prevent the head of some family from being turned out upon the streets in this day of unemployment.

Mr. President, we did another thing. We thought that inevitably, by reason of the reductions and cuts heretofore provided by the Congress and those which are threatened even with this 10 per cent reduction, there would necessarily be some reduction in the number of employees; and again, seeking to help them, we included a section, which has been referred to, that if there is no other purpose other than to help them, providing that where, in any department, by reason of a reduction in appropriation made by Congress, after applying the 10 per cent cut, it is still necessary to dismiss men from the service of the Government, for this year the head of the department will have the right to furlough such employees instead of absolutely dismissing them from the service. The employee is furloughed without pay; he will not have to go through the procedure of reinstatement when normal times return when he asks for reinstatement; but he is continued as an employee. Solely for the purpose of helping him, we have placed in the bill the provision that the head of the department may furlough him without pay for the remainder of this year.

But, Mr. President, we come right down to the question of salary reduction. If there is to be a saving on this score, we can not proceed, as did the gentlemen at the other side of the Capitol, to save, on account of salaries, $9,000,000. No man wants to reduce the compensation of employees. I certainly do not want to do it; and yet what is the situation in business? According to a report which the Department of Commerce has received from the National Industrial Conference Board of New York City—I do not know how accurate it is in its figures; I submit it only for what it is worth—salaries were reduced in the last two years by four out of five of all concerns in the leading fields of American business. Wages were reduced out of every one of the categories of income; statement which the Department of Commerce, on May 28, received from the National Industrial Conference Board.

Our own experience is just as good a guide to us as any figures submitted by that board. What is the situation in our homes? Is the income of the cotton farmer decreased? It is gone. Is the income of the wheat grower decreased? It is one of the forgotten things of the past. How about the industrial enterprises in our States? Yesterday I received a telegram from a cotton mill in South Carolina indicative of the rather general conditions, saying that 30 cotton mills would be closed down, and the men are laid off for the next 80 days. In every other State similar situations exist.

With this situation, with the demand on the part of the people for some relief from the burden of taxation, this problem is submitted to us.

Within the last 24 hours we put into a bill a tax of an additional cent on gasoline. It was sent to the other end of the Capitol and sent to conference with cheers, cheering the imposition of an additional tax on gasoline. When the farmer to-day, out on some farm in a Western State or a Southern State, stops a rural carrier and asks, "What is the news from Washington?" he can be told truthfully that in Washington they have imposed an additional tax of a billion and a quarter dollars to add to the burden of taxation, which already is groaning and suffocating day by day. He, in turn, can say, "Has any reduction been made in the appropriations, in the salaries of Federal employees?" "No.

We put this provision in the bill with this thought: We had made a reduction of this magnitude, the expenditures of the Federal Government for this year. Where can it be done except on personnel? The reduction must be made with personnel. When we make the reduction in personnel, shall we do it with an exemption, on a graduated scale, by the furlough plan suggested by the President, or by some new original plan?

We canvassed every one of the propositions. We concluded that the only way that we could possibly save the amount of money which the exigencies of the occasion demand was to apply this reduction of 10 per cent from President to porter, from judge to janitor, throughout all the Government service. When we enter into the intricacies of the furlough plan we necessarily become involved in discriminations in favor of one as against another man. Here is one man in an office who the head of the department would say was essential and should be exempted from the furlough plan. Here is another man included in that group. Why did we exempt him? I am just as important to the Government;": and he is dissatisfied.

Government employees are human beings. No man will ever hear me criticize them for complaining of any reduction at all, because they are human; but what they want, if I understand them, is that everyone be treated alike. If we treat them alike, then they have no complaint.

Whenever we enter the field of exemptions, we run into this situation: Suppose we put the exemption at $1,500. First, from a legislative standpoint, let me be practical about it. I know what happens. If the Senator from Michigan bids $1,500, the President of the Senate will immediately become an auctioneer. Whenever he says "Are there any other amendments?" some other Senator is going to bid $2,500. "Are there any other amendments?" $2,500, $3,000, $3,500—exemptions going up and reductions going down. The inevitable result will be that out of this there will be no saving to the taxpayers of America. That is because we are human. That is because it is necessarily our desire, if we happen to entertain those particular views, to go as far as we can, to please friends among the Government employees.
who are my friends, I know it is essential. I believe that when a rural carrier to-day leaves his post office to go 24 miles around his route, if he is a thoughtful man, he will know that every house he passes has in it a family which is now confronted with the necessity of eking out a living on $40 or $50 a month. He knows that the burden of taxation has made that homeseeker wonder whether he will have a roof over his head for another 12 months. As the rural carrier drives by, receiving his salary, with his certainty of employment and his certainty of retirement, I think if he is a thoughtful man he will say, "I do not like to give up $260 of my salary this year, but when the Congress of the United States and the President of the Nation say it is necessary that this reduction be made, when my common sense tells me, even if there never was a Congress or President, that some reduction should be made, if I am willing to give it up for one year, knowing as I do that under the terms of the bill, at the end of the year, automatically my salary is restored, and all that I am asked to do is to give up 10 per cent of what I received last year." Then he has the knowledge that every other employee is giving up the same thing, and he can say, "Well, I am being treated just like the other fellow. If any other employee were being treated better than I am, I would feel differently about it." I have an abiding confidence in the patriotism and unselshness of these employees and their willingness to make a sacrifice.

Mr. BLAINE. Mr. President, let me say that the theory upon which the committee acted in applying the 10 per cent cut was simply this: If a man is receiving $1,200 this year, and we deduct 10 per cent from his salary, he will receive $1,080 next year. There is not a man here who does not agree with the statement that for $1,080 more he can buy as much as he could buy for $1,200 last year or the year before.

If that statement is not correct, then our conclusions are not correct. I have gone to some trouble to investigate it. It is unnecessary to go into consulting the figures as to the whole city or this city. It shows a reduction that the purchasing power of the dollar has increased every month for the last 18 months. It shows that a dollar to-day is equal to more than a dollar and a half two years ago.

We can say—and I know the arguments, because we have thrashed them out—that that might not affect rent; that might not be true of this thing or that thing. I have discussed it in my own home, and I know that there has been a reduction certainly in the expense of provisions and of clothing to an amount that more than offsets the 10 per cent reduction that is applied here.

Mr. BLAINE. Mr. President.

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

Mr. NORRIS. I should like to inquire of the Senator what consideration, if any, the committee gave to the question of rent, particularly in the city of Washington, where the largest number of Federal employees live. It seems to me that rent has not kept pace with the other necessities of life in the downward trend.

Mr. BYRNES. I will say to the Senator that the committee agrees with him, and that is why I mention it, because it is a subject that engrossed our attention for some time. Mr. Byrnw, nods his head, because we had a long discussion of it. It varies. In some instances there has been no reduction in rents, from what we could learn. In many other instances there has been a reduction. I have even talked to one or two of my colleagues, and I learned from a colleague on this floor of a reduction of rental of the house occupied by him so that it now rents for much less than it was rented for last year.

I will say, however, that that is the worst of all of the items. I agree with the Senator from Nebraska that rents have not increased in Washington in the least. Washington is the only place where there has been an effort to maintain rents along the standard of the last few years.

Outside of rent, however, a 10 per cent reduction in pay will not greatly improve the situation of the individual. If all serious prices have been reduced. If all entertainment and other purchases of the individual have been reduced. We have to take into consideration clothing and food; and every man who is keeping house, by consulting the housewife and the boss of his establishment, will find out that that statement is justified as to food and clothing.

Mr. BLAINE. Mr. President.

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

Mr. BLAINE. Has the Senator found that there is any reduction in the cost of fuel?

Mr. BYRNES. I did not inquire, and therefore I do not know.

Mr. BLAINE. Does not the Senator know that coal is just as high as it ever was, and that all forms of fuel are just as expensive?

Mr. BYRNES. I know there has been a reduction of soft coal. I know that throughout the country, by reason of the tax bill, there presumably will be, in so far as electric current and gas are concerned, some possible increase in those items.

Mr. BLAINE. There may be an increase in electric current and gas and fuel over the present price, which is no lower than the price that has prevailed for several years.

Mr. BYRNES. I will say to the Senator that I do not know that there will be an increase; but I say in response to it that if that is so, then this is the fact: The whole Nation must be considered; and if by our action here we are going to increase the price of the fuel of the man who lives in Wisconsin and the fuel of the man who lives in Nebraska and the fuel of the man who lives in Maryland, and we are going to tax everything else that he uses, then we should not say, "While we take more from you, we decline to reduce the salaries of employees of the Federal Government so as to lighten the burden. We are going to take more out of you by additional taxation, but we can not reduce the expenditure of the Federal Government."

Mr. BLAINE. Another item: Where the Federal employee lives in a city having street-car transportation, street-car fares are increasing instead of being reduced. That is a very important item.

Mr. BYRNES. In some cities, no doubt, that is true. I am not familiar with the statistics on it. If the Senator has investigated the matter, I will accept his statement on it.

Mr. BLAINE. It is true.

Mr. BYRNES. It may be true in one place.

Mr. BLAINE. I know of no place where street-car fares, the common means of transportation, have been reduced.

Mr. BYRNES. I must say for the city of Washington that taxicab fares are about the lowest here of any place that I know of in the Nation. I rather have rejoiced that that is true, as I use them.

Mr. BLAINE. In that connection, it would cost an employee 40 cents a day to use a taxicab in going to and from his work.

Mr. BYRNES. Of course, if he did it without taking with him two or three other employees, that is true. If he took two or three others with him and paid the fare of 20 cents, it would be cheaper.

Mr. BLAINE. In the city of Washington, on a single ticket, it would cost a man 20 cents to go by street car to and from his work each day.

Mr. BYRNES. Yes; and in a taxicab it would cost 20 cents, but if he took two or three others with him they would ride for the same 20 cents.

Mr. BLAINE. I am just analyzing these elements of cost.

What did the Senator say was the reduced cost of food?

Mr. BYRNES. I said I would not go into that, since it was not fair to take the wholesale index, because the retailer might not give the benefit of the reduction in every instance. But I say this from my experience with my own expenses: That I know there has been a reduction of more than 10

its former rental. You can do it in the State in which I live, and every man knows that that is true in his own home. This city is the only place where there has been an effort to maintain rents along the standard of the last few years.

Outside of rent, however, a 10 per cent reduction in pay will not greatly improve the situation of the individual. If all serious prices have been reduced. If all entertainment and other purchases of the individual have been reduced. We have to take into consideration clothing and food; and every man who is keeping house, by consulting the housewife and the boss of his establishment, will find out that that statement is justified as to food and clothing.
per cent in the cost of food. It is one of these things which it is impossible to reduce to an absolute certainty. If any man thinks that to-day a dollar does not buy more than it did last year, he can take the view that this proposal would result in a reduction. If any man will admit that the dollars are worth less this year than they were last year, if the prices, as a result of the flat-rate reduction, and in placing only a flat rate thereon, then he must agree that the salaried employee would not be hurt by the proposed reduction. That is the whole thing.

Mr. BLAINE. The Senator recognizes that commodity prices, in so far as raw materials are concerned, have been greatly reduced. It has not been my experience that there has been great reduction in the retail prices of a great many of the necessities of life.

Mr. BYRNES. That is the Senator's view. I took the trouble of inquiring of my wife, the purchasing agent in my own home, as to the prices of the necessities of life, and when I see my friend the Senator from Wisconsin after this debate, I will tell him where the purchasing agent in my home does the buying for the home so that he can get the benefit of it.

Mr. BLAINE. The Senator may have a special Pigly Wiggly store at which he buys, about which I know nothing. If the Senator will suggest that I will consult the purchasing agent of my home first, and then I will advise the Senator, so that he may profit by the information.

Mr. NORRIS. Mr. President, I hope the Senator will give that advice to all of us.

Mr. BYRNES. I do not think it will be necessary in the case of the purchasing agent in the home of the Senator from Nebraska, whom I know very well.

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

Mr. BYRNES. I yield.

Mr. TRAMMELL. The Senate has referred to a salary of $1,200 a year. Let us take the time two years ago. Does the Senator think the average employee, let us say employed in the District of Columbia, drawing $1,200 a year, could enjoy anything like the comforts of living, of food, of clothing, of entertainment, of amusement, the Senator enjoys?

Mr. BYRNES. Mr. President, I do not exactly understand what the Senator refers to. If he means to ask whether some employee of the Government here in this city could enjoy the comforts I enjoy, I would say that most of them enjoy more comforts and certainly more entertainment than I do. It depends on a man's mode of life. The standards of living have not changed. When my clerk hands me a notice of overdraft this morning, it is not my first experience. The same thing has occurred when I was in the home of my father, who had a larger income. My observation is that we all have our standards of living, and generally manage to spend what we have. As income increases, obligations increase, demands increase.

Mr. TRAMMELL. The point is that the committee propose to take a flat rate off everyone's salary, they propose to reduce the standard of living of people with lower salaries by that flat-rate reduction, and in placing only a flat rate on the higher salaries, they would not change or in any wise interfere with the living standards of persons getting the larger salaries.

Mr. BYRNES. Mr. President, in response to that, let me say this, that this is not permanent legislation, it is temporary legislation. It is only asking each and every employee of the Government of the United States, from President to porter, whether in this crisis he is willing to give 10 per cent of what he is making this year to the Government of the United States. We say we do not disturb the relative positions of the employees of the Government, if they are drawing $2,000, or $1,000, or $3,000, there is no change in their status. If we make an exemption, we immediately begin to change the relative positions of the employees, and we do not want to do that. That would require permanent legislation. It would be saying some particular man should have a greater exemption because he has a larger family, or because he needs the money more. We thought it would be the wise thing not to affect in any way the relative positions of the employees of the Government but to say that if they are living to-day in Washington and have an income of $3,000, and the standard of living is based upon that $3,000 income, just to give up 10 per cent of that, telling them that even with that reduction they can live just as well as they did two years ago, that it is not true, then to the extent to which it is not true, just to that extent and no more, are they hurt. But we do not attempt to interfere with the relative positions of employees and say that the man drawing $2,000 should take a bigger cut than the fellow drawing $1,500, or $1,500, or $1,500. Let me direct my attention to that, because some Senators have asked that.

Mr. TRAMMELL. Mr. President, I would like to know why the committee proposes to change the policy in dealing with salaries from the policy which has always prevailed in levying taxes upon incomes. Why did the committee do that?
I think that covers the range of the inquiry. If not, I shall be glad to supplement it if I have the information.

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

Mr. JOHNSON. Will the Senator repeat the last figure he gave?

Mr. BYRNES. The amount of the reduction for the group drawing from $2,000 to $2,500 would be $46,030,000.

Mr. JOHNSON. When the Senator says that, does he mean that the $46,000,000 represents all below $2,500, or represents only the amount between $2,000 and $2,500?

Mr. BYRNES. Only between $2,000 and $2,500; but I will say to the Senator that this table shows that if there is added to the amount taken from all those drawings below that, the inquiry the Senator now makes, the amount would be $89,450,000.

Mr. JOHNSON. That can hardly be accurate, can it, if we start with those drawing from $1,500 to $1,800? There are some salaries below $1,500, however, I suppose.

Mr. BYRNES. Yes.

Mr. JOHNSON. That accounts for the difference. Now, let me check these figures.

Mr. BYRNES. I shall be glad to turn this table over to the Senator.

Mr. JOHNSON. On those drawing between $1,500 and $1,800 the reduction would be $13,370,000; from $1,800 to $2,000 it would be $13,310,000; from $2,000 to $2,500 it would be $46,030,000; the total for all under $2,500 being $89,450,000.

Mr. BYRNES. Yes; $89,450,000.

Mr. JOHNSON. The President. Mr. President, of course there is a reason for these figures. When we looked into the reason for that large figure covering employees receiving between $2,000 and $2,500, we found that the largest number of employees is in that group. We can not make reductions where there are no employees. The greatest reductions must necessarily come from the group where the greatest number of employees are, and that group, according to the table, embraces the employees drawing from $2,000 to $2,500 a year. As we get beyond $2,500, and go to $3,000, the amount decreases to $12,000,000; then, in the next group, drawing from $3,000 to $3,500, the amount is only $4,848,000, because the number of employees necessarily is smaller as we go into the higher brackets.

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

Mr. BYRNES. I yield.

Mr. TYDINGS. I have in my hand a table showing the range in salaries from a thousand dollars up, by hundreds, of all Government employees. I have just made a calculation, which shows that if all Government employees receiving $2,150 a year or less were exempted from this reduction, it would mean that all who received $2,150 a year or more would have to stand the same cut as comes to their employer, and that is all. The President of the United States has talked about saving by this bill $231,000,000. The Finance Committee had the Secretary of the Treasury sit in with them. He said, "When you talk about balancing the Budget, you will have to save $231,000,000." Whenever we put in an exemption we might as well be frank enough to say that instead of saving through this reduction in salaries $128,000,000, we are going to save only $30,000,000. If we do not take it off here the Finance Committee is going to have to raise more by taxation or else we will have to raise more than $90,000,000. Right now we are going to save only $10,000,000. When the Government employees in Washington must be cut out on the streets. When they are turned out they will come to your office and mine and ask for assistance. They will ask that some other man or woman be dismissed. Remember, if you pass this bill, you may save them, because if you do this they can be kept in the service of the Government, even if they do get a 10 per cent cut.

We get many letters and telegrams to-day. Everybody is in favor of economy provided you do not reduce his salary or reduce the appropriation for some activity in which he is interested.

I do not quarrel with those people. That is human nature. But I have heard from many people that the argument is that if the people recognize there must be some reduction in their salaries. My observation of employees of the Government in Washington is that the great majority of them are patriotic public servants who work overtime when necessary and never complain. There may be a few, and there always are, who try to slip out on the streets. When they are turned out they will come to your office and mine and ask for assistance. They will ask that some other man or woman be dismissed. Remember, if you pass this bill, you may save them, because if you do this they can be kept in the service of the Government, even if they do get a 10 per cent cut.

Mr. CONNALLY. Mr. President, I wish to proceed, because I do not want to take much more time of the Senate. We recognize the strong argument that can be made along the line that several Senators have indicated in favor of an exemption. On the other hand, whenever we have got to go into a case where there is dissatisfaction on the part of the man who has to pay more. An exemption would necessarily have to be arbitrary. The figures I have just read to the Senator from California so indicate. Whenever you make an exemption, the argument is cut both ways. Why exempt some and not exempt me? I have a family to support. Look at that man over there. He is a bachelor, he has no dependents upon him, and by reason of the exemption he does not lose anything." But when we apply the reduction to all, there is no man who would not have to say, "I have not been changed in so far as my status, with relation to my neigh-
I came. [Laughter.]

which appealed to us as justifying the exemption.

I have no objection. I do not have to stay in the Senate.

represent them if you do not know any better than to believe

Let me tell those

that you

the best interests of the Nation.

women are working for the Government probably receive

I think that I shall probably vote for a reduction

When I cast that vote I shall do it,

And then we fool ourselves into trying to believe that our constituency would be satisfied. We are satisfied to take $120,000,000 away from the employees of the Government, while horse leeches' daughters gnaw at the very vitals of the Republic. When it comes to economy we will never bring it about by reduction of small salaries.

There have come from the Senate or the House of Representatives after long service and they have become derelicts, floating about, depending upon their relatives and friends to support them. Yet there are men in the Senate of the United States to-day who say that "I think only of my election to this body next time, and I believe that it is necessary to cut salaries because I will be a good fellow with my constituents when I go back home." Let me tell those Senators what their constituents think about it. They will think that you are not competent to represent them if you do not know any better than to believe that the employees of the Government can be made up of rich men who do not have to depend upon their salaries, I shall say well and good, although I may believe that it is not for the best interests of the Nation.

I have seen many men come out of the Senate after having served a number of years. I knew one of the most distinguished Senators that my State ever sent to this body who was buried by charity and whose grave is now unmarked. I know another distinguished Senator who had a long service in the House and in the Senate of the United States and his grave is also unmarked. I know a third distinguished Senator that my State ever sent to this body who was buried by charity and whose grave is now unmarked.

But, as I said, I shall vote to make all of the Members of Congress dollar-a-year men, if that be their desire. I have no objection. I do not have to stay in the United States Senate. In fact, I never had any great desire to be here, and my desire to be here now than I did before I came. [Laughter.]
I am going back to a little plain common sense. The reason this question has been so difficult is because we have been going at it in the wrong way. As I said some weeks ago, I do not believe much in the reduction of salaries, as Senators will see, but I do believe that there are many employees on the pay rolls of the Government in the different departments and bureaus who should be eliminated; some of them because they are insufficient, some of them because the services which they are rendering can be dispensed with, some of them, probably, for one reason and some for another. Suppose we cut out this $40,000,000 by exempting those employees receiving salaries of $2,000 and less, it is asked what are we going to do about it; where are we going to make it up? I will tell the Senate what we can do about the whole thing. My candid judgment is that we should throw this whole proposition into the wastebasket and then we could make it up in this way: If we reduce the appropriations for the departments by $40,000,000, considering that item alone, then what will happen? The heads of the bureaus and departments will be compelled to make reductions. How are they going to make them? I assume these officials are honest, I believe they are honest American citizens, who desire to give the best Government that is within their power to give. They will go through the departments and will eliminate those employees they can best do without and who are not necessary. I have no doubt that in the departments there are men who have toiled throughout the years faithfully and efficiently; they need every cent they can earn; but there are others who have shirked at every opportunity who probably do not need the money that they receive from the Government. I take it for granted that the heads of the departments will eliminate those whom it will hurt the least.

When they have done that they will have eliminated $40,000,000 in salaries, because it is our duty to cut the cloth; it is our duty to say how much the departments shall have, and it is the duty of the heads of the departments to use to the best advantage, that which we give them. It is no business of ours to say that we are going to cut the salaries in the departments. We should furnish the money that we think the departments ought to have and allow the heads of the departments to distribute the money in a way that will bring about the most efficiency in service.

Mr. COPELAND. Mr. President, the PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New York?

Mr. LOGAN. I yield.

Mr. COPELAND. I was very much interested in the figures given by the Senator, but I did not quite retain them in my mind. Is it correct that if we were to cut 10 per cent the salaries below $1,000 the saving would be $4,000,000? Mr. LOGAN. It would be $4,330,000.

Mr. COPELAND. Can the Senator let me have the figures as to salaries below $1,500?

Mr. LOGAN. I do not have those figures; I have the figures as to salaries between $1,000 and $2,000.

Mr. COPELAND. How much would the saving be in that bracket?

Mr. LOGAN. It would be $36,500,000, and, adding that to those below a thousand dollars, the saving would be $40,830,000.

Mr. COPELAND. The Senator has not the figures as to salaries of $1,500.

Mr. LOGAN. As to those receiving $1,500, I have the data, but have not made the computation.

Mr. BRATTON. If the Senator from Kentucky will permit me, I have those figures.

Mr. LOGAN. I will be glad if the Senator from New Mexico will furnish them to the Senator from New York.

Mr. COPELAND. The employees drawing salaries up to $1,500 receive a total of $127,557,853, 10 per cent of which would be $12,755,785.

Mr. COPELAND. That is, if the salaries of employees were exempt up to $1,000, the loss in the estimated savings would be $12,000,000.

Mr. BRATTON. It would be $12,755,785.
Mr. LOGAN. If we should make these exemptions, and that should reduce the proposed saving a certain number of million dollars, then, if we deduct an equal amount from the appropriation, the furlough plan which has been provided could be put into operation just the same as under the illustration which the Senator gave.

Mr. BRATTON. Does the Senator mean the general furlough plan?

Mr. LOGAN. Yes; I mean the furlough plan. The Senator stated that if the appropriation should be reduced and the departments should not have enough money, they could put the furlough plan into effect. Now, if we made a less appropriation, the furlough plan could be put into operation, and it would not be absolutely necessary to discharge any employees unless it should be some that ought to be discharged.

Mr. BRATTON. If the appropriation were reduced and less money were provided, there would have to be more furloughs.

Mr. LOGAN. That is right.

Mr. BRATTON. That is the whole thing.

Mr. LOGAN. That is what I meant.

Mr. BRATTON. So that as the appropriations are reduced the use of the furlough plan will be increased, with the result that we will have more men and more women on furlough.

Let me say to the Senator that we thought a flat reduction was the most equitable plan after all. It does not subject a superior in a department to the temptation of partiality, or partisanship, on the one hand and discrimination on the other. It relieves every employee of any anxiety about what he was going to do, and merges it all in the same view. It is filled with fallacies; it is filled with elements certain to produce uncertainty and doubt in the minds of the employees. I think, Mr. President, that the average employee had rather have the definite assurance that he is going to draw his salary, minus 10 per cent, than to have to get rid of because they do not have the money with which to pay them than the Senator is to determine what those department heads should do. I still adhere to the statement I have heretofore made that there is not a department of the Government that can not eliminate one-quarter of its employees and still operate more efficiently than at the present time.

Mr. BRATTON. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield further to the Senator from New Mexico?

Mr. LOGAN. I yield.

Mr. BRATTON. If we were not so devoted to the Senator I would express the hope that he might have the job at his own time of overhauling the whole subject matter and deciding what employees should be discharged and from what departments, and so forth. I, too, thought that was a mighty bad idea, but I undertook the job and devoted three years and to it. The truth is that we now have a government that is too big and too broad and too complicated; and it has grown in every direction. It is a bureaucracy, and there are commissions everywhere.

Mr. LOGAN. That is right.

Mr. BRATTON. It is an accumulation that has grown through the years, and perhaps we are all to blame for it, but it is a condition that now confronts us. If we were to undertake a comprehensive program of consolidating and abolishing departments and suspending bureaus and eliminating activities, the result would be that instead of all the 732,460 employees being reduced 10 per cent and having perhaps a living wage during this period of stress we would have scores of thousands of them without any income, with outstanding obligations incurred upon the strength of their employment, with homes mortgaged, with notes in the banks, and with other kinds of indebtedness. They would be permanently off the Government pay roll.

Mr. LOGAN. That is true of the private employee today, is it not?

Mr. BRATTON. Yes.

Mr. LOGAN. Why should the Federal employee be placed on any higher basis than the railroad employee or the factory worker? Should we, at the expense of the people, make them more secure in their jobs than others?

Mr. BRATTON. Not at all; and I express the belief that Government activities must be retrenched. We will have to curtail.

In the period from 1915 to 1930 the Government expanded just as families did, industries did, and all of us did. Times were good; we made money easily, and we spent it freely. The Government appropriated money by the millions without any hesitation, and we created bureaus and commissions right and left, and the Government did just what individuals and industries were doing.

Now, however, we have a different situation. The Government will have to retrace some of those steps. We will have to curtail. We will have to retrench. We will have to reduce, and I believe it is a process which is going to cover several years. Let me suggest to the Senator from Kentucky, however, that the process should not be so sudden that literally thousands be dismissed immediately without compensation. It should not be by such a leap and bound, so severe that thousands and thousands of people will be thrown out of employment immediately, with no notice. That was what the committee thought; so we permitted the provision to remain in the bill authorizing the President to consolidate and merge and coordinate activities.

Mr. LOGAN. A mighty bad provision, too, as it is written in the bill.

Mr. BRATTON. Perhaps it is, but that can not be done by a committee in a day, nor a week, nor two weeks.

Mr. LOGAN. No, sir.

Mr. BRATTON. And I dare say that the President will find it necessary to give the matter careful consideration, covering many weeks. But with a fair and reasonable administration of that provision Government activities can be reduced and should be reduced, and I express the hope that through an effective administration of that provision unnecessary Government may be eliminated, and much retrenchment achieved.

Mr. FLETCHER. Mr. President—

Mr. LOGAN. I yield to the Senator from Florida.

Mr. FLETCHER. I think the Senator is absolutely right in the statement that we have too many people employed in the different departments. They are in each other's way. A number of them ought to be eliminated. I would rather eliminate useless and ineffective employees on the pay roll than to reduce some of the others, especially those of the lower salaries.

It has been stated, and I think the statement is well founded, that we have, for instance, 150 bureaus in the Government, and at least 50 of them are without constitutional authority. Why not eliminate some of these bureaus? Why not eliminate some of this surplus number of people that are found about the different departments and different bureaus and pay those that we need sufficient compensation?

I do not think the salary of the ordinary Government employee is too high at all. It is no more than he needs for his living. He must make reductions, and perhaps Government employees are reduced so that they ought to be called upon in this emergency to accept for the time being, at least, a reduction; but the fault lies very largely in what the Senator from Kentucky [Mr. Logan] has been saying, that we have an oversupply of employees in the different departments and we have an oversupply of bureaus and commissions. We have been setting up commission after
commission at enormous Government expense. We began that some years ago. We have been continuing it. That field, I think, might well be looked into.

I have before me, as I presume all Senators have on their desks, or at any rate in their offices, a table which shows that a cut of 10 per cent in annual salaries of civilian employees below $1,000 would save $4,300,000; below $1,000 to $1,999 it would save $8,500,000; below $2,000 to $2,999 it would save $12,500,000; below $3,000 to $3,999 it would save $22,500,000; below $4,000 to $4,999 it would save $32,500,000; below $5,000 to $5,999 it would save $92,574,817; and below $6,000 it would save $102,687,787. A 10 per cent cut would mean that saving.

Mr. LOGAN. I thank the Senator.

Mr. GLASS. Mr. President—Does the Senator from Kentucky yield to the Senator from Virginia?

Mr. LOGAN. I do.

Mr. GLASS. We are discussing this problem from the standpoint of humaneness. The distinguished Senator from Kentucky expresses the belief that we could dispose with one-fourth of all the employees of the Government of the United States and still conduct the Government in a more efficient way, and I agree with him. If, however, we are to consider this problem from the standpoint of humaneness, I should like to inquire which would be the more humane, to discharge practically 200,000 Federal employees right off-hand or to make a reduction of 10 per cent in the salaries of all of them?

Mr. LOGAN. The answer is obvious if we should consider the matter from a standpoint of humaneness or humanity. I am not considering it from that standpoint. Neither do I believe that we ought to hasten to discharge a great number of employees. I do think that if we would apply just a little old-fashioned common sense to the whole problem and not be carried away by hysteria and by the mob spirit which is aroused throughout the country from one end to the other we would find a way to solve the problem.

I will tell you what I would do if I had the matter in charge. I would not cut the salaries of any of these small-salaried employees. I think it is wrong. I do not think it is justified. I think it means that those who are most efficient, as soon as business is a little better—if it ever is—will hasten into private industry, and the Government will lose its best employees; so eventually we will have the Government run by inefficient employees, and we probably have some of them in the legislative branch, which is sufficient, without getting more of them in the executive branch. I am one of them, because I do not know what we ought to do. I am just doing the best I can; but here is a problem which I should like to inquire which would be the more humane, to discharge practically 200,000 Federal employees right off-hand or to make a reduction of 10 per cent in the salaries of all of them?

Mr. GLASS. Mr. President—

Mr. LOGAN. I agree with the Senator as to that; but this is an imminent matter that we must determine now. It is not something that we may deliberate about.

Mr. LOGAN. Why can we not deliberate about it?

Mr. GLASS. I agree with the Senator that we ought to exercise common sense, but I assert that we have not any common sense left; and we have not done a sound economic thing since Congress convened last December.

Mr. LOGAN. I agree with the Senator almost wholly in what he says; but we talk about balancing the Budget here. Of course, that has become a hysteria. I suppose everyone knows that we have not balanced the Budget, and that we are not going to balance the Budget.

Mr. GLASS. Everyone has not known that, because the distinguished Senator from Pennsylvania [Mr. Rasin] insists that we have balanced the Budget.

Mr. LOGAN. I understand; but I can not forget that Mr. Mellon—probably the most distinguished financier America has ever produced, or, at least, a good many people said that about him—two years ago gave out a statement, which he put in writing, signing his name to it, saying that at the end of the fiscal year 1931, on June 30, there would be a deficit in the Treasury of $180,000,000, and at the end of the fiscal year on June 30, 1932, there would be a deficit of more than $30,000,000, or a net deficit for the two years of $150,000,000. He had the laws before him, he had the previous records before him, he had all the facts, and that was his judgment. Instead of that, we had a deficit of $803,000,000 at the end of the fiscal year 1931, and we will have a deficit of more than $3,000,000,000 by the last of this month, or at least that much. So, Mr. Mellon himself, as great as he is, is missed it in his estimate nearly $4,000,000,000.

When somebody says to me that we are going to raise a billion and a half, and that is the estimate of Mr. Mills, I do not believe he is a greater man than Mr. Mellon. Of course, we are not going to raise anything like that, and every Senator here knows it; but we are going to balance the country by psychology, as one of my good senatorial friends said. The psychology is fine to send out to the American world that this is the end of the Budget; but when the 30th of June, 1933, comes around we will find out that we must do that which some of us thought we ought to do this time. We are going to have to go to some species of sales tax, because I do not know where else we are going to get any money.

"Well, now," they say, "this economy bill must bring about a reduction of $238,000,000." It is not going to do it. In the first place, the Senate is not going to vote to cut $121,000,000 off the small salaries. When we get to the large salaries we can not save anything. I looked at the report of the committee myself. They made a permanent reduction in the big salaries, those above $10,000, and what did they get? Ninety-seven thousand dollars. That is all they could find. That means that we relieve a thousand men of 1 cent in comparison with the total burden of taxation. If we get a thousand men of one group, we can say to them, "Boys, we have passed a wonderful law reducing salaries. On this particular group we have reduced your burden 1 cent," and the thousand men would go away happy.

Mr. WHEELER. Mr. President—

Mr. LOGAN. I yield to the Senator from Montana.

Mr. WHEELER. Mr. President, I am interested in what the Senator just said, and I agree with him entirely; but the other day I received a letter from the head of a large corporation suggesting to me that the thing we ought to do was to reduce the
salaries of Members of the Senate and people working for the Government and then adjourn. Yet the very corporation he was working for pays the president of that company, I will venture to say, four or five times as much as any Member of the Senate gets, and probably as much as the President of the State of Arizona.

The salaries of the employees of the United States are the smallest salaries of any business organization in the United States.

There is not a business organization in the United States to-day of any size that does not pay its president and other officers more than what the Government of the United States pays those who occupy similar positions in the Government.

Mr. GLASS. Mr. President, the Senator is treading on dangerous ground, if I may suggest it to him. The official to whom he refers may retort that he is worth more than the President of the United States or a Senator.

Mr. WHEELER. Yes; but the condition of his company would not indicate that he had earned the salary he had been drawing, or had been worth anything.

Mr. BRATTON. Was the budget of that institution two and one-half billion dollars out of balance two weeks ago? I think it would have been out of balance, and it would have been more out of balance if it were an institution as large as the United States of America.

Mr. LOGAN. Mr. President, when it comes to cutting the salaries of Senators my position is simply this: I never had any money, and I regard it as my duty to have any money I have been holding public office at intervals since I was 21 years of age. I probably have a record no one else can boast of, and I do not often boast of it; I have served the public to the best of my ability, and it has been said, I expect, that I have received much money from the public, and I am not here to resign and go back to work to make a living for the creditors are going to have some difficulty before I ever pay them. [Laughter.] Mr. KINWAN. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. LEWIS. I am greatly interested in the declaration of the distinguished Senator from Kentucky. I knew his eminence on the bench and the high place he occupied at home. I was both curious at and affected by the assertion that he had the misfortune that attends so many. He has painted a picture in which I could see to myself as in a looking glass, that of a person who was always a debtor, never a creditor, unable to pay his debts, and public office was responsible for the unhappy catastrophe.

Mr. BRATTON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The call of the roll.

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

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

Mr. DICKINSON. I yield.

CORRECTION OF THE RECORD—GENERAL HINES

Mr. BINGHAM. Mr. President, I desire to make a correction of the Record. Yesterday I stated that General Hines receives retired pay amounting to something like $4,000 a year. I knew that General Hines had been in the Army more than 20 years, and I assumed, without asking him, that he drew the retired pay due to his rank. I find that he receives no retired pay at all.

As a matter of fact, General Hines, who is one of the most efficient officers of the Government, and has taken over the duties of the combined services formerly of the Veterans' Bureau, the Veterans' Bureau, and the Veterans' Bureau of the Service of Veterans' Homes, and has saved the Government several million dollars by his administrative measures, receives a salary at the present time of $12,000, and does not get any retired pay. I regret to say that under this bill his salary of $12,000 is reduced to $10,000, and on that he will get a cut of 10 per cent making the salary $9,000, or a total cut of 20 per cent. He does not draw any retired pay.

Mr. GLASS. Mr. President—
The PRESIDING OFFICER (Mr. Rossmore of Indiana in the chair). Does the Senator from Iowa yield to the Senator from Virginia?

Mr. DICKINSON. I yield.

Mr. GLASS. I am glad to know the Senator from Connecticut has made this correction. I apprehend that the committee in this case adopts the supposition that the Senate as such, that is to say the Senate from Connecticut yesterday represented the facts, and that therefore the committee included the Administrator of Veterans' Affairs in a classification of officers of the civil service of the United States who are now represented by the House. I give notice that while I am going along with the committee as a general proposition, perhaps in nearly every particular, I am going to offer an amendment to the section of the bill to which the Senator has referred eliminating what I conceive to be an injustice to perhaps the most responsible official of the Federal Government.

Mr. BINGHAM. If the Senator will permit me, I should like to say in this connection that actually the committee did treat the Administrator of Veterans' Affairs a little better than the House did, because the House reduced his salary to $10,000 and then put an 11 per cent cut on that. I agree entirely with what the Senator said about the injustice of reducing his salary by 25 per cent.

Mr. GLASS. If there is anyone in the Federal employment, from the President and the Supreme Court down, who earns his pay at it is the Administrator of Veterans' Affairs. He has saved the Government millions upon millions of dollars and has had to endure annoyances that no other Federal official has to endure.

PERSONAL EXPLANATION

Mr. LEWIS. Mr. President, I desire to say a word in the presence of and in connection with the eminent Senator from Nebraska (Mr. Norris), the Congressional Record contains a little periscope which passed between us yesterday touching the national conventions, but there is an omission in the Record which I would like to have cleared up. Yesterday I stated to our learned colleague of the Senate, Senator Norris, that so far as I was concerned as to the Democratic National Convention, it did not interest me to any great extent, certainly not to the extent where I thought I could either be an adornment to whatever arrangements they might have; nor did I hope to contribute anything that could be regarded as profitable, and added what I wish the Senator to understand, that our observations were in a humorous vein and aroused a flurry of laughter from the galleries. In this confusion on the floor the concluding observations were omitted in the report. I ended by saying, as I now say, that I agree with any other Senator who feels that public business calls us to remain in session. I agree that no demand of a mere political convention should call Senators away from a duty such as we have before us at this time, the providing for the great necessities now calling to us. Possibly what I insist on can best be described by the intimation of the Scripture, "That which thy hand finds to do, do it with all thy might."—RALPH E. WILLIAMSON

Mr. THOMAS of Oklahoma. Mr. President, on yesterday the House and the Senate passed identical bills, each being a copy of the other. The House bill is H. R. 4911 and the Senate bill is S. 2458. The House bill has reached this body and the Senate bill has gone to the House. In order to prevent complications I ask unanimous consent for the present consideration of the House bill; and if that request is granted and the bill is passed, I shall then ask unanimous consent to have a request sent to the House to return the Senate bill for indefinite postponement.

The PRESIDING OFFICER. Is there objection? The Chair has none. The Chair lays before the Senate a bill from the House of Representatives which will be read. The bill (H. R. 4911) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917, was read the first time by its title and the second time at length, as follows:

11803 CONGRESSIONAL RECORD--SENATE

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $565 to Ralph E. Williamson, full compensation as compensation for loss of property stroyed by the fire on September 24, 1917, in the city of Lawton, Okla., such loss having been the result of the inability of the fire department of the city of Lawton to control said fire because of lack of water, all available water for fire-fighting purposes having been appropriated and being used by the War Department in connection with the training of soldiers at Fort Bill and Camp Doniphan: Provided, That before said claim is allowed and paid the Comptroller General of the United States shall make an investigation of said claim to determine the extent and amount of such loss and damage, and such claim shall be adjusted in amount not in excess of the amount so ascertained, and is issued to said claimant by the said Comptroller General of the United States.

The Senate, by unanimous consent, proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. THOMAS of Oklahoma. I desire to enter a motion to reconsider the vote on the passage of Senate bill 2458, and ask unanimous consent that the House of Representatives be requested to return the bill to the Senate.

The PRESIDING OFFICER. The motion will be entered and without objection, the House will be requested to return the bill to the Senate.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT

Mr. BLACK. Mr. President, before the Senator from Iowa finished for consideration of the amendment to the act should be adopted.

There are certain growers of strawberries in some States who suffered an entire loss of their crops by reason of the freeze at the beginning of the year. The beginning of the cultivation of this crop is in July and August. It is necessary to buy fertilizer and to do all the work on the crop during the year 1932, but the strawberries are not actually picked until after January 1. The result is that under the ruling these farmers, who do all the work during this year except the picking of the strawberries, which is done the next year, are deprived of securing a loan. It affects a very small number of growers, but it does affect them very vitally in certain sections of the country.

Mr. E. WILLIAMSON. Mr. President, before the Senator from Iowa finished for the amendment to the act should be adopted.

There are certain growers of strawberries in some States who suffered an entire loss of their crops by reason of the freeze at the beginning of the year. The beginning of the cultivation of this crop is in July and August. It is necessary to buy fertilizer and to do all the work on the crop during the year 1932, but the strawberries are not actually picked until after January 1. The result is that under the ruling these farmers, who do all the work during this year except the picking of the strawberries, which is done the next year, are deprived of securing a loan. It affects a very small number of growers, but it does affect them very vitally in certain sections of the country.

Mr. BLACK. Mr. President, under the reconstruction act there was a provision for the loaning of $50,000,000 to farmers. This does not affect that appropriation in so far as increasing it is concerned. This situation has arisen. Under the ruling of the department—which may or may not be correct, but it is the ruling nevertheless—some have been deprived of the privilege of borrowing from this fund who would be included if the amendment to the act should be adopted.

There are certain growers of strawberries in some States who suffered an entire loss of their crops by reason of the freeze at the beginning of the year. The beginning of the cultivation of this crop is in July and August. It is necessary to buy fertilizer and to do all the work on the crop during the year 1932, but the strawberries are not actually picked until after January 1. The result is that under the ruling these farmers, who do all the work during this year except the picking of the strawberries, which is done the next year, are deprived of securing a loan. It affects a very small number of growers, but it does affect them very vitally in certain sections of the country.
Mr. BLAINE. Mr. President, I think it also applies to those crops which are sown in the fall and harvested the next winter, such as rye and wheat.

Mr. BLACK. I imagine it would. I gave strawberries merely as an illustration.

Mr. JONES. Mr. President, I hope that an amendment may be put in the bill. There is a section in our State where we raise wheat where there must be summer fallowing; in other words, the ground must be plowed this year for the planting of wheat for next year. If the Senator from Alabama will consent to add the words "and for summer fallowing," I would appreciate it very much.

Mr. NORBECK. Mr. President, while that matter was not brought up in the committee, this fair construction of the amendment would include that because it is for cultivation merely as an illustration.

Mr. BLACK. That is our understanding.

Mr. JONES. It is the Senator's understanding that it would include summer fallowing?

Mr. NORBECK. It uses the words "crop planting" or "crop cultivation."

Mr. JONES. Would there be objection to putting in the words "including summer fallowing"?

Mr. NORBECK. I cannot speak for the committee, but there would be no objection so far as I am concerned. I want to say in all fairness that this came up rather suddenly. The Senator from Alabama urged it as an emergency measure on account of the situation existing with some of the berry growers down in his section, who had been disqualified because the crop was not entirely harvested within the calendar year, but is barred for that reason. We have not had a written opinion from the department on it, but it was thought to be rather a minor matter, and the committee authorized a favorable report on the bill in the belief that it was not very wide in its application.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. TYPING. Mr. President, I shall not object at this time to the consideration of the matter, but I want to serve notice now that I think the next relief bill we pass ought to apply to the whole country. This business of doing out relief to different crops, as we are doing, is going to ruin the Government if we do not stop it. Any separate relief bills hereafter will meet with my opposition.

Mr. GLASS. Mr. President, as a matter of fact, I do not think there was any dissent in the committee to the proposition that the existing law was intended to include these very conditions, but that the decision of the department that production contemplated only those crops which were produced and harvested in the current year was a rather remarkable interpretation of the law. What is proposed is what was intended by the original law and what the committee unanimously insisted is a proper interpretation of existing law.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. FESS. Mr. President, reserving the right to object, I understood the matter was presented to the Banking and Currency Committee, discussed there, and that there was no serious objection to it.

Mr. BLACK. There was no opposition at all. It was unanimously agreed that that was the original intention.

The PRESIDING OFFICER. Is there objection? There being no objection, the Senate proceeded to consider the bill.

The amendment of the Senator from Washington (Mr. Jones) was, on page 2, before the period and after the word "section," to insert "and for crop planting, including summer fallowing.

The amendment to the amendment was agreed to. The amendment as amended was agreed to. The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The bill was amended so as to read: "A bill to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer fallowing, during the year 1932."

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11287) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. ASHURST. Mr. President, I have to-day received a large number—the word "large" hardly describes it—a vast number of telegrams, not only from Arizonians but from other States as well, in relation to the so-called economy bill. It is impossible for my office force to reply to these telegrams. I do not like to reply "collect." I doubt the propriety at this time of sending replies at Government expense. I ask leave, therefore, to print in the Record a few of the telegrams from my own State, and I hope those of my constituents and others throughout the country who read the Record, as I am sure every citizen reads it daily, will thus understand that no offense or discourtesy is implied by my failure to reply to their telegrams. This is the only way I can make known to the country the number of telegrams I am receiving with reference to the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The telegrams are as follows:

TUCSON, Ariz., June 2, 1932.
Hon. Henry F. Ashurst,
United States Senate, Washington, D. C.:
Trust you and Senate colleagues will promptly repudiate counsel derived manifesting from proposed provision which will complete vicious circle of panic, encourage further wage cuts in industry, and through further decreases purchasing power American people increase unemployment throughout country beyond anything yet known. It is believed wage cuts and furloughs as proposed Senate Economy Committee will make bad situation infinitely worse. We rely on you defend interests and others throughout the country against powerful economic forces which seem to desire paralysis Government service and destruction American standard of living.

Walter P. Taylor,
Fifth Vice President,
National Federation of Federal Employees.

PHOENIX, Ariz., June 2, 1932.
Senator Henry F. Ashurst,
Washington, D. C.:
Phoenix letter carriers are very thankful to you for your stand in opposition to wage cut and hope in considering economy bill you will bear in mind that titles 1 and 2 constitute wage reduction in some form.

R. T. Soule, Secretary.

TUCSON, Ariz., June 1, 1932.
Hon. Henry F. Ashurst,
United States Senate, Washington:
Depending on you to oppose Senate Economy Committee's report proposing 10 per cent salary cut, etc., for Federal employees. Effect would be demoralizing on personnel of Government service and wage earners generally.

A. M. Phillips,
President A. S. F. of P. E. U.

NACO, Ariz., June 1, 1932.
Hon. Henry F. Ashurst,
United States Senate, Washington:
Federal employees here strongly protest against provisions of bill reported by Senate committee relative to decreasing salaries and curtailing annual leave. We know of no agencies in Arizona wherein granting full annual leave incurs additional expense. Earnestly request you oppose legislation relative to cutting salaries and leave.

Walter F. Miller,
President Federal Employees' Union.

TUCSON, Ariz., June 2, 1932.
Hon. Henry F. Ashurst,
United States Senate, Washington:
Proposed bill Senate committee grossly unfair. Urge your strongest support in opposing drastic salary cut, forced furloughs, loss of annual leave, and other unjust legislation imposed on Federal employees. May we continue to receive your whole-hearted cooperation?

Irene Erschenbach,
First Vice President Local 81,
National Federation of Federal Employees.

TUCSON, Ariz., June 2, 1932.
Senator Henry F. Ashurst,
United States Senate, Washington:
This camp vigorously protests against radical change of policy affecting veterans which will surely result from the pauper clause.
and radical reduction of pensions of certain veterans reinserted by Senate committee in the economy bill. We earnestly solicit your support in the final removal of these provisions from this bill.

T. F. McALL, Commander Camp Ben Daniels, No. 8, United Spanish War Veterans.

PHOENIX, Ariz., June 1, 1932.

Hon. HENRY F. ASHURST, United States Senate, Washington, D. C.: Informed Senate Economy Committee reported favorably bill to remove men in hospitals and other drastic salaries. Hope you will use your influence in behalf of disabled veterans.

LESLIE E. EAKS, Commander Arizona State Department, Disabled American Veterans of World War.

CASA GRANDE, Ariz., June 2, 1932.

Hon. HENRY F. ASHURST, Senate Office Building, Washington, D. C.: Request your support in defeating salaries cut of employees and to retain 50 days’ annual leave, also in keeping Personnel Classification Board a separate unit.

CHARLES LAUGHLIN, President.

PHOENIX, Ariz., June 1, 1932.

Hon. HENRY ASHURST, United States Senate, Washington, D. C.: Ask that you oppose any bill reducing salaries. Also provision suspending automatic promotion and night-work pay.

J. L. BAMMERLIN, President Local 93.

TUCSON, Ariz., June 2, 1932.

Senator HENRY F. ASHURST, United States Senate, Washington, D. C.: Have just read of immense bill presented to the Senate for consideration. Sincerely hope that you will vote against this popularly interlined economy. Am surprised that such a reactionary measure could emanate from such an intelligent group of men as make up our Senate. Trust you will conscientiously be able to vote against this bill and hope you will work for its defeat.

TUCSON CENTRAL TRADES COUNCIL, John J. DURKIN, Secretary.

PHOENIX, Ariz., June 2, 1932.

Hon. HENRY ASHURST, United States Senate, Washington, D. C.: Phoenix Camp, No. 1, United Spanish War Veterans, by resolution passed to-night vigorously protests against the inclusion in proposed economy or in any bill of any provisions affecting the present pension status of Spanish War veterans. Spanish War veterans have received consideration at the hands of Congress only in the past few years for very definite reasons, which as average age 58 practically barred from remunerative employment increasing disabilities with age and for the patriotic service voluntarily rendered in a war which brought not only enormous financial benefits but also world prestige to our country.

C. P. LEE, Commander.

ALBUQUERQUE, N. Mex., June 1, 1932.

Hon. HENRY ASHURST, Washington, D. C.: We, the 54 members of Albuquerque and Ashfork Railway Post Office Associations vigorously protest the apparent discrimination in the present Senate economy bill. A 10 per cent salary cut will mean a loss of $200 for the average clerk, the elimination of night differential and one-third reduction of travel allowances will mean an additional reduction income of $100 per year, making a total of $314 per clerk per year. When this matter is considered by the Senate we trust you will bear in mind these inconsistencies.

JOHN M. COOK, Ashford, Ariz.

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Hon. HENRY F. ASHERST, United States Senate, Washington, D. C.: The 54 members of Albuquerque and Ashfork Railway Post Office Associations vigorously protest the apparent discrimination in the present Senate economy bill. A 10 per cent salary cut will mean a loss of $200 for the average clerk, the elimination of night differential and one-third reduction of travel allowances will mean an additional reduction income of $100 per year, making a total of $314 per clerk per year. When this matter is considered by the Senate we trust you will bear in mind these inconsistencies.

JOHN M. COOK, Ashford, Ariz.

PHOENIX, Ariz., June 1, 1932.

Hon. HENRY F. ASHURST, United States Senate, Washington, D. C.: Continued assaults on Government employees’ salaries and annual leave are increasing business gloom and upsetting the economic fabric of the Nation as well as overthrowing the splendid morale of the employees. An economy hysteria can be quite as suicidal as an extravagance hysteria. Such talk and futile economies will actually offset the efforts of the Government to stimulate economic enterprise. Urge that you make every endeavor to defeat economy proposals. Give us your stand and action.

WILBERT T. ALLEN, President Local No. 65.

HON. HENRY F. ASHURST, United States Senate, Washington, D. C.: We hope Budget can be balanced without such drastic action, deduction salaries. Reduction annual leave to 15 days will not mean saving’ locally.

D. C. KINKE, President Local 196, N. F. E. U.

BISBEE, Ariz., June 3, 1932.

Hon. HENRY F. ASHURST, United States Senate, Washington, D. C.: We urge you to use every means to prevent inclusion of pauper clause and reduction of pensions of certain veterans reinserted by Senate committee in economy bill.

G. P. LOURY, Commander Rex Hall Camp, No. 7, United Spanish War Veterans.

SAN CARLOS, Ariz., June 3, 1932.

HENRY F. ASHURST, United States Senate, Washington, D. C.: That you oppose to utmost decrease in Government employees’ salary, cut in annual leave, abolishment of Personnel Classification Board, and compulsory retirement is our earnest request. All of this, we feel, isimpossible to best interest of the Government as well as that of employees. Thirty days leave necessary to efficiency and health. No appreciable decrease in living expenses in this locality at least. Kindly advise by wire what you feel you can do.

SAN CARLOS LOCAL FEDERAL EMPLOYEES’ UNION.

Mr. DICKINSON. Mr. President, the personnel pay roll of the Federal Government is about $1,315,000,000; the total expenditures of the Government are about four and one-third billion dollars. The item for pensions of veterans of the World War and other wars obligates the Government to the extent of about a billion dollars. The two controversial items involved in this bill, therefore, have reference to salaries paid employees of the United States Government, on the one hand, and to the veterans’ items, on the other, which will come up a little bit later in the consideration of the bill.

Objection is made on the ground that we are making reductions in the salaries of the lower paid employees. Luther C. Steward this morning sent to the desk of every Senator this statement:

It is apparent that no Senator wishes to cut the pay of employees in the lower salary ranges. The bulk of the saving must be secured by cuts in this group.

Therefore if we are not to include cuts in that group we might as well abandon our plan.

I have looked up the data with reference to the amendment offered by Senator from Nebraska [Mr. Norris]. I desire to know that I have tabulated the figures correctly, and if the Senator has any tabulation that does not correspond with the figures I shall present I shall be glad to have them, and I want permission to revise and correct the figures I have because I have made them hurriedly. I want, however, to suggest the difference between the type of amendment suggested by the Senator from Nebraska and that recommended by the committee.

In the range of salaries from $7,500 to $10,000 and up, there are 673 people involved; the amount paid them is a little over $6,000,000; the suggestion of the Senator from Nebraska is that 25 per cent reduction be made in such salaries; the savings which would thereby be effected would be $1,554,000 plus.

In the group receiving from $5,400 to $7,500, there are 2,770 employees; the total amount of their salaries is $15,- 396,000; a 20 per cent cut in those salaries would amount to $3,792,000, in the group from $4,000 to $5,400, there are 8,404 employees; the total amount of their salaries is $37,654,000, and a 15 per cent cut would amount to $5,468,000.

In the group receiving salaries from $2,500 to $4,000, there are 100,902 employees; the total amount of their salaries is $231,038,000, and a 10 per cent cut would amount to $23,038,000.

Mr. JONES. Mr. President—

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

Mr. DICKINSON. I yield.
Mr. JONES. I rather think the Senator is misconstruing the amendment proposed by the Senator from Nebraska. While it increases the rate on salaries in certain groups, the amendment does not bear the increased rate, but only that portion of it in excess of a certain amount. So there is the portion of such salaries between two amounts which bear one rate and the portion in excess another and different rate. Has the Senator taken that into account?

Mr. DICKINSON. No, I have not taken that into account. I do not have the information so that I can take it into account.

Mr. JONES. That is the character of the amendment which has been offered.

Mr. DICKINSON. I wanted simply to suggest the total.

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

Mr. DICKINSON. I yield.

Mr. NORRIS. The Senator will not arrive at the correct total.

Mr. DICKINSON. No; I will not get the correct total, and that is why I said I wanted the privilege of revising and correcting my figures.

Mr. NORRIS. The Senator will reach a wrong result when he gets through because, as the Senator from Washington has said, he has started on a false basis.

Mr. DICKINSON. I am simply giving these figures to make the point that, regardless of how much the rate of reduction is on the higher salaries, we can not thereby make up for the loss incident to the exemption of the lower salaries.

Mr. NORRIS. The Senator does not want to prove it by figures that are incorrect, does he?

Mr. DICKINSON. Does the Senator say that my figures are too high?

Mr. NORRIS. No; I say the Senator is miscalculating; he is basing his calculation on a false assumption. For instance, he is basing his calculation on the assumption that a salary, let us say of $10,000, is decreased by 25 per cent. That is not so. Under the amendment which has been offered.

In the case of a salary of $4,000, the Senator is basing his calculation, as I understand his figures, on the theory that that salary is reduced 15 per cent; but that is not true. For instance, in the case of a salary of $4,000, $1,500 of it would be exempt; as to that portion of it there would be no reduction; on the next $1,000 the reduction would be 5 per cent, and on the next $1,000 it would be 10 per cent.

Mr. DICKINSON. Then I suggest that what the Senator says proves the point I am trying to make. The amendment of Senator from Nebraska would reduce the savings greatly beyond the figure I have suggested, which is a little less than $50,000,000. We would be sacrificing one-half of the savings under the economy program in the case of personnel if we were to adopt the theory of making greater reductions in the higher salary brackets and exempting salaries up to $1,500. In other words, the statement of Mr. Steward is correct that the bulk of the savings must be secured by the cuts in the lower-salaried group.

I believe it was Lincoln who said that the Lord loved the common people because he made so many of them. I think there is no question but that if we do not apply the proposed reduction to the group receiving the lowest salaries we are not going to secure any economy so far as Federal expenditures for services are concerned.

Mr. NORRIS. Of course, if we do that, if the Senator will permit me, we will add a good many to the class to which the Senator referred and of whom Lincoln spoke; we will have more poor than we had before.

Mr. DICKINSON. We are getting more poor all the time.

Mr. NORRIS. And we are getting more money out of the poor all the time.

Mr. DICKINSON. Here is the situation as I see it: I do not believe the Federal Government can say, regardless of the reduction of wages and salaries in the various grades of employment all over the country there is not going to be a reduction in the salaries of the large number of persons now employed by the Federal Government. I think the Government is going to be subjected to an attack that will be very far-reaching and very unwholesome so far as the Government's interests are concerned unless we show a disposition to meet the situation that is now so acute in the country, and in order to do so, I believe we have got to share and share alike all along the line.

Mr. NORRIS. Mr. President—

Mr. DICKINSON. I yield.

Mr. NORRIS. Does the Senator think he will meet that condition if he says to the country, "I have voted to reduce the salary of the clerk who is getting a thousand dollars a year by the same percentage that I have voted to reduce my own salary of $10,000 a year."

Mr. DICKINSON. I think that it is true that people all along the line obligate themselves to the extent of the salary they are drawing and that per capita, there will be just as large a percentage in the larger salary brackets who are going to be embarrassed by the salary reduction as there will be in the lower brackets, for the reason, if you please, that those in the lower brackets are largely of can classes: A good many of them are younger people who have not obligated themselves for the maintenance of homes; many of them have not reached out as others have in the matter of purchases; many of them are here attending school or college as well as earning salaries. I think that if we want to take from them the person who a while ago could live here in Washington on $120 a month can now live here for 10 per cent less than that under existing conditions so far as living expenses are concerned.

Mr. BORAH. Mr. President—

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

Mr. BORAH. Mr. President, I am quite in sympathy with the desire of the Senate to reduce salaries; but does not the Senator think that when we reach down into the lower grades, say, salaries of a thousand dollars, we meet with another question than that of economy on the part of the Government? I refer to the question whether people who receive such low salaries can live on any less amount. So an economic problem enters into consideration, and that is the question of wholesome living.

It is true that we are not going to save nearly so much if we do not cut the lower salaries, but there are appropriations, such as those for the Army and Navy, where we have to make expenses on a tremendous scale. Now, in my judgment, there is where we have got to go if we are going to make any headway at all. I favor also making heavier cuts in the larger salaries.

Mr. DICKINSON. I do not presume the Senator has given much consideration to the propaganda that is now going on all over the country to restore the 2,000 Army officers who were eliminated by the appropriation bill in the other House. The claim is being made that it is going to interfere with the national defense if we adopt that provision of the House bill.

Mr. BORAH. Yes; I have given a good deal of consideration to that propaganda, and I have answered it in my own mind.

Mr. NORRIS. Mr. President, I do not want to interrupt the Senator unless with his consent.

Mr. DICKINSON. I am perfectly willing to yield.

Mr. NORRIS. I am seeking like the Senator to get information. I should like to ask this question: The only reason that has been given, so far as I know, by the representatives of the Economy Committee, of which the Senator is a member, for making the cut in the low salaries is that it is necessary in order to vote the appropriation money to ask the Senator if there is any other reason beside that?

Mr. DICKINSON. There is no other reason, so far as I know, and I want to suggest that the necessity exists, and if we can not save money in that direction we might as well abandon the economy bill.

Mr. BORAH. No, Mr. President; I do not think that is true.

Mr. DICKINSON. The House committee went through these items; it considered the proposition; it went on the floor of the House with a bill providing a saving of $260,-
000,000, and it came out with a saving of $47,000,000. The Senate committee has considered the situation all along the line, and has come here with a bill providing a saving of $366,000,000. It may be that we have neglected some opportunities, but that is not satisfactorily availed of, but any method of saving in order to be adopted has got to be of such a character that there can be an agreement on it. For instance, one person may say, "Let us reduce the Army"; on the other hand, there will be a great many who will say, "If you do not reduce the Army, it is not safe to reduce the Army." Therefore, in working out an economy bill we reach the point where we have to have a meeting of minds or at least a meeting of a sufficient number of minds so that there can be secured some unity of action.

I believe that if every Member of this body were to write an economy measure, we would have represented all phases of the differing views and opinions, and that there would not be many Senators who would agree upon very many items that ought to be included in such a bill.

Mr. BORAH. Mr. President, I am not criticizing the committee for the think the committee has done a splendid work. I may not agree with it in detail, but it has shown courage and a willingness to meet the issue. But if it be said that we can not economize and can not reduce the expenditures of the Government unless we make a reduction in salaries or the like, and that the Government is going to consider some other way to cut the cost, of course, we might just as well abandon the effort, because I do not believe that the Government is going to ask people to work for less than $1,000 a year.

Mr. DICKINSON. The number of people who are working for a sum below a thousand dollars a year is considerable. In this period of unemployment as we go down the scale we find that in one of our leading cities it is possible to obtain stenographers to work for $65 a month, while in the Government service I think the pay in the lowest grade is $1,440 per year. We find that situation to exist all along the line. Domestic servants who in Iowa used to get $10 a week now get three and a half or four dollars a week, and are glad to have the positions. As we go down the scale we find that the competition is keener for the position; and even though it may be said that they can not maintain themselves on these low-grade salaries, it is true that those people are occupying positions that are desired and are wanted, and would be occupied by hundreds of other people if they had the opportunity.

Mr. NORRIS. Mr. President—

Mr. DICKINSON. I yield.

Mr. WHEELER. Mr. President says is true, of course, about reductions outside of Washington; but it seems to me we can not close our eyes to the fact that a very large percentage of these people who are drawing salaries of from ten to twelve hundred dollars a year, and some of them less, live and must live in Washington, and that the cost of living in Washington is higher than at almost any other place on earth. It may be that when we fix a reduction according to the cost of living in Washington we will not do justice to the country in some other locality, because the cost of living there is not so great; but we must fix it in accordance with the cost of living at the most expensive place it would be impossible to conduct the Government in Washington.

I inquired of another member of the committee whether the committee had taken into consideration the question of rents. He said it had not. I do not know that they would have had any jurisdiction. It seems to me that if they had made an investigation they probably could have given us some very important information on rents. I think, from what little investigation I have been able to make, that while rents on an average in the city of Washington may have decreased to some extent, they have not come anywhere near decreasing at the same rate as rents have decreased practically every other section of the country about which I have been able to get any information. So that the great bulk of these people have to meet these conditions that still exist, and they have to live here in order to do the work; and it seems to me that it is unreasonable to take a hundred dollars off the salary of a $1,000 clerk.

The Senator said a while ago that many of these people are young. That is true. Many of them, he said, are going to make, that while up the commodity price level for farm products?

Mr. DICKINSON. As a matter of fact, the large percentage of our employees who are drawing under $1,000 do not come within the class suggested. There has also been a great reduction in rents in the lower type of rental property. The rents that are higher in Washington are the rents of what might be called the upper-class type of tenants. On top of that, the District of Columbia Committee is now investigating that very question under the leadership of the Senator from Kansas [Mr. CAPPERS]. We did not think we had any jurisdiction of that matter, and therefore we did not think we should go into it.

Mr. WHEELER. The next suggestion is this: Rents are going down in other sections of the country. Out of the 700,000 employees on the Government pay roll, only 10 per cent live in the District of Columbia. Therefore we ought not to hold up 10 per cent and say, "This is the group that has to be protected," while, as a matter of fact, they can get lower rents practically everywhere else in the United States. There are some 70,000 employees in the District of Columbia in the Federal service. There are over 700,000 employees in the Federal service the United States over. Therefore, are we going to let the 10 per cent here be the criterion on which we are going to make the decision? If that is the solution I want to say to you that out in the country, over the United States, where there are post-office clerks and post-office employees and different types of Federal services, there is no question but that those sections are subject to the depression that exists all over the country, and that they have the benefit of a 10 per cent reduction in practically every line of expenditure they have to make.

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

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Montana?

Mr. DICKINSON. I yield.

Mr. WHEELER. I appreciate the force of the Senator's argument, and I likewise appreciate the effect upon the people living in the various farm sections and how they feel toward the Government employees who are drawing down higher salaries and have not had their salaries reduced; but I want to ask the Senator this question:

What is the most important thing, in his opinion? Is it to deflate further in this country, or should we try to bring up the commodity price level for farm products?

Mr. DICKINSON. Oh, there is no question but that we ought to inflate and bring up farm prices, if we can; but we are not in the situation to have that alone. We have got to go around and say that because another question is confronting us therefore we ought to ignore this thing. We must carry on in the meantime. I should like to see farm prices advanced; there is no question about that; but, on the other
hand, I know that we must carry on until the time comes when farm prices do advance.

Mr. WHEELER. Let me say to the Senator that if the statements which compose the body of this Congress had had the courage of their convictions, and if the man in the White House had had the courage to go ahead and do something to bring up the price of farm commodities by increasing the currency and otherwise, it could have been done, instead of this feverish policy of further deflation by reducing the compensation of Federal employees. I think it is foolish economy and absolutely a foolish economic policy.

Mr. DICKINSON. That argument was used when we were trying to maintain the price of labor all over the United States, and the crisis became too keen. It was found that it could not be done. Therefore, we have to meet the situation as it confronts us now, and not as we would like to have it confront us.

The fellow who thinks we can wait until we do something to-morrow, and thereby meet the crisis of today, is just one day late.

Mr. NORRIS. Mr. President—

Mr. DICKINSON. I yield.

Mr. NORRIS. If the cost of living has gone down as greatly as it has in Washington and Iowa and all the balance of the country, what excuse can we as Senators give, why can not the man who is working for $1,000 get along on $5,000? If a man works for $1,000, while he is taking pretty nearly half of the salary of a good many of the lower-paid employees? If the man who is working for $1,000 can get along on $900, why can not the Senator get along on $5,000 instead of $10,000? [Applause in the gallery.]

Mr. DICKINSON. Let me answer the Senator. I practiced law out in Iowa for 20 years. I had more money at the end of the year saved up in my bank than I have ever had since I went into public life; and to say that a Senator can live and meet the obligations that are imposed upon him at a very low salary is absolutely wrong.

Mr. NORRIS. The same thing ought to apply to the clerk who is getting the thousand dollars. If the Senator applied to himself the same argument that he applies to the clerk, he never could defend this motion, in my judgment, to reduce his own salary only $1,000.

Mr. DICKINSON. The argument has been presented here. I am not going to be diverted on that particular phase of it. I do not believe that there is a feeling in this country that the members in public life carry are excessively overpaid. It can not be done. I live no differently now than I did in the earlier years, and I am living in the same house.

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would have to do with some one going on a furlough, and everyone would be looking for a furlough.

The next thing we find is the fact that there are a great many people who have bought homes, as the Senator from Nebraska has suggested, who could not go for a month without the pay check. They have their obligations, and therefore they want the pay checks distributed over the year. If we adopted the furlough plan, we would have to make a monthly reduction from the payroll in percentage which would be practically the same that we have here. The difference in the amount of the reduction, as I recall it, would be somewhere between $60,000,000 and $120,000,000. In other words, the furlough plan would not get away from the second place, there seemed to be even more objections to it than to the 10 per cent cut plan, if it can be applied.

The next point is this: The furlough plan applies to the low grade as well as the high grade. There is exactly the same argument against it that there is against the 10 per cent cut, because the persons getting only a thousand dollars or less simply cannot get along through the year without having their pay coming in regularly once a month.

That brings me to another thing. There is no question but that every salary reduction involves hardship, and, in some cases, distress. I do not see how we can get away from that thought. But when I go into some of the other cities of the United States and find there men who were getting $20,000 and $25,000 a year now looking for anything that will give them even a meal ticket for the day, I want to say that the distress that we will force here is no way near as severe as the distress that is being forced on the outside by reason of the distressed conditions.

A couple was in to see me the other day. They are very fine young people, whom I admire very much, and they said to me, "A couple has bought a home and if we get a 10 per cent cut we can not meet all of our obligations." I said, "No; and that is true of everybody." Many times we are obligated clear up to where we can not afford to assume an additional dollar, and can not afford to have a single dollar taken away from us, but when you meet this situation, the only hope you have is to go to the man from whom you bought your home and say, "I have received this cut. I will have to share part of it." That is the only way they will be able to get relief.

Mr. NORRIS. What assurance can the Senator give us that the man who sold the home to this couple would do this?

Mr. DICKINSON. The same assurances that the insurance-companies are giving in the Senator's State and in my State, where, instead of foreclosing, taking possession of all the land, they are saying, "We will carry your interest coupon for you. We are not going to foreclose this year. We are going to try it through another year with you, and see if you can not work it out."

This cut is for only one year, and there are very few real estate men in this town or elsewhere who are going to foreclose, and have another piece of property on their hands, rather than permit the Government employee to reduce the payments 10 per cent, or the amount necessary to cover the present reduction.

There is no question but that this reduction is going to impose hardships. I have had letters from Federal employees. I have been very friendly toward Federal employees. I do not believe I ever voted against a solitary one, in which they had a keen interest. Very much to my disgust, this morning when I came to my office I found pinned on my door a letter with this plea:

Will you please support American Federation of Labor in their efforts to prevent a drastic and unfair pay cut bill being put on the already overburdened Government employee?

I am perfectly willing to have anyone come and present that, in person, to me, and I make no criticism of it whatever. The next was this:

Many are already supporting relatives back home in the States.
and if they do, I hope the Federation will take recognition of such action, which I think would be clearly justified.

The question is, What is the necessity for economy? We have been discussing a tax bill here all these weeks, and we find that in the economies we must not only make them in the economy bill, but that we must make them in the Federal appropriation bills. That is practically what the whole argument is. If that is not done, and the 10 per cent reductions are made, it will mean that some are going to be severed from the Federal service.

I know that there are a good many people who say, "Well, we can save 10 per cent in this item, we can save 10 per cent in that item," but in the end, labor and service is so much a factor in practically every one of the appropriation bills, that if we come to reduce the total 10 per cent, and think that it will not reflect on the personnel, we are entirely wrong, because it will. I believe that we will find that practically every reduction that has been made will be reflected in some way in the personnel of the bureau affected.

My theory is simply this, that if we can reduce 10 per cent, if we cannot make this reduction, it will be carried for a year, and in the meantime the vacancies which occur will not be filled, departments will be in a position to adjust themselves on an even basis, and at the end of the year, when we come along to take up the appropriation bills for 1934, we will be in a position to judge the situation so that, if the conditions permit, we can reestablish the old rates all along the line, which I think ought to be done.

I have voted for increases for Government employees. I have never voted for a reduction before, and I am sorry we have to do it now. But I want to suggest that if we can not find a way whereby we can reduce, and if we do come to the point where we have to face the situation as is, that if the conditions permit, we can adjust these various matters. The committee have been a jury trying to find a way by which we could adjust these various matters. The committee have made real research. We have gone into these matters very carefully. The findings we have made are the best we know of to meet the present situation.

I do not believe we can afford to say that if we can revive commerce, we will not need to reduce expenses. We have got to reduce expenses in order to revive commerce and put things on an even keel again. We are not going to proceed in a way by which we will revive the commerce of the United States unless we meet the situation that now confronts us, and that is to reduce expenditures to the point where we will have sufficient current funds to meet our expenditures. This is one source in the expenses of the United States Government, and, therefore, I can not see how we can shut our eyes, in view of all that is happening all over the United States so far as employment is concerned, and say we can not reduce the salary roll of the Government of the United States.

Therefore it is my hope that the committee bill will have the concurrence of a majority of the Members of the Senate. Mr. BRATTON obtained the floor.

Mr. MCKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from New Mexico yield for that purpose?

Mr. BRATTON. I yield.

The VICE PRESIDENT. The clerk will call the roll.

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

Mr. FESS. I desire to announce that the Senator from New Jersey [Mr. Kean] and the Senator from Vermont [Mr. Austin] are detained at a meeting of the Committee on the District of Columbia.

I also wish to announce that the Senator from South Dakota [Mr. Nourse], the Senator from New York [Mr. Wagner], the Senator from New Jersey [Mr. Barbour], and the Senator from Virginia [Mr. Glass] are detained at a meeting of the Committee on Banking and Currency.
The VICE PRESIDENT. Sixty-seven Senators have answered to their names. A quorum is present.

Mr. COSTIGAN. Mr. President—

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Colorado?

Mr. BRATTON. I yield.

Mr. COSTIGAN. The Senator from Nebraska (Mr. Norris) this morning introduced an amendment to the pending bill. It provided for a graduated salary reduction, and undoubtedly sound economics and justice support the Senator in his work to preserve decent living conditions by exempting lower Government incomes from wage reductions. May I ask the Senator from Nebraska whether he is prepared to estimate what amount of savings will result from the various graduated reductions?

Mr. NORRIS. Mr. President, I have been told by the clerk of the Committee on Appropriations, who has been in conference with the so-called experts of the departments, that my amendment would bring about a reduction in salaries and therefore a saving of about $23,000,000.

May I be permitted to say, since I have been asked the question, that in drafting the amendment and offering it I have had to bear in mind that the amount of money that could be saved, because I knew it would not save as much as though we took something off the salaries of the lower paid employees; but I have been moved to prepare an amendment which, in my judgment, would go as far as in all conditions of necessity if we felt we had a right to go in reducing the salaries of the lower paid officials and employees of the Government.

Mr. COSTIGAN. May I say to the Senator that the purpose of my inquiry has been to secure for the Senate the benefit of this information at the earliest possible moment.

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. BRATTON. I yield.

Mr. BINGHAM. May I ask the Senator from Nebraska whether he makes any provision in the amendment for making up the difference between the savings which he suggests and the saving suggested by the committee, which is nearly $100,000,000?

Mr. NORRIS. I do not. I am simply going on the theory that, as I look at it, it would be practically highway robbery to take this vast amount of money out of those who are getting the least amount of pay. In other words, as I understand it, half of the savings that we propose to make through these so-called economies, the proposition would come out of employees and be taken away from employees who are drawing the smallest salaries.

Mr. BRATTON. Mr. President, when this measure came from the body at the opposite end of the Capitol and was referred to the special committee of 6, 3 from the majority and 3 from the minority, and I was named as a member of the committee, I entertained no hope that whatever the committee did, whatever report it made would meet with popular favor from those affected. I am not surprised that the report of the committee is meeting with stubborn opposition. Neither do I think that one side is altogether right and the other is altogether wrong. The time has come when the people of this country will demand with increasing determination that the Government, in its activities and curtail its expenditures.

Mr. President, that while I supported virtually all of the rates in the revenue bill which I believed necessary and indispensable to the safety and perpetuity of the Government, I think economy and methods of reducing expenditures are more important than means of raising revenue, because in my opinion the Government has expanded far too widely during recent years. Its activities have been projected on too many lines and too far out in every direction. The time has come when the people of this country will demand with increasing determination that the Government, in its activities and curtail its expenditures.

The VICE PRESIDENT. Without objection, that order will be made. The table is as follows:

Statement of savings for fiscal year 1933 contained in economy amendment to legislative appropriation bill as passed the House and reported to the Senate.

<table>
<thead>
<tr>
<th>Description of item</th>
<th>Bill as passed</th>
<th>Bill as reported to Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 per cent reduction in salaries in excess of $2,500.</td>
<td>$9,000,000</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>10 per cent reduction in all salaries (except active enlisted personnel of the Army, Navy, and Marine Corps).</td>
<td>$12,595,000</td>
<td>$12,595,000</td>
</tr>
<tr>
<td>Permanent salary reductions—Members of International Joint Commission, Federal Farm Board, Civil Service Commission, Board of Mediation.</td>
<td>41,000</td>
<td>41,000</td>
</tr>
<tr>
<td>Suspension of automatic increase in compensation.</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Suspension of administrative promotions.</td>
<td>No saving.</td>
<td>No saving.</td>
</tr>
<tr>
<td>Temporary suspension of filling of vacancies.</td>
<td>$16,700,000</td>
<td>$16,700,000</td>
</tr>
<tr>
<td>Temporary suspension of overtime compensation.</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Limitation on amount of retired pay.</td>
<td>$6,381,000</td>
<td>$6,381,000</td>
</tr>
<tr>
<td>Limitation on annual leave with pay.</td>
<td>No saving.</td>
<td>No saving.</td>
</tr>
<tr>
<td>Limitation on employment of Filipinos overseas.</td>
<td>$2,196,000</td>
<td>$2,196,000</td>
</tr>
<tr>
<td>Limitation on expenditures for printing and binding.</td>
<td>$4,000,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Limitation on expenditure for paper.</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Limitation on expenditures for printing.</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Elimination of West Potomac Park boating plant.</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Suspension of certain compensation laws.</td>
<td>$2,252,249</td>
<td>$2,252,249</td>
</tr>
<tr>
<td>Temporary suspension of certain compensation laws.</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Incentive compensation.</td>
<td>No saving.</td>
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</tr>
<tr>
<td>Total.</td>
<td>$52,727,749</td>
<td>$52,727,749</td>
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</table>

Mr. President, the accomplishment of that end involves two parts—income and outlay, revenues and expenditures. In several days, as for more than two weeks we have dealt with the revenue phase of the problem. We completed that feature of our task night before last at 12 o'clock. Now we turn to the other phase of the problem—that is to governmental expenses.

Let me say, Mr. President, that while I supported virtually all of the rates in the revenue bill which I believed necessary and indispensable to the safety and perpetuity of the Government, I think economy and methods of reducing expenditures are more important than means of raising revenue, because in my opinion the Government has expanded far too widely during recent years. Its activities have been projected on too many lines and too far out in every direction. The time has come when the people of this country will demand with increasing determination that the Government, in its activities and curtail its expenditures.

The House sent us a bill that embraced economies of $52,277,749. Our committee worked for more than two weeks, morning, noon, and evening, in an effort to effect additional economies without visiting undue hardship upon any class of our people or any category of our activities. The committee reported a bill which effects economies of $339,665,609. In order that those who read the CONGRESSIONAL RECORD may have a picture of the respective amendments from which these economies come, I shall ask to have printed at this point in the Record the table which is contained in the committee's report.

The VICE PRESIDENT.
Mr. BRATTON. It will be observed, Mr. President, that one of the principal items in the bill deals with reductions in salaries of Federal employees. I address myself to that matter. There are 732,469 persons employed by the Federal Government in Washington and in the field in some form or another.

Mr. LOGAN. Mr. President, will the Senator from New Mexico yield to me?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. BRATTON. I yield.

Mr. LOGAN. The Senator’s statement does not include any employees except those in the executive department, does it? I may say rather more than the number mentioned who are employed in the whole Government services.

Mr. BRATTON. The Senator is perhaps right. I am dealing now with the table relating to the 732,469 persons in executive departments, whose annual salaries total $1,055,-

Mr. President, much has been said about opposition coming from the Federal employees affected. There is no doubt that they strenuously oppose the proposed reduction, and I am not disposed to criticise them for doing so. Self-preservation is the first law of nature. It manifests itself in the human existence of us, those of us here and those elsewhere. That was discussed by the committee during long hours. The committee reached the conclusion that the best way to effect a reduction in Federal salaries was to make a horizontal slash that applied to every person alike.

I for one was not willing to adopt the furlough system which the Senate adopted in the House report, if an effort were made to be fair in the exemption and to exempt the first $1,000 of all salaries, so that a person getting $1,000 would pay nothing and the person getting $1,050 would pay only a percentage of $50, as saving the remaining security permanently and added to the ranks of the unemployed. I believe now, and I believe that, it is vastly better for employees, high and low alike, to have a definite assurance under the civil service law and under all other laws enacted in the past and under this measure that they will be retained in Government service during this period of stress and strain even though their salaries may be reduced 10 per cent. So, Mr. President, the measure that we have proposed relieves Government employees from that anxiety and that strain and that uncertainty which would be manifested by wear and tear and its accompanying coming on.

Mr. President, it has been said that we should not cut the low-salaried employees 10 per cent and the high-salaried employees the same percentage. We must assume, however, that the present wage scale, from top to bottom, is fair and equitable, because it has been built up through the years with care and deliberation; we must assume that the salary paid to the employee in the lower brackets is fair as compared with the salary paid to the employee in the higher bracket, and conversely. If that be true, a 10 per cent cut is fair, because the reduction in the salary of each employee will bear the same ratio to the whole reduction that his salary bears to the whole salary pay roll of the Government.

Mr. FESS. Mr. President, will the Senator from New Mexico yield to me?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Ohio?

Mr. BRATTON. I yield.

Mr. FESS. When this subject was first discussed, I raised the question as to the wisdom of cutting the salaries of the employees in the lowest grades, for the reason that the Senator and the rest of us have in mind. I took the position, however, that the Senator now occupies, that if the salaries are equitable, then a cut in the one case would not be inequitable as compared to a cut in another. I recognize, however, the suffering that might come from cuts in the lower brackets. I wondered whether the committee had considered a smaller cut in the lower salary brackets with-
Mr. COUZENS. May I ask the Senator, if the furlough were made mandatory, how there could be preferences and discrimination?

Mr. BRATTON. The employees, of course, are graded in classes, and they are in different bureaus and different departments. If it became necessary, out of a group of 40 in one department, to furlough 10 at a time or 20 at a time, perhaps it would be incumbent upon the superior to designate those who should be furloughed and those who should remain.

Mr. COUZENS. Yes; but at some time or other all would have to be furloughed, would they not?

Mr. BRATTON. Perhaps. Perhaps some would be furloughed before others.

Mr. COUZENS. Yes; but, as I understood the President's program was a month's furlough for each employee. I do not just get the point as to how there is any inequity in it.

Mr. BRATTON. If the Senator will study the system, I think he will find that some employees might be furloughed two weeks and some six weeks; at least, the system could be administered in that way.

Mr. COUZENS. Assuming that we put in the bill a stipulation that each one was to be furloughed one month, how could that be avoided?

Mr. BRATTON. If we put in the bill a provision that each one should be furloughed one month, no more and no less, probably that would not enter into it; but to make it elastic and to make it meet conditions as they arise during the year, we must leave it to the judgment of some one to administer. There is where the danger of the system intervenes.

Mr. COUZENS. I agree with the Senator on that; but I still do not see why Congress itself can not specify a furlough of one month for each employee.

Mr. BRATTON. Let us take it this way. Suppose he is furloughed one month without pay: That would be one-twelfth, which is less than one-tenth. One twelfth is 8 1/3 per cent; and that would reduce the saving that much, by the difference between 8 1/3 per cent and 10 per cent.

Mr. COUZENS. That is true; but it would not take quite so much out of the employee.

Mr. BRATTON. Quite true.

Mr. COUZENS. And the Government would still be getting its value, if present salaries are proper and adequate. In other words, whether we follow the system suggested by the Senator from Connecticut or not, the employee is not doing the same work for which he is getting no pay.

Mr. BRATTON. At the end of the year, under the furlough plan, the Federal employees would be restored to their present situation, their present status, their present level. Under the 10 per cent cut here proposed at the end of the year they would be restored to their present situation, their present level, and their same status, so that the furlough plan has no advantage over the present system when viewed from that standpoint.

Mr. COUZENS. But under the furlough plan the employee would have one month in which he could do something else.

Mr. BRATTON. That is the trouble; we have so many on the pay roll that they could take an extra month off and not hurt the Government service. There are too many in Government service, and we are trying to deal with them with the least hardship.

Mr. JONES. Mr. President—

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Washington?

Mr. BRATTON. I do.

Mr. JONES. What would be the effect of a furlough with reference to a rural free-delivery carrier?

Mr. BRATTON. Of course, it will not fit in certain cases. It fits in the case of school-teachers here in the District of Columbia. It will not fit universally as well as a horizontal slash will serve the purpose; and the horizontal slash does not permit any injustices or discriminations among the several employees, if it is to be assumed that our present wage scale is fair.

Mr. BINGHAM. Mr. President—

Mr. BRATTON. I yield.

Mr. BINGHAM. May I say to the Senator from Michigan in connection with what he has just said, and which sounds very reasonable—that to take a month off would give the employee a chance to earn money somewhere else—that in the first place there was no suggestion on anybody's part that the furlough would come all at once. That would disrupt the Government service entirely, and we would have to hire some one else to do the job. The suggestion was that we might have a day now and a day later, two days here and two days there; and that would not give them an opportunity to earn anything else, even if there were not 8,000,000 other people looking for that job.

Mr. BRATTON. Mr. President, the employees should understand that this is not a permanent cut. It is a temporary cut of one year. It is a contribution to the Government's financial situation.

Upon that point, Mr. President, let me say that there are a number of employees in the galleries. They are representative of the thousands upon thousands of others elsewhere. Their salaries have been built up by successive steps during the last several years. I voted for every one of those measures. I favor every worker in this country living according to American standards. I favor every laborer in this country, whether upon the Government pay roll or elsewhere, being so situated that he may educate his son or his daughter for useful citizenship in the American arena called life. I have never subscribed to the belief that the workers of this country should be required to compete without some protection against the laborers of other countries whose living standards are lower than ours. Accordingly, Mr. President, I have supported every increase in Government salaries since I became a Member of this body.

But this Government, with all of her power and her prestige and her prowess at home and abroad, with her record of which we are so proud, with her strength that has challenged the admiration of the world, finds itself now in a financial condition which requires sacrifice on the part of every citizen, whether he be on the Government pay roll or not; and I appeal to the Federal employees throughout the country, from patriotic motives and patriotic sentiment, to contribute this 10 per cent of their salaries during the ensuing 12 months as a means of aiding in the solution of the problem that is challenging the ingenuity of American citizenship.

Mr. COUZENS. Mr. President, will the Senator explain how it is that some of the night extras are cut off, thereby bringing about a greater percentage of cut in income in the case of those employees than others? There have been quite a number of complaints along that line.

Mr. BRATTON. Yes; I will explain that.

Under the present law if an employee works his full time and then works at night he draws extra pay. It was the belief of the committee that during this period when an employee had worked his full time during daylight hours the incentive to work at night was removed, so that some substitute perhaps without bread and meat or a meal ticket might do that night work.

In other words, we regarded the situation something like this: If the Government found a thousand of its citizens marooned upon an island, destitute and hungry, and the Government was able to reach them with only 500 meals, instead of dividing the people into two parts and giving 500 of them a full meal and the others nothing, it would be better to give the whole of them a half meal each. We believed that it was better to let the man who drew his regular pay work in the daytime and let some other citizen, perhaps with a family depending upon him, work at night and draw from the financial reservoir of the Government.

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

Mr. BRATTON. Yes.
Mr. COUZENS. I may be disclosing a lot of ignorance with respect to how these employees are compensated, and I confess that I know little about it, but there are none of the employees who work all night, and get higher pay for working at night than others do for working in the daytime?

Mr. BRATTON. Yes.

Mr. COUZENS. Is not the higher wage for night work cut off, and, in addition to that, do they not have their 10 per cent reduction of salary, and are they going to cut them down 10 per cent besides?

Mr. BRATTON. I think there are some injustices of that kind. If so, they should be corrected.

Mr. COUZENS. That is what I wanted to get at. I understand that if a man works at night, he gets higher pay; so we are going to cut off the higher pay for the night work, and we are going to cut him down 10 per cent besides.

Mr. BYRNEs. Mr. President—

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

Mr. BYRNEs. May I say to the Senator from Michigan that that matter was called to the attention of the Senate yesterday in the absence of the Senator from Michigan?

The purpose of the committee was to do exactly what the Senator from New Mexico has stated; and in order to make certain that nothing more than that will be done, an amendment will certainly be agreed to, so far as the conference committee is concerned, making certain that it does not apply except in the cases that were spoken of by the Senator from New Mexico.

Mr. COUZENS. I am in entire accord with that.

Mr. BYRNEs. What the Senator from Michigan says is true, and we are going to correct it.

Mr. BINGHAM. Mr. President—

Mr. BRATTON. I yield to the Senator from Connecticut.

Mr. BINGHAM. That is going to be corrected, may I say to the Senator. The only object of the section to which the Senator refers was to make more jobs, not to cut anyone at all. It needs an amendment in order to correct that injustice and that amendment will be offered by the committee.

Mr. BRATTON. Mr. President, so anxious was the body at the other end of the Capitol, so anxious was our committee, that everyone should be treated alike and everyone should contribute his proportionate share to this reduction, that we have in the bill a provision which authorizes those drawing salaries that can not be reduced under the Constitution—the President and the members of the Federal judiciary—to remit voluntarily any part of their salary that they see fit. I have a memorandum saying that if the President or the Chief Justice of the United States, down, make a 10 per cent remittance in their salaries by voluntarily paying that amount into the Treasury, that will effect a saving of $56,500, because they receive an aggregate of $65,500 annually.

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

Mr. BRATTON. I yield.

Mr. CONNALLY. While I agree with the fine spirit of this offer of the Treasury to accept the money from the Federal judiciary, has the Senator any idea that they will respond?

Mr. BRATTON. Mr. President, I have. If the members of the judiciary, who are immune from the power of Congress to reduce their compensation during their terms, fail to respond in pace with others who are engaged in public service, I shall be both surprised and disappointed in the judiciary of the nation.

Mr. CONNALLY. Let me say to the Senator that unless they all respond, it probably would be unfair to accept refunds from some of them. My inquiry was prompted by the decision of the Federal courts which held that their salaries were exempt from income tax under the clause of the Constitution which says that we shall not reduce their salaries.

According to my view, that was not a correct decision, and was absolutely in the face of the spirit of the Constitution, because the levy of an income tax on a judge, when everybody else bearing the same relationship to the Government, receiving the same pay, has to pay that tax, is not a reduction of his salary. I hope the Senator’s faith in the Federal judiciary is greater than mine in respect to the return.

Mr. BRATTON. Mr. President, I express the faith that the members of the Federal judiciary, from the Chief Justice down, will respond to the call of the country, because I should feel greatly disappointed, if, when an employee drawing thousands of dollars is required by Congressional mandate to accept a reduction of $100, and a charwoman drawing $600 is required by congressional fiat to contribute $60 annually, if the members of the Federal judiciary should fail to respond willingly to the call of the Nation. I do not expect to be subjected to that disappointment, because I believe the personnel of the Federal judiciary to be of that type that they will respond readily to the call of the country by turning back into the Treasury 10 per cent of their salaries.

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

Mr. BRATTON. I yield.

Mr. CONNALLY. Mr. President, I say to the Senator that, frankly, I regard that clause in the bill as being in violation of the spirit of the Constitution, really, because while we can not reduce the salaries of judges by law, the committee is seeking to put pressure on them to do the very thing which the Constitution prohibits. That, in effect, would be making the judiciary subservient to Congress through the power we have over their salaries through appropriations. I think this is the time when we all ought to sacrifice, but I doubt the wisdom and the propriety of that clause in the bill which seeks to highjack the Federal judiciary into making a contribution which we can not require under the law.

Mr. BRATTON. Mr. President, it is not an effort to highjack the judiciary. It is my understanding that the Treasury could not receive a remittance of this kind without express authority. So we inserted the provision in the bill authorizing the Secretary of the Treasury to receive any such rebate. Call it an invitation to the Federal judges to make that contribution if you will; I am perfectly willing to extend the invitation to them, with the confident belief that they will accept it; but if they fail to do so, I, as one Member of this body and as one citizen of this country, shall be deeply pains and deeply grieved, because they will prove themselves to be men of a different kind from what I now regard them to be.

Mr. SHIPSTEAD. Mr. President, it seems to me that the only benefit the country would derive from a contribution from the judiciary would be in the form of a graceful gesture. The savings would not amount to anything; and if it were done upon invitation, it would lose its value.

Mr. BRATTON. The saving would be $56,500. If the judges make the contribution to the amount of 10 per cent of their salaries to the Treasury, and $56,500 is worth saving.

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

Mr. BRATTON. I yield.

Mr. BINGHAM. The Senator will remember that we were told by one or two of the judges that they felt that it would be very embarrassing to them for their clerks and the officials of their courts to be cut 10 per cent, and they go right on with their salaries, that they would gladly and would prefer to put themselves on the same basis with all the employees of the courts; and under the present law the money could not be received by the Treasury.

Mr. BRATTON. That information was brought to the committee. By another provision of the bill we group the United States Shipping Board, the members of the Federal Board, except the Secretary of Agriculture, the members of the Board of Mediation, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans’ Affairs, the commissioners of the United States Tariff Commission, the American commissioners of the General Claims Commission, United States and Mexico, and the
1932 CONGRESSIONAL RECORD—SENATE 11815

umpire and American commissioners of the Mixed Claims Commission in the United States and Germany, and fix their salaries at $18,000 per annum, and provide further that, after June 30, 1932, no officer or employee of the Federal Farm Board, the United States Shipping Board, the Merchant Marine Corporation, or of any governmental function named in this section, shall receive a salary at a rate in excess of $15,000 per annum.

Then we provide that the 10 per cent reduction elsewhere provided in the bill shall apply to the salaries as thus reduced. In other words, a member of a commission who is now drawing $12,000 a year is first reduced to $10,000, and then has a 10 per cent reduction applied to that figure, which reduces the salary to $9,000, which means a reduction of $3,000 to members of certain commissions heretofore drawing $12,000 a year. The savings from that aggregate $97,300.

We have gone through the bill with a view of curtailing expenditures and of effecting economies the very best we could in the short period of time available to us. Some people throughout the country seemed to believe that we were a committee that would sit for months canvassing the entire machinery of the Government with a view of effecting permanent economies. I think we need that kind of a committee. I think it could accomplish a great deal. But our committee did not occupy that position. This measure was attached as a rider to the legislative appropriation bill; the body at the other end of the Capitol sent it to us in that form; and, accordingly, it had to be dealt with promptly. We devoted two weeks to it. We effected these economies. We know they are small. We know in certain quarters they will not be recognized that they would meet stubborn opposition in this Chamber and elsewhere, and we were not deceived in that belief.

Mr. President, there arises in the equation the paramount consideration of protecting the Government, of maintaining its stability and its intact credit, of maintaining its steadfast course; and I have the belief deep in my mind that every Federal employee, if he realized the seriousness of the situation, would be willing to contribute his 10 per cent during the next 12 months as a means of aiding the Nation in this time of stress and strain.

I do not call their unwillingness to do so selfishness. I do not characterize it as that, but I think they fail to appreciate the situation. I express this belief, too, that if we proceed without some curtailment in Government expenses, without some reduction in Federal salaries, the sentiment for economy throughout the country will become so strong that in less than 12 months the Federal employees will find themselves confronted with a deeper cut than 10 per cent. It requires no prophetic vision to realize that, and I say that as a devoted friend of the Federal employees throughout the country, many of whom in my own State have supported me in every way. When I stand for this cut of 10 per cent I hold to the belief that I am rendering them a real service, because I would rather see them take a temporary cut of 10 per cent than to see them required to take one much larger in 12 months or so hence, and perhaps, thousands upon thousands of them dismissed from the service altogether.

Mr. COUZENS. Mr. President—

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

Mr. BRATTON. I yield.

Mr. COUZENS. I was wondering what information the committee had to justify the belief that the salaries would be restored within a year.

Mr. BRATTON. The provision in the law limits it to 12 months.

Mr. COUZENS. The committee must have made up its mind that the salaries would be restored after 12 months, and I would like to know what information the committee had to justify it in reaching the conclusion that the salaries could be restored after 12 months.

Mr. BRATTON. Of course, it will take an act of Congress to prevent the restoration to the present level. In other words, unless Congress takes further action, the salaries will be restored automatically. The committee expressed the hope that our condition would be improved so that we might return to the present level at the end of 12 months.

Mr. COUZENS. So that it was only a hope; we have no assurance?

Mr. BRATTON. It was only a hope, because no one of us, not even the Senator from Michigan, can forecast with certainty what will be the condition 12 months from now; but he hopes, and I hope, and every other devoted citizen of this country hopes, and earnestly hopes, that our condition will be improved at the end of 12 months, so that we may return to the present level; but we will not contribute to that restoration, we will not contribute to that return to the higher levels unless we protect this Government and maintain the stability of its credit.

The greatest blow we could strike in the present situation, the greatest contribution we could make to its continuance would be to let our financial situation continue with our Budget out of balance to a substantial extent.

Mr. President, I know it is going to work hardship upon many Government employees to take this 10 per cent cut. Any man who would argue otherwise, here or elsewhere, that he has his mental condition investigated. Many employees have bought homes and placed mortgages upon them, many employees have obligations at banks and elsewhere, many employees have arranged their financial affairs so that this cut will handicap and embarrass them tremendously. I realize that. But practically every citizen in this country, high and low alike, is unable to pay such salaries.

Mr. COUZENS. Mr. President, where are we going to get the money to furnish the Federal employee to pay the mortgage on his home, to liquidate the note in the bank, if the taxpayer is unable to pay the mortgage on his home and liquidate his note at the bank, and otherwise discharge his obligations? Everybody is caught in this situation alike, and it is untenable to urge that we continue the wage scale of Federal employees at 100 per cent and rely upon a depleted reservoir, namely, hard-pressed taxpayers, for the money with which to pay such salaries.

I say that with as deep sympathy for the Federal employees and the workers of this country as any man here or elsewhere. But we are confronted with a situation, and it is for every Member of this body to deal with it as his judgment dictates. My judgment is that a flat, horizontal cut, whatever we make it, is the best method for approaching the situation. If 10 per cent is too high, reduce it. If 10 per cent is too low, increase it. But whatever it is, let it be a flat, horizontal cut, which will apply to every employee alike, so that his contribution will bear the same proportion to the whole contribution that his salary bears to the total sum of salaries paid by the Government. Do not have the man with the low salary urging that his cut is out of proportion with that of the man higher up.

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

Mr. BRATTON. I yield.

Mr. COUZENS. The Senator from Florida a while ago spoke about the graduated income tax being applied on the principle of ability to pay.

Mr. BRATTON. Yes.

Mr. COUZENS. I wondered what the committee's viewpoint was about cutting a $15,000 Cabinet officer 10 per cent, and cutting 124,000 employees who receive under a thousand dollars 10 per cent.

Mr. BRATTON. We thought that when Federal salaries are compared one with the other, the whole structure of our pay roll was equitable; at least we have said so in the past because Congress fixed it; and that when the cut does exactly what I have stated, namely, the share borne by each
individual bears the same ratio to the whole that his salary bears to the whole salary expense that is fair. That is the fairest way to make the reduction, and it rests most equitably upon all alike.

Mr. COUZENS. I believe there is some proper basis for a graduated reduction.

Mr. BRATTON. If we were dealing with it as a permanent proposition, there might be much justification in that view, but I think dealing with it as a temporary matter, as a humanitarian problem. We believe, in view of the reduction in commodity prices, that the fairest way to do it is to cut them alike on a horizontal basis. That is my conviction. I think it will work out best in the long run.

As I read out a while ago, we will always have in a graduated scale what might be called ragged tops. It has been suggested that we exempt all employees up to $1,000. Let us take that proposal. One employee is drawing $1,000 and another drawing $1,100. Applying the 10 per cent above the $1,000, the $1,000 man afterwards would be drawing more money than the $1,100 man. We would have innumerable complaints of discrimination and injustice in every such step-up in rates.

Mr. COUZENS. I believe there is legislative language that we could use to obviate that. I do not think that is a very serious way to do the graduated reduction.

Mr. BRATTON. Perhaps the Senator from Michigan could do that. If he can, I regret seriously that the whole task of effecting these economies was not tendered him. [Laughter.]

Mr. COUZENS. I thank the Senator for his sarcasm.

Mr. BRATTON. Not at all, Mr. President. It was intended in a humorous way.

Speaking seriously to the Senator from Michigan, it is easy to look at it and say we will make these economies without doing any injustices, but I express the belief that if the Senator had devoted two and one-half weeks to it as the distinguished Senator from Washington (Mr. Jows) and others of us did, he would have concluded long ago that any proposal we may undertake will present many complications difficult to solve and difficult to overcome.

Perhaps this proposal is not right. Perhaps it can be improved upon. But our committee devoted itself to it during many hours. We were of one mind that this is the best way to do it, that it is the fairest way to do it, that it is the way freest from inequities and injustices that we could devise. It is only a temporary proposal. It calls upon the Federal employees to respond with a degree of patriotism to the country at this time. I addressed myself a while ago to the patriotism of the country. I think we have the same confidence in the Federal employees in this country that they will rise to the challenge which presents itself to them and will respond to it in true American fashion, and will make their contribution to the solution of the problems which confront our whole country in a most vital way.

Although there may be complaints and outcries now, although meetings may be held, although some voices may be heard, yet if the measure passes with this flat 10 per cent cut in it, I believe it will be accepted by a large, yea, an overwhelming majority of Federal employees throughout the country. Husbands will say to wives and wives will say to husbands, and it will be said around the family circle, that the cut visited hardships upon us, but we are willing to respond to the needs of the Government in what has been characterized as an economic war. I believe that young and old alike will be stalwart soldiers in this time of need, and will accede themselves with that degree of manhood and womanhood, bravery of manhood and bravery of womanhood, fidelity to the country, that has been typical of our citizens in all walks and in all places under and under conditions and circumstances, including those whose names now stand upon the roster of Federal employees. I believe they are as loyal and patriotic to this country as those on the outside.

In conclusion I express the confident belief that when we have written this measure, whatever it may be—and I hope the committee amendment will stand—that an almost unanimous voice will be heard from Federal employees, saying that hardships are inevitable, that disappointments though it means, deprivations though it costs upon them, will accept those hardships, those disappointments, those deprivations, for a period of 12 months as their contribution to the solution of the problem and the maintenance of their Government and its safety and security, both home and abroad.

I have here a letter from Hon. Luther C. Steward, president of the National Federation of Federal Employees, to which are attached certain tables relating to salaries paid Federal employees. I ask unanimous consent to have the letter and table printed in the Record at this point.

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

### National Federation of Federal Employees,

Washington, D. C., June 1, 1932.

My Dear Senator: We are including a tabular statement showing the number of civilian employees grouped by $100 salary steps. This table was prepared in the Bureau of the Budget and is authoritative.

This table shows that a cut of 10 per cent on annual salaries of civilian Federal employees below $1,000 would save $4,530,002; between $1,000 and $2,000, it would save $8,600,000; below $2,000 and $3,000, it would save $12,746,617; and below $3,000 and $4,000, it would save $16,962,787.

It is apparent that no such step-up in rates of the pay of employees in the lower salary ranges. The bulk of the savings must be secured by cuts in this group. The savings effected by cuts in the higher-paid groups is so negligible as not to warrant the consideration of their higher-paid employees.

Very truly yours,

LUTHER C. STEWARD, President.

Number and cost of salaries of civilian employees of the executive branch of the Government

[Compiled in January, 1932, from latest available information]

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1 Salary of civilian employees is gross salary and includes the value of quarters, subsistence, or other facilities or services furnished by the Government.
Mr. JOHNSON. Mr. President, I want first to congratulate the Senator from New Mexico [Mr. Barrett] upon his very able and very eloquent speech. He has presented the matter in a fashion, in a way, at least, that commands itself to every man who heard him. I feel that it could not be better presented to this body than the Senator from New Mexico has presented it, and I want him to know that I am in absolute sympathy with the work in which he has been engaged. I feel that that work has a quality of purpose and of love that is appreciated by all of those who are interested in the present finances of the Government.

What little I say I do not wish to be construed in the slightest degree as critical of the committee. I recognize their difficult task, a difficult task, sir, such as seldom has confronted a committee in the Senate. I recognize, too, that there is a difficult task presenting itself to-day to the Senate itself, a difficult task such as seldom has been presented to us.

This thing that confronts us to-day has many facets and many angles. It cannot be answered in an instant by a suggestion of the necessity for doing so. We take as an example of the United States, because it involves possibilities, contingencies, future relationships, which must be considered as well. Ours is a Republic. Ours is a peculiar Government, different from any other upon the face of the earth. Ours is a Government which rests practically upon its citizenship, upon the Government which the people shall have as the days to come as we permit its citizenship to be. If we contribute in any degree to the destruction or to the lessening of the morale, the spirit, that we love to believe is a part of the citizenship of this country, then, sir, there is no sum of money that can compensate the part of the citizenship of this country, then, sir, there is no sum of money that can compensate the part of the citizenship of this country which rests upon us willy-nilly, and without regard to the merits or demerits of any proposition to pass this bill.

I thought the other night when we finished with the tax bill that we were over the greater part of our troubles. I fear, from what I have heard since, we are not. You have heard the whispers, just as I have heard them, concerning the pressure of the Government and the pressure, which rests upon us willy-nilly, and without regard to the merits or demerits of any proposition to pass this bill. I thought as I listened to the distinguished Senator from Pennsylvania [Mr. Raney] the other night and then the day following that although all the nations of the earth were looking to, I do not know what we could do, and that various groups of the United States Senate in the fastnesses of their retreats only to learn again and having passed the tax bill as was required of us, I thought then when we had balanced that Budget that changes like a celerity and dispatch we acted exactly as they desired.

I do not believe, sir, in taking 10 per cent of incomes of $1,000, $1,500, $2,000, or $2,500. I realize that what little I may say upon the subject is of no consequence here or elsewhere, but if mine is the only such vote in this Chamber, I will not vote to take 10 per cent of the salary of a man who has little to live upon and has been accorded him in the past from a Government that has been none too grateful for services he may have rendered.

Take 10 per cent from a man with a salary of $1,500, say gentlemen who object to an exemption of $1,500—take from him $150 and say to me that it is as just as to take 10 per cent from a $15,000 salary man. Not a bit of it, sir, ring up his children as American children are entitled to be brought up. We take from him, sir, the very necessities of life. When we take from those who are high up in the salaries of this Nation 10 per cent as well, what do we take? We do not take from them the absolute necessities of life. You have taken from them the luxuries to which they have been accustomed, and, of course, in a time like this, where the bogey man walks up and down the Chamber and is about to get all, they, of course, will be perfectly willing to yield those luxuries and yield a greater percentage of income.

I do not believe, sir, in taking 10 per cent of incomes of $1,000, $1,500, $2,000, or $2,500. I realize that what little I may say upon the subject is of no consequence here or elsewhere, but if mine is the only such vote in this Chamber, I will not vote to take 10 per cent of the salary of a man who has little to live upon and has been accorded him in the past from a Government that has been none too grateful for services he may have rendered.

There is an answer to what I say. Of course, the answer that gentlemen repeat again and again and again is, Where is your substitute? There must be somewhere in the Government of the United States where economies may be effected which will relieve us of the necessity of being so cruel as to take 10 per cent out of salaries that are so small as are those which are taxed by this bill.

Mr. President, the question goes much further than mere money. A query was propounded to-day to the distinguished Senator from Iowa [Mr. Dickinson] if this were a question of money alone, and the answer was, "Yes; it is purely a question of money." There is something else, sir, involved, and, thank God, with some of us there is something else in life as well. To tell me that this country is going to the bowwows unless we take 10 per cent of the small salaries and a moment of thought on the part of the Committee on Finance to determine whether or not we had balanced the Budget and passed the tax bill that was presented to us by our friends upon the Finance Committee. They rejoice now in southeastern Europe. Again they raise their heads that were bowed from those abroad who are so interested in our welfare, and I have confidence in the United States of America, and I do not believe the stability of this Republic rests upon reducing the salaries of those who receive less than $1,500, $2,000, $2,500 from the United States Government. I believe the morale of the paymen t is just and equitable, applying alike to the high and the low, the rich and the poor, to those who are a part of the Congress of the United States, to those who sit in high places in the Government, and to those who have less than $1,500 a year upon which to live. The same reduction of 10 per cent to all is just and fair and equitable, it is argued.

Not so, Mr. President; not so, at all. When we take 10 per cent from a man with $1,000, $1,500, $2,000, or $2,500 as an income, what do we take from him? We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing. We take from him in part food and clothing. We take from him in part shelter and clothing.
The liquidation of all other forms of campaign and the liberalizing of credit this situation encourages. So money. The editor, to do at this time in view of present economic conditions. Senator any other reduction in salaries at this time. Although of quest to do; but I hope we can get through with this bill as time on it. We will probably have to take more rapidly as possible. We will probably have to take more money to the Senate, if we are going to make a gesture of reducing the salaries any part of them. It is not a question merely of Government employees who have their positions and ought to contribute to the emergency. If we are going to do any business, it is not the thing that we ought to do. The wages of Government employees when we appropriate millions upon millions of dollars for battleships with which to kill people and which in a few years are going to be of no value whatsoever to the Government or the people of the United States. I am not going to vote to reduce the wages in the United States when I see on my desk a bill that is on the general program of business, proposing an appropriation of $125,000,000 out of the Treasury of the United States to be given to some private banking corporation. I am not going to vote to reduce wages when I see that the people are trying to defraud the Government of millions of dollars by having small change and by putting money into circulation, rather than to keep it out of circulation. That, Mr. President, states the underlying problem that confronts the United States to-day. Yet nothing has been done by the Congress, nothing has been advocated by the President of the United States to strike at the root of the real underlying cause of present economic conditions. The only thing that has been suggested to the Congress is to reduce wages. It is the same old story; when the head of a great corporation finds that he can not do anything else he immediately says, "We must reduce wages." So far as I am concerned, Mr. President, I want to say that I am not going to cast my vote in the present floor of the Senate against the wages of Government employees when we appropriate millions upon millions of dollars for battleships with which to kill people and which in a few years are going to be of no value whatsoever to the Government or the people of the United States. I am not going to vote to reduce the wages in the United States when I see on my desk a bill that is on the general program of business, proposing an appropriation of $125,000,000 out of the Treasury of the United States to be given to some private banking corporation. I am not going to vote to reduce wages when I see that the people are trying to defraud the Government of millions of dollars by having small change and by putting money into circulation, rather than to keep it out of circulation. The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. COSTIGAN. In accordance with the interesting newspaper extract the Senator from Montana read, may I ask whether the Senator also examined a discussion reported in the last day or two in the press, and attributed to Sir Arthur Salter, who until recently long supervised the economic studies of the League of Nations, in which it was, in effect, urged that an important international contribution might be made by the United States to relieve general distress if this country might succeed in raising the present low price level in the United States?

Mr. WHEELER. I did not see the article, Mr. President; but, of course, there is not any question about it. Let me say that the British colonies are going to do it in Ottawa. I think, some time in June, with the specific purpose of trying to do something to raise the commodity price level upon the world market; and how are they going to do it? They are going to do it by inflating the currency, and that bears directly to this problem.

While I have spoken on numerous occasions with reference to the problem of silver, I did not rise for that purpose at this time; but I do say that some means will have to be found to cheapen the American dollar, and I have proposed a bill for the remonetization of silver, which unquestionably would succeed in raising the present low price level in the United States, if we do not reduce these wages, how are we going to get the money to balance the Budget?"
Mr. President, let me say frankly that I am not particularly interested in whether the Budget is balanced or not. I do not think it is of very much importance whether the Budget is balanced or not. I say that in the face of all of the propaganda that has been sent out from one end of this country to the other that unless the Congress of the United States balanced the Budget at this time we were going to the bowwows; and they say, ‘Why, you are going off the gold standard unless you balance the Budget,’ and I do not think it is of this country to the other that unless the Congress of the United States balanced the Budget, this whole great Government of ours, with all of its wealth, just can not last.

It is the cheapest kind of nonsense that has ever been spread throughout the length and breadth of this land. I do not know just exactly where it emanated from, and I do not know just who is responsible for it, or what the purpose of it is; but I do want to stand here upon the floor of the Senate and say that it has done us immeasurable harm for the propaganda to go forth to the world, first, that we could not balance the Budget, and then, if we did not balance the Budget, that the Government of the United States was in a helpless position.

Where could we get the money? The Senator from Maryland (Mr. Tydings) and the Senator from Connecticut (Mr. Brickham) have both introduced into the Senate bills with reference to manufacturing beer. I am not a propagandist for the manufacture of beer; but I do say that as far as I am concerned I would vote, as I have voted, to raise, as we could, according to all the figures that have been furnished here, $350,000,000 if the Congress of the United States and the President of the United States had the courage to come out and advocate a tax upon beer.

Why do we not do it? It is because of the fact that a lot of people are afraid of the Anti-Saloon League. That is the reason why we do not do it. We are afraid of the propaganda from the Anti-Saloon League; we are afraid to raise $350,000,000 in that way; and we would be taking it from whom? Who is getting the benefit of it now? The racketeer and the bootlegger in Chicago, in New York, in Baltimore, in Pittsburgh. We would put a stop to that racketeering, and we would put $350,000,000 into the Treasury of the United States, if we would do what is proposed by these Senators.

We talk about threatening letters; and the Senator from Iowa (Mr. Dirksen) told about somebody pinning a message upon his door. What the labor people put on the door of the Senator from Iowa has not been a marker to the propaganda that the Anti-Saloon League have sent out and the threats that they have made against Congressmen and Senators and every public official in the United States.

So, Mr. President, I want to repeat what I said a while ago: As long as we have not the courage to raise the revenue in the way that it ought to be raised, as long as we stand here and are afraid to vote to put a tax upon beer, as we can do under the Constitution of the United States; as long as we are afraid, just so long will we be afraid to vote for a reduction of wages; and, Mr. President, so long as this Government is afraid to face the real economic problem that confronts this country, and to do something with reference to cheapening the dollar so as to raise the commodity price level for the farmers and the other producers of this country, just so long will I refuse to vote to balance the Budget by taking money out of the wage workers of the Government of the United States.

Mr. JOHNSON. Mr. President, I wish to inquire of the Presiding Officer what is the pending motion?

The PRESIDING OFFICER. The amendment on page 45, which will be stated.

The CHIEF CLERK. On page 45, line 6, after the word "reduced," strike out "as follows: Compensation at an annual rate of $2,500 or less shall be exempt from reduction; and compensation at an annual rate in excess of $2,500 shall be reduced by 11 per cent of the amount thereof in excess of $2,500" and insert "by 10 per cent of the amount thereof," so as to read:

SEC. 102. (a) During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced by 10 per cent of the amount thereof.

The PRESIDING OFFICER. There is an amendment to the House text offered by the Senator from Nebraska (Mr. Nye). Mr. Johnson.

Mr. JOHNSON. That is why I inquired, to see what is pending.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska to the House text will be stated.

The CHIEF CLERK. On page 45, line 7, it is proposed to amend the House text as follows: Strike out the figures "$3,500" and insert in lieu thereof "$1,500": and in line 8, after the semicolon following the word "reduction," strike out the balance of the paragraph and insert in lieu thereof the following:

And that part of any annual compensation in excess of $1,500 and not in excess of $2,500 shall be reduced by 5 per cent; that part of any annual compensation in excess of $2,500 and not in excess of $4,000 shall be reduced by 10 per cent; that part of any annual compensation in excess of $4,000 and not in excess of $8,500 shall be reduced by 15 per cent; that part of any annual compensation in excess of $8,500 and not in excess of $17,500 shall be reduced by 20 per cent; and that part of any annual compensation in excess of $17,500 shall be reduced by 25 per cent.

The PRESIDING OFFICER. That is the amendment.

Mr. JOHNSON. The amendment of the Senator from Nebraska is the one that is pending.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON. I desire to offer a substitute, provided the Chair rules that it may be offered as a substitute. It was originally written as an amendment.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be stated.

The CHIEF CLERK. At the end of line 11, page 45, it is proposed to insert the following language:

Provided, however, That the said reduction shall not apply to the compensation or salaries herein described which are not in excess of $2,500 per annum; and compensation and salaries herein described of said $2,500 or less per annum are exempted from the provisions of this section.

Mr. JOHNSON. I ask, as a parliamentary question, if the Chair will permit me, can that be offered as a substitute for the amendment?

The PRESIDING OFFICER. Under Rule XVII, that is in order.

Mr. JOHNSON. I do offer it, then, as a substitute and ask that it lie on the table.

Mr. NYE. Mr. President, I rise to discuss quite another question than the one I find occasion now to speak of briefly in view of what has been offered here on the floor this afternoon.

I have heard Senators ask, I have heard other Senators promise, or try to promise, how long this temporary cut in pay might have to continue. There has been offered some language to the effect that this 10 per cent cut would continue for only a year. One Senator, the Senator from New Mexico (Mr. Batton), however, frankly declares that such an expression is merely a hope. I insist that we might well look forward
in what we do now to the possibility of having to repeat or
go even farther than we go now a year from this time in
effecting governmental economies.

We have to continue such a program as we
are engaged in now so long as there is continued ignoring of
the needs of more than half of the people of these United
States. For 10 or 12 years there has been persistent appeal
for a rallying on the part of the Government to the needs of
the agricultural people, who are seeking only a fair deal and
a chance to enjoy that measure of equality and that
measure of blessing which was flowing from the Govern-
ment to industry in general here in the United States.

On yesterday there appeared in the daily press a little
account of the developments in commodity prices which is
only a picture of a continuation of the severe drop that set
in to agriculture several years ago and has not been dimin-
ished in any degree. So long as we permit agriculture to
continue on that downward trend, that long are we going to
have to deal with unemployment, with inability to create
such incomes as will enable us to draw in the way of taxes
the needed revenue for the Government.

This article of which I speak appeared yesterday morning
in the Washington Herald and is as follows:

NEW LOW SET IN PRICES FOR FARM PRODUCE—3-POINT DROP REPORTED

AS AVERAGE—MEAT ANIMALS SHOW 7 PER CENT DECLINE

The index of farm prices on May 15 was a new
low of 58 per cent of pre-war as compared with 59 per cent
on April 15, according to the United States Bureau of
Agricultural Economics. The Price decline is for all farm commodities with the
exception of potatoes, apples, and eggs accounted for the 3-point drop.

On May 15 a year ago the index was 86 per cent of pre-war.

Most animals recorded the most striking price changes during the
past month, the index for hogs, cattle, calves, sheep, and
lamb being reported as 59 per cent of pre-war on May 15, com-
pared with 66 per cent on April 15. The average farm price of
hogs declined 20 to 60 cents on 100 pounds in practically all
States; prices of cattle and calves reached a record low on May 15;
while prices were down 8 points, and lamb prices were down 6
points.

Mr. President, our present-day difficulties in an economic
way, and our difficulties in collecting revenue, are traceable
directly to our continued ignoring of the needs of the agri-
cultural people. One-third of our American population is
living on the farms and dependent upon prices to be paid for
their commodities. Another third of our population is resid­
ually living on the farms and dependent upon prices to be paid for
their commodities. Another third of our population is resid­
ually living on the farms and dependent upon prices to be paid for
their commodities.

The grocer, the dry-goods dealer, the harness maker, the
dealer in lawn and garden, all of the many who occupy places in
professional life and in business life are dependent directly
upon those agricultural people. When the farm people are
unable to buy the things they want, when they are unable
to get a price for their products that will enable them to go
into the marketing places and purchase the things they need and
use in their commerce; these business people are in turn going to be without a buying power, and as a result
they let the supplies on their shelves diminish, they do not try to keep them up to the order which was once their
practice, and as a result wholesale houses and jobbers are
hard pressed for business; and because there is a pr ess there
for business, mills and factories close their doors and turn
onto the streets millions of unemployed men, business enjoys
not its usual income, and we do not have access to the re-
turns which ordinarily come from our levies in the way of
value tax upon business and income-tax payers of the
country.

If we want to continue our present condition, if we want
to go from bad to worse evermore, all we need to do is to
continue to shut our eyes to this agricultural situation, where very nearly two-thirds of our entire population look
for a living by working in the field. We should not even try to concur in the work accomplished by the
Economy Committee, which has been devoting itself most
unsuitably for several weeks, I can not bring myself to a
point where I can support a proposition which deals as
severely with the man and the woman who are trying to get
along on an income of $1,000 or $1,500 a year as it deals with
those who are enjoying large incomes as a result of their employment by the Federal Government.

If we are now going to make a straight slash of 10 per
cent upon all governmental employees, mark my word, if
conditions continue as they are now, we are going to c
come back a year from now and ask that those $1,000 and $1,500
employees accept another slash. It may be that we will have ultimately to come to that. I hope not. In any event,
I think we err grievously if we now make that sort of a
slash against those whom we are enjoying only that size of
income which enables them to get by in some fashion.

For that reason, while interested in economy, while knowing
that we must effect economies, I think while we are effecting
economies we had best beware against doing a thing which
would be a grave injustice to say the least.

In view of the fact that something like 276,000 Federal
employees are drawing salaries of $1,500 a year or less, I
wish we might at least postpone the day when we would
have to effect our economy on those who are all able to afford
the sort of sacrifice which is demanded in the committee's
recommendations.

I would be the last one to suggest that the people of the
United States did not have a right to demand and expect
the economies of the Congress. However, some two or three
weeks ago I addressed myself to a certain measure then
pending in the Senate and showed how inconsistent we were
in our demand for economy in passing the bill that was then
pending, namely, the naval construction bill.

During the course of my argument I undertook to reveal
the fact which had been covered up by certain selfish interests
in this country in agitating the people by misrepresentation
and by falsehood, which was occasioning their
upset of the Congress and demanding this, that, and
the other thing in the name of economy. I mentioned names
in that address, and also in that talk to the Senate I re­
vealed the matter of economy to the Congress that were being
involved in the then pending measure.

Of my address the newspapers the following day carried
perhaps an article of a column, not one portion of it given
dover to anything which I had said as to economies or my own
attitude upon the question of effecting economies, but every
other paragraph was given over to an attack upon Mr. Merle Thorpe, the editor of Nation's Business,
the organ of the United States Chamber of Commerce.

The thought was left with those who would read that I had
declared myself opposed to the program of economy which
the Congress was engaged in.

Before I proceed with what I have to say to-day, in con­
tinuation of my remarks of about three weeks ago, I want to
say very emphatically that I will continue to lend myself
whole-heartedly to any program which will accomplish
economies without working gross injustices upon those
people who can least afford them.

When, some weeks back, we first began to hear from over
the country, our attention was called to the fact that Mr.
Merle Thorpe and other spokesmen for the larger business
interests of the land were urging upon the Government all
measures of economy, were selling to the public the thought
that we were. Most extraordinary thing is this: that in the
country the thought that there were very material sav­
ings which might be effected in every department of gov-
ernmental activity.

It occurred to me at the time that it would be most inter­
esting to know whether Mr. Thorpe and the Chamber of
Commerce of the United States were practicing what they
preached. These people have pointed the way to where we
might effect economies. They are among the leaders of
those demanding this straight cut of 10 per cent upon Fed­
eral employees. If they could have their way there would be abandonment, complete abandonment, of the employment of thousands upon thousands of the men and women who are on the Federal pay roll at this time.

How consistent are they, Mr. President? They are not particularly consistent. They, the United States Chamber of Commerce, are doing anything other than practicing what they are preaching. They are not approximating, in the way of effecting economies, the work which Congress is doing.

I wish the public might know the truth. I wish the public might have more ready access to the expenditures of the Federal Government. I wish the public could know just what the Congress is trying to accomplish through the various expenditures authorized. If they did know they would be less subject to the appeal and to the argument and to the propaganda offered by men like Merle Thorpe through their editorial efforts and through their broadcasts over networks covering the entire country.

Mr. Thorpe has little sympathy, seemingly, for the Federal employees. To him a 10 per cent cut would mean nothing if it were made to apply upon every Federal employee. Perhaps one is not to be surprised at this attitude on his part, because he seems to be rather snugly taken care of himself. He need not be alarmed about any reaction growing out of a serious pay cut.

In the Washington Daily News of January 19 of this year, under the column regularly appearing in that paper known as "9:00 to 4:30," by C. A. F., there appeared a rather interesting article, which I am going to ask to be permitted to read at this time:

 Dear C. A. F.: The other night Merle Thorpe, arch enemy of the Government departments, quoted department appropriations a few years ago and said, "To-day, however, the Department of Commerce has increased 45 per cent." (I will leave in the blank with any names and figures you wish; I don't want this letter to be technical.)

A few years ago the United States Chamber of Commerce got along with a few rooms in the Mills Building, and with a few people—Elliott Goodwin, Dave Skinner, and a few clerks. To-day it has a 4-story, $2,000,000 building, with several hundred employees, all supported by levies on business. Merle Thorpe gets $75,000 a year. Others are well paid—all by business.

Let me remark, Mr. President, that where we are responding to the economic urge now in aid of business in the United States, whatever expense is occasioned by the expense of the United States Chamber of Commerce is a tax likewise upon American business. The article continues:

Where does Thorpe, with his presidential salary, get off in criticizing Government employees receiving from $1,200 to $12,500? You can afford your salary, but is it when you consider the function of the United States Chamber of Commerce and the manner in which, through Thorpe, it is attempting to beat down wages?

Mr. Thorpe has made many addresses this last winter on the matter of governmental economy. Some of his declara-
tions, as they relate to Federal expenditures, have been badly misslabeled, to say the least. I have before me an address which he made during the winter, and which is reported verbatim in the March, 1932, issue of the Way-Bill, an industrial organ. I am not going to read at length from this address of his, but I do want to call to the attention of the Senate some of his statements, in that they may indicate the trend of thought of the man, and the thing which may be at the root of his demand, and the demand of those he rep-
resents, for Federal economies. He says:

First, the legislative department, Congress spent in 1924, $14,000,000. It is spending this year $30,000,000. A large factor in this is the increase in the salaries of Senators and Congressmen. The State Department in 1924 spent $14,000,000. Now it spends $16,000,000. The Treasury Depart-
ment in 1924 spent $12,000,000. Now it is $13,000,000. The Department of Commerce spent $21,000,000. Now it is $33,000,000.

Some time before the adjournment of the Congress, or perhaps before this economy matter is out of the way, I shall address myself to the facts as they relate to some of these increases with reference to different departments.

In the case of the Commerce Department, for example, it is altogether unfair to recite that the costs of that de-

artment have increased from $21,000,000 to $53,000,000, without revealing that bureau and commissions which were once a part of another department of the Government were, in fact, since that time been transferred to the Department of Commerce.

He went on to state that the Department of Labor spent $6,000,000 in 1924 and now its expenditures are $14,000,000. He did not say about the Agriculture Department of the Interior Department increase he says that the depart-
ment spent $228,000,000 and dropped to $78,000,000 due only to the fact, not to economies, that three of the large bureaus were transferred to other departments. The Vet-

\[ ... \]
under the schedule. In other words, those with salaries of $75,000 a year are going to suffer the infliction of a 10 per cent cut which is not different from the 10 per cent cut which is going to be laid upon the Federal employee who is drawing a salary of less than $1,500 a year.

I look upon this entire program, which has been engineered so skillfully this past winter by the United States Chamber of Commerce, as being one of the most vicious, unfair undertakings ever known in American public life. I repeat that if the United States Chamber of Commerce would practice what they preach we might with some cause listen to their advice. But here we are to-day bent upon reducing the salaries of Federal employees enjoying salaries of only $1,500 a year or less, in the same degree and with the same severity that we would use in cutting the salaries of those Federal employees who are drawing pay in the higher brackets. I hope with all my heart that we shall not have to do it now, though that matter may have to come back here to another Congress, though we may have to resort to these drastic cuts as relates to Federal employees in the lower brackets. Let us levy a larger cut on those drawing salaries in the higher brackets, including ourselves and the Members of Congress, but let us not inflict at this time, of all times, that 10 per cent cut upon particularly those Federal employees residing in Washington who are having an exceptionally difficult time “getting by.” If I may use that expression, upon their very limited salaries.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from California?

Mr. NYE. Yes.

Mr. SHORTRIDGE. Has the Senator estimated what the loss of revenue would be if we exempted from the proposed reduction the salaries of all Federal employees now receiving $1,000 or less?

Mr. NYE. I have not, but I have heard the estimate which has been presented. One must admit that to exempt $1,500 salaries from any cut at this time is going to destroy a very large part of the saving that has been effected in the committee proposal before us at this time.

Mr. SHORTRIDGE. My immediate question is this: Suppose we exempted from reduction all salaries of $1,000 or less, what loss in revenue would we suffer?

Mr. NYE. I have not heard that estimated.

Mr. SHORTRIDGE. If we exempted all salaries below $1,500, what is the estimated loss?

Mr. NYE. As I recall the figures, it is $57,000,000.

Mr. SHORTRIDGE. I have heard a far less sum suggested.

Mr. NYE. Perhaps the Senator from New Mexico (Mr. BRATTON) may be able to give us that information.

Mr. SHORTRIDGE. May I say to the Senator from New Mexico that I was propounding this question: Suppose we exempt from any reduction in salaries employees receiving $1,500 or less, what amount of revenue would we lose?

Mr. JONES. Mr. President, may I answer for the Senator from New Mexico? We would get $35,691,000 with the $1,500 exemption. If we exempt the $1,500 class then our revenues from the plan would be as I have stated.

Mr. BRATTON. In other words, instead of saving $121,-000,000 we would save $35,000,000.

Mr. SHORTRIDGE. Subtracting one from the other means that we would fail to receive $86,000,000. How many employees has the Government who receive $1,500 or less?

Mr. BRATTON. Mr. President, may I say to the Senator from California that I placed in the Record a while ago a table giving all that information.

Mr. SHORTRIDGE. Very well.

Mr. COPELAND. Mr. President, I have in my hand a resolution adopted by the citizens of Buffalo protesting against the salary cuts carried in the bill, and I ask unanimous consent that it may be printed in the Record and referred to the Committee on Appropriations.

The communication was referred to the Committee on Appropriations and ordered to be printed in the Record, as follows:

RESOLUTION ADOPTED BY CITIZENS OF BUFFALO IN PROTEST AGAINST GOVERNMENT WAGE CUTS

Resolved, That this meeting, consisting of citizens of the city of Buffalo, assembled this 29th day of May, 1932, in the Tock Hall on Main Street at Buffalo, N. Y. The policy or doctrine that the circumstances of the day require a policy of cutting the part of the Federal employees or other wage earners.

Resolved further, That in upholding or expressing the belief that such a policy, in instances where the same has been adopted in the past two or three years, has not proven of value nor has it furnished any contribution toward the restoration of good times.

Resolved further, That we believe such a policy has had just the opposite effect, that by reason of lowered purchasing power of the wage earner resulting therefrom that such a policy did not hasten the return of good times, but retarded the same.

Resolved further, That a copy of this resolution be sent to those Members and to the several other Members of Congress who supported our local national representatives in opposing a policy of wage cutting now being urged at Washington.

Mr. TRAMMELL. Mr. President, I do not know whether the Senator in charge of the bill desires to have a recess soon or whether he proposes to have the Senate remain in session some time longer.

Mr. JONES. I should like to remain in session at least until half past 5, if not later.

Mr. TRAMMELL. Mr. President, I think a very large majority of Senators have a common purpose to effect as much economy in all agencies of the Government as possible. As I understand it, the savings in salary expenditures as may be made consonant with efficiency of the service and the maintenance of the necessary governmental activities. I do not believe there is any great difference of opinion or sentiment among the Senators with regard, I am sure that my attitude has been and my votes on the different questions which have arisen have been favorable to the elimination of useless expenditures, trying to strike from the burden of Government duplications in the different departments and bureaus, and this has been my policy not only for this session but as well in all the years past.

As the question has heretofore arisen from time to time during past years, and especially in more recent years, I have been impressed with the problem of the wage earners, either in the Government service or in private industry and activities. To my regret, those who are drawing only a small wage have not always had friends and advocates at court.

Mr. President, I have witnessed in the Senate in days gone by, even during the prosperous days of the country, active and intense opposition to increases of $50 or $100 per annum in the salary of some only of those drawing only a small salary, I have witnessed the attitude which I believe almost unswerving opposition to increases of $50 or $100 per annum, and yet at the same time or within probably one or two days of such strenuous resistance to the poorly paid employee receiving a little increase of $50 or $100 per annum in his salary, I have witnessed the same Senators rise on this floor and, with all the vigor and eloquence at their command, advocate an increase of salary of two, three, or four or five thousand dollars to some one who already was receiving eight, ten, twelve, or fifteen thousand dollars per annum. Of course, my desire to defend the Government’s interests, to cut salaries, and to effect economies has never yet led me into that character of attitude which I believe almost anyone would consider rather or even glaringly inconsistent. In raising the additional revenue made necessary by the depressed condition which exists in this country, I think we all desire to raise whatever may be necessary from those who are able to pay. I have heard that phrase uttered and restated and reiterated in the Chamber time and time again during the present session of Congress and in previous sessions.

In considering and adopting the income-tax provisions, as the illustration, a majority of the Senate—and I should say in that view—took the position that the income tax should not begin to apply to a person until after an exemption of income sufficient to enable single men and women and children, who might be the heads of families, with wives and children,
to support themselves and their families. Consequently, in writing the income-tax provisions it was provided that single persons should have an exemption of $1,000 from tax.

We may call the pending question a question of salary or something else, but in its effect and in its operation it is one of the means by which we hope to balance the Budget, by which we hope to make money by saving money. We are going to contribute to the Government exchequer by a course of salary reductions. In framing the income-tax provisions of the revenue law we provided that there should be an exemption, which was reduced to $2,500, as compared with $3,500 in the old law for heads of families and for an exemption of $400 for each dependent minor. In proposing these figures I see no reason for changing them, and not allowing employees to have a reasonable allowance upon which to live before the reduction shall begin to apply. I believe, of course, that in these times which are distressing beyond all description there should be a reduction in salaries that are a little greater than actually necessary for ordinary, everyday plain living. I am favorable to a substantial reduction; but I do not mean by this I am in favor of taking from the person who makes only $50 a month $5 a month or that I wish to take from the person who makes only $60 or $70 a month $6 or $7 as a deduction; I am opposed to any increase of excising from the person who means a hundred dollars a month $10 a month. In the case of salaries over $1,200 or $1,600 per annum, I would favor making a certain percentage of reduction, but I believe that if we are going to reduce salaries—and we should—the reductions should be made upon a graduated basis as set forth in the amendment submitted by the Senator from Nebraska [Mr. Norris].

If we are to appeal, as the Senator from New Mexico [Mr. Bratton] did, to the patriotism of the Government employees, let those who draw salaries of $5,000, $6,000, $8,000, $10,000, $12,000, and more per annum rise to that higher dignity of patriotism be so eloquently stirred and asked to reduce their sacrifices in their salaries which will make a worth-while contribution to the total sum and which, foremost, will not deprive them of, at least, a reasonably comfortable existence. If we take 10 per cent away from a person with a salary of $500 or $600 or $1,000 a year, he or she, of course, can exist, but this problem is made just that much more difficult. In reference to salaries of $100 a month, a Senator said, "Well, a person in the humble walks of life could get along all right on that; let us take $10 a month from him." I said, "Oh, yes; of course I know one's station makes some difference in the demands upon him, but if you think it is easy for a person to live on the time of his pay in Washington and in other of the large cities throughout the country to live, except under the most circumscribed and humble conditions, on $100 a month, go out and take $100 a month and try it yourself; you will find yourself in a $20 or $30 room, with some one rooming with you, in a section of the city in which you would not care to live; you will find yourself buying your meals at the poorest class of café and often at 'Cheap John' eating places where you can get meals for 25, 30, or 50 cents; and you will find yourself having to purchase all your articles of clothing and other necessary wearing apparel at the very cheapest places where they can be purchased." So I invite those who would arbitrarily cut salaries of $50 to $100 a month as much as 10 per cent to go out and try the experiment a little while themselves and ascertain what the result is from experience. Yet there are those who want to take the 10 per cent toll from these salaries of patriotism. I am opposed to that. I think that a man with a salary of $4,000, $5,000, on up to $12,000 or $15,000, should only have the 10 per cent reduction applied to him. It is a drive for revenue by the route of salary reductions. Why such tender consideration for more fortunate and a heartless treatment for those with scarcely a living wage?

I would rather be fair with those employees who are getting such small salaries and reduce by more than 10 per cent the salaries of those receiving eight thousand, ten thousand, twelve thousand, and fifteen thousand dollars per annum. That is what could be done. I made a little calculation of the proposal of the Senator from Nebraska [Mr. Norris] and I find that a person receiving $16,000 a year would have his or her salary reduced $1,450 per annum. That would still leave one receiving a salary of $10,000, $8,500, in round numbers, on which to live and meet the demands upon him. I think that would be a more righteous policy.

Mr. THOMAS of Oklahoma. Will the Senator analyze the Norris amendment?

Mr. TRAMMELL. I have not the statistics for the entire amendment.

Mr. THOMAS of Oklahoma. The Senator is reading from figures.

Mr. TRAMMELL. No; I just made a calculation under the Norris amendment on a $10,000 basis. The Senator will understand that the amendment is on a graduated basis and the rate of reduction increases on the larger salaries.

Mr. President, my good friend from New Mexico [Mr. Bratton] appealed to the patriotism of those who now have scarcely sufficient salary upon which to live in a very ordinary and simple way. I appeal to the patriotism of those Government employees down to a point where those who to-day are living in the most commonplace surroundings should have their salaries still further cut. That propaganda has been circulated and spread throughout the country in most instances by people who are enjoying incomes not of $500 to $1,200 a year—I will guarantee there is not one of them who receives an income of only $1,200 a year—but, in the main, this propaganda has been directed by people who are enjoying incomes, I will say by way of illustration, of from $10,000 to $100,000 per annum.

Mr. President, none of the unemployed are going to get any of the benefit of this reduction. There is no citizen back home, who is having a struggle with his little business, who is going to get any benefit from it. We have been in session for five or six months, and I have not seen or heard of the enactment of any legislation that has been of any material assistance or that there was any sound reason to believe would be of any material assistance to the unemployed of the country, or to those who are having a struggle to gain an honest livelihood.

We must and should make a big reduction in Government expenditures, but let us do the job with perfect fairness. There is nothing new in this issue, Senators. Ever since my entry into public life there have been more or less of warring forces, one saying that those higher up should have greater compensation, and that those lower down in the salary scale or wage scale were getting too much, and their wages should be reduced. We know what a struggle we have had over the past period of a year. We have had to cut down, and more, to get a reasonable wage for those in private employment, who for many years were compelled to labor for a mere pittance that was not sufficient to feed their families with reasonably sustaining food or to provide ordinary wearing apparel for their families, much less to give to them an opportunity to educate their children as those who were more fortunate in the matter of salary and of a competency were able to do.

I recall that when in my teens that was quite an issue. Some people thought that men who were making only $1.50
a day, who went forth at dawn to labor and worked until
twilight, were receiving all the wages they ought to have, plus
the policy hereafter, in dealing with the various other lines of work; possibly one who was
working upon a railroad as a brakeman or as a fireman.
Those people, good citizens, said, "We have had pressed
down upon us for all these years and years a system of abso-
lutely inadequate wages. We have had no opportunities. We
feel that we are entitled to a little of opportunity"; and
they began the struggle for better wages. They had to resor-
to organization. A great many who desired to preserve for
themselves the great accumulations of wealth, and others
who desired to preserve for themselves exorbitant salaries,
certainly not over 5 per cent of 1 pound leaves nine-tenths of a
pound. That is that probably will not be sustained by the
salaries above the actual ordinary living expenses. I am anxious to do that. I will support a policy of that char-
acter, but we must view the entire picture.

In this debate we have heard much about the mainte-
nance of the Government, its credit and its security.

We did not hear anything of that kind when, in the early
part of this session of Congress, we were pledging the credit
of America for $2,000,000,000. I do not think we have ever
heard it yet with regard to that particular legislation; yet
that argument is used here. At that time I suppose most of
those who are supporting this 10 per cent slash on the small
salaries—and those only are the ones I am endeavoring to
befriend, not the others; I want that distinctly understood.
AnyWay, this propaganda has been going on, not
so they say, "We will reduce even the very low salaries of
$600 a year, $400 or $1,000 a year." When we get above
these low salaries, I want to make some reduction upon a
graduated scale. I am not willing, however, to take just as
great a proportionate amount from those in the lower
brackets as from those in the middle and high salary
brackets.

Some one said that the only fair way was to take from them proportionately. If we go into a restaurant to get a
meal, upon one table we find a pound of steak provided for
only one person. Upon another table we find only 2 ounces provided for another person. Somebody says, "We
will take some of that away from each of them. We are going
to reduce them"; so they take 10 per cent off of the
2 ounces and they take 10 per cent from the pound. Ten
per cent of 1 pound leaves nine-tenths of a pound. That is
a pretty good meal, in fact, too much, for almost anyone;
but when you take 10 per cent off the 2 ounces, which was
insufficient to begin with, you are liable to cause some
suffering and some hardship to the person you deprive of
10 per cent of that small amount of food, while you have
cause no hardship to the other person; you have caused
no hunger or suffering.

If we were going to treat everybody alike, why was not
the policy hereafter, in dealing with the, in salaries? I have seen an effort to get a little increase of
fifty or one hundred dollars a year in a $1,000 salary or
an eleven or twelve hundred dollar salary—not over 5 per cent
increase, or certainly not over 10 per cent—and I have seen
that brushed aside with indifference. Upon the 10th day,
or a few months later, I have been told, in salaries?
I have seen an effort to reduce a salary of $8,000 to $12,000 a year, which represented 50 per
cent increase in the salary; and that was cheerfully and
cordially and zealously done, and the increase of 50 per
cent in the salary was made, though it was already $8,000
a year.

What I am endeavoring to do is to represent those who
have heretofore been unfortunate and discriminated against,
intentionally or not, and are still in the very low
salary brackets—but because, eight, nine, or one thousand,
eleven or twelve hundred dollars a year. Some people talk
about increases in salaries, but those in the low-salaried
brackets have not had any increases of any consequence.

In the middle and higher brackets that the salary
increases have been made, and not in those lower brackets.

I am very anxious to effect all possible economy. I think
we can make, and should make, substantial reductions in
the salaries above the actual ordinary living expenses. I
am anxious to do that. I will support a policy of that char-
acter, but we must view the entire picture.
let us differ honestly, carrying on our advocacy of a policy in a fair way and in a manner considerate for those who may oppose us. Unfortunately, Congress has not had the conviction during this time of the rightful. The focus of the vision has been very largely of a selfish character, and restricted to the views of the particular person or the particular interest seeking favors or to escape a public duty.

I have had in one mail, or possibly through a telegram, an appeal from the Economy Committee in the House, from certain people representing certain interests. The next day I would have a communication from the same source saying, "We do not think you ought to place any tax upon this particular commodity, or this particular business, or this particular industry.

Some people denounce Congress upon the one hand for the plan for balancing the Budget, after they appeal for action in haste, and in the next breath denounce the national lawmakers for putting something in the Budget-balancing revenue bill that affects their particular interest. We have had a lot of that kind of thing to contend with. I merely mention it as illustrative, and in order that I may emphasize the fact that a great deal of the sentiment may have been aroused throughout the country on the question of salaries, carrying it to the point of causing Congress to make a reckless salary reduction upon a flat basis of 10 per cent affecting those in the highest and most prominent positions, who practically have not a living to-day.

I do not mean the person with a two or three or four thousand dollar income, but I am speaking of the people with salaries in the lower brackets.

Mr. President, we did not know until yesterday what the Economy Committee was going to report. I expected that it would report some reductions in salaries, and I intended to support very substantial reductions in the higher and medium salaries, and I have so stated a number of times within the past two or three months upon the floor of the Senate, in my thinking of economy I said, "I think probably there is some other direction in which we could also effect some economy," and I just glanced over the hearings upon the naval appropriation bill in the House. The bill was passed by the House, and the Senate committee has not reported it, so that we have not taken it up for consideration in this Senate.

I saw in those hearings that upon inquiry of the chairman of the Ways and Means Committee in the House a representative of the Navy Department, in connection with a question relative to automobiles, an item for buying automobiles, for paying the expenses and the outlay for chauffeurs furnished them for that purpose. The Secretary of the Navy had a Lincoln automobile paid for by the Government; that each and every one of his Assistant Secretaries had a Packard automobile, paid for by the Government; that the head of every bureau in the Navy Department had for his use a Government Packard automobile.

This representative of the department said that the Secretary of the Navy had a chauffeur paid by the Government about $1,200 or $1,400 a year; that two or three of the Assistant Secretaries had chauffeurs paid by the Government. However, the House agreed to the appropriations for that purpose.

I say, Mr. President and Senators, that we should strike those appropriations out and reduce by $110,000, at least, the amount we propose to take from people getting only six or seven hundred dollars or a thousand dollars a year. The same condition in regard to the Government furnishing automobiles and chauffeurs has existed in the Department of Agriculture, and the Department of Commerce, and all other department heads.

In these times of depression I want to commend to the country and to the Senate, in connection with furnishing Government automobiles to officials, the patriotic action and position taken by Speaker Garner, of the House of Representatives, in refusing to give any special chauffeur, or chauffeur for the circumstances he did not care to use the Government automobile and have a chauffeur furnished him for that purpose. I do not know that I would have done that; but I think it was a patriotic thing for him to do, and I honor him.

I think those getting larger salaries ought to have their salaries reduced, under the circumstances, but I cannot understand why it is that some of them have not tried to cut out such items as these automobile items. I cannot quote appreciably that.

I am going to offer an amendment to the bill to strike from the appropriation bill for the Navy Department the appropriation for furnishing automobiles to any official in the Navy Department, from the highest to the lowest. I do not mean the person with a two or three or four thousand dollar income, but I am speaking of the people with salaries in the lower brackets.

Mr. JONES. Mr. President, I want to ask the Senator not to charge that up to the Economy Committee, for it did not have to do with that. I am in sympathy with the Senator in regard to that matter.

Mr. TRAMMELL. I have the place marked, and will call it to the attention of the chairman of the committee when we take up the naval appropriation bill.

Mr. JONES. I agree with the Senator.

Mr. TRAMMELL. We will cooperate. We cooperated yesterday to save $25,000 which was recommended for the purchase of periodicals for the Supreme Court. We will cut out probably $100,000 in the naval appropriation bill to cover the furnishing of Lincolns and possibly some Rolls Royces to people who have no use for them as far as official business is concerned. And if we go into all departments we can probably cut expenditures along this line by a half million. I am glad the chairman of the committee displays the spirit he does.

I am not criticizing the committee, but I think that every Senator should give this matter rather serious consideration. I am merely expressing some of my own views.

Sometimes in the day of panic and of distress we just run pell-mell and roughshod in dealing with public problems, and though our intention be the best do injustices. I think that in this instance 10 per cent cut in the salaries of people receiving six or eight hundred or a thousand or twelve hundred dollars a year would really be unwarranted and, on the other hand, substantial cuts should be made in the salaries that can stand a reduction.

Probably the course of least resistance would be to swim along down stream with this propagandized sentiment all over the country, but I do not propose to let anything of that character influence me to do what I consider would be an injustice toward those receiving small salaries, and which would not be in the interest of the Government or of the people of the country generally.

Again I repeat, no unemployed is going to get the benefit of such action. The everyday citizen back home is not going to be benefited by such action. The only thing that is that such a policy would tend psychologically to cause a little more despair and a little more gloom throughout this country, not merely with the person from whom we take the money, but the psychological effect of it on the country would not benefit War, the Secretary of Agriculture, and all other department heads.

It would probably affect assistance some people are extending to relatives and friends or needy people, because they will be deprived of that privilege. What I would like to see is a little more cheer and a little more optimism, and not so much pessimism. We can not bring a return of prosperity by optimism, but we can create a very destructive course by indulging day in and day out in pessimism.

Down in my State of Florida we had a rather disastrous time following the great boom in 1925. Almost everywhere one would go people were expecting to make a fortune over-
night and the next morning they woke up and thought that they had succeeded. Then a year or two later deflation set in; the boom was all over, and calamity spread abroad through the country. The same thing was going on in other parts of the country, and the feeling was generally that the country was in for a very bad time. The sentiment was that the country was going to be in a bad time for a long time, and that the country was not going to recover for a long time. The sentiment was that the country was going to be in a bad time for a long time, and that the country was not going to recover for a long time.

I wish again to say that I am in favor of substantial reductions in the salaries, I will say, ranging from $1,500 up, and I am not in favor of a flat cut of 10 per cent in the salaries of $600, $800, $1,000, or $1,200 per annum, because I do not think it would be just.

Some Senators, in advocacy of this policy, have said, "You can cut them and the people will run here from all over the country to get the positions." I said, "Yes"—this occurred in the cloakroom but I was going to repeat it on the floor; and if we should cut the salary of Senators to $5,000 per annum, it would take the Capitol and all the Government buildings in Washington and many of the parks in the city of Washington to hold the people, and able and capable ones, too, who would come here to take our places." So there is nothing in the argument that people would rush here to get the places. In these unfortunate times a great many people would rush to find shelter and food even if no salary were paid. I know I would if I were so unfortunate as to be without employment. I think it is the duty of those who are fortunate enough to hold positions which afford them salaries, because they can better afford the contribution in the way of a substantial reduction of life to make a contribution in the way of a substantial salary reduction.

I think the patriotic duty in that respect should be manifested in a greater measure on the part of those receiving larger salaries, because they can better afford the contributions. Therefore, I favor the amendment proposed by the Senator from Nebraska, which fixes the reduction upon a graduated basis, upon the theory that those who are best able to pay should make the greatest contribution, which is the policy which has controlled very largely congressional action for years.

REFINANCING OF FARM MORTGAGES—LETTER OF LOUIS B. MAGID

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the Record a letter from Mr. Louis B. Magid, a large grower of apples and maker of apple products in northeastern Georgia, in which he outlines a plan for the permanent refinancing of farm mortgages and discusses that question in an interesting manner.

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

Senator WALTER P. GEORGE, Chairman, Committee on Agriculture and Forestry.

Washington, D. C.

Mr. Chairman:

I am sending you a letter which I have written to the Secretary of Agriculture, in which I ask his consideration of a plan for the permanent refinancing of farm mortgages. I have printed in the Record a letter from Mr. Louis B. Magid, a large grower of apples and maker of apple products in northeastern Georgia, in which he outlines a plan for the permanent refinancing of farm mortgages and discusses that question in an interesting manner.

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

Senator WALTER P. GEORGE, Chairman, Committee on Agriculture and Forestry.

Washington, D. C.

My Dear Sirs: During the present session of Congress newspapers from time to time carried statements of discussions in Congress of the great need for farm relief. To the best of my knowledge, no real farm relief is in evidence so far, and, as the session of the present Congress is drawing to a close, and since undoubtedly it is the desire of Congress to really provide farm relief, I respectfully suggest that the President and the Government consider the introduction of a bill that meets with your approval, and that you will interest the present Congress in this plan in enacting same as a law.

I am sure that no one will be debarred from making the necessary contributions, but I am sure that the details can be worked out to make it a workable and efficient plan.
1932

CONGRESSIONAL RECORD—SENATE

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likely to be lost to the owner farmers by foreclosure or otherwise, the proceeds from the bond issue to be loaned to farmers on a long term mortgage at low interest rates. The same that the Government will pay on its bonds, plus an additional one-half per cent to be paid by the farmers and the proceeds from which to take care of any losses the Government might sustain on some of the loans. In the case of the hazards not assumed by the Government will be self-liquidating and self-sustaining, as the interest that the Government would collect on the farm loans would pay the interest and amortization of 2 per cent on the bonds, and the annual amortization of 2 per cent of the value of the farm lands and 60 per cent of the buildings and improvements, or $7,500. Assuming that Farmer Jones owes $8,000 to a bank, mortgage company, insurance company, or some individual, Jones would be able to pay off his mortgage and have enough left for crop production and at the same time be properly and permanently financed with the Government loan at a low rate of interest, and at a small annual rate of amortization to retire the loan. The benefits of this plan would be numerous and permanent in contrast to the present unstable financial condition and the great predication and suffering to which the American farmers are now subject.

2. The bond issue which will aggregate several billion dollars should be in long-time bonds (possibly 50 years) and bear rate of interest.

Per cent

For the first 5 years not exceeding 2

For the next 5 years not exceeding 3

For the next 5 years not exceeding 2

For the next 5 years not exceeding 1

For the next 20 years not exceeding 1

1. Farmer Jones would be enabled to retain his farm, which may have been in the family for a long time, and he will be enabled to continue farming operations without his present mort­gage indebtedness to the banks, mortgage companies, insurance companies, or individuals, this would release these institutions holding these mortgages who are taking or will take the necessary to make their high interest that the Government would collect on the farm loans, plus an additional one-half of 1 per cent of this amount during the next 5 years would aggregate a total of $1,250,000,000, or 25 per cent of the total original loan. I do not think the Government would lose much money in releasing the American farmers.

2. The bond issue which will aggregate several billion dollars (a) hail and windstorms, (b) floods.

3. The Government should take care of such losses for the insurance would be very nominal, at the same time giving the farmer a chance to recoup the money invested in the attempt to make a living. This would enable him to make a new start for the crop making the next year without being compelled to further incur additional debt.

The only hazard in the undertaking is the possibility that Farmer Jones, having borrowed $8,000 at a low rate of interest on the bonds, and the annual amortization to retire the loan, and at a small annual rate of amortization to retire the loan, and at a small annual rate of amortization to retire the loan.

In that way, the bond issue sold by the Government will be reasonably valued at $10,000. Jones would be able to save a loan of at least 80 per cent of the value of the farm lands and 60 per cent of the buildings and improvements, or $7,500. Assuming that Farmer Jones owes $8,000 to a bank, mortgage company, insurance company, or some individual, Jones would be able to pay off his mortgage and have enough left for crop production and at the same time be properly and permanently financed with the Government loan at a low rate of interest, and at a small annual rate of amortization to retire the loan.

The benefits of this plan would be numerous and permanent in contrast to the present unstable financial condition and the great predication and suffering to which the American farmers are now subject.

1. Farmer Jones would be enabled to retain his farm, which may have been in the family for a long time, and he will be enabled to continue farming operations on the same, and make a living. It will enable him to remain a good citizen in his community, support his family, as well as civic and municipal institutions, and enable him to improve his place for himself and for his children's future.

2. The Government should create a crop-insurance company. As the hazards would be so widely scattered, the premium plan. As the hazards would be so widely scattered, the premium paid by the farmers on the loan would likewise be the amount of money with which the Government could amortize its bonds.

For the next 5 years not exceeding 2

For the next 5 years not exceeding 1

For the next 20 years not exceeding 1

For the next 20 years not exceeding 1

The present mortgage indebtedness of the American farmer is to amortize per cent annually, each year. The farmers were not harmonious in their efforts to put this money not belonging to themselves, but money belonging to stock­holders, policyholders, and depositors, it immediately drops down to a par these people who lose their greatest savings intrusted to the mortgage company, insurance company, or bank, as these farm crops, or of reducing the same below the cost or investment neces­sary to make up the crop, by the many unforeseen occur­rences and circumstances that often overtake the farmer. This would enable him to make a new start for the crop making the next year without being compelled to further incur additional debt.

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Here we have not mere millions of farmers made to become passively dependent upon other people, by economic self-sacrifice, saved and then intrusted their savings to these institutions to finance the farm mortgages.

In the case of the American farmer, he squandered the borrowed money, $11,000,000,000, in nothingness, then they should be left to their present state. But did they do that? No. The $11,000,000,000 squandered ingeniously by the farmer to the farm property, but because the farmer was not intelligently, economically, efficiently managed, it was defaced into comparatively useless and devoid of maintaining the mainstay of this country by operating his farm under handicaps such as:

1. Lack of proper and intelligent financing.
2. High interest rate.
3. High annual reduction of his borrowing.
4. High cost of running his farm.
5. High cost of everything he bought.

There is no prospect to assist the farmer have done nothing but lead the farmer to beggary. What the American farmer needs is a chance to save himself and leave to his own resources of farm production with unhampered financial conditions and obliterate the greatest crime committed against the American farmer.

When Congress passed the first bill authorizing the organization of national banking system, it said to the national banks: "You are authorized to receive deposits from anybody and by no means overlook the deposits from the American farmer." It further said to the national banking system, "After you have taken the deposits from the farmer, do not lend him any money but you are at liberty with a free hand to lend money to any claim, including the financing of so-called Wall Street speculations." So that the American farmer was thrown upon his own resources. It is a fact that ever since that period the American farmer was humbugged, tricked, and kept down to a point of slavery, because of the lack of financial capital.

He was compelled to purchase his supplies at a high cost and borrowings. Financial and operating ends from which are not possible, except from the protected banking system under the Government's control.

JUSTIFICATION OF PLAN FOR SOUND AND PERMANENT REFINANCING OF AMERICAN AGRICULTURE

Ambassador Mellon, while Secretary of the Treasury and head of the Debt Funding Commission, made the following statement before the House of Representatives Committee on Ways and Means January 4, 1926:

"Europe is our largest customer. Unless the finances of Europe can be put on a sound basis, we cannot persuade the people of Europe to earn and to spend, this country will not be able to sell goods and materials. And besides there is no other customer. In cents and dollars the American farmer is worth severale times Europe's trade. And besides there is nothing like a home customer."

"The entire foreign debt is not worth as much to the American people in dollars and cents as a prosperous Europe as a customer."

This being true, what is it worth to the United States to have the foreigner purchase, permanently, and soundly financed, the American farmer's goods? The American farmer was and can be made again the best and largest customer of the American manufacturer, and bring about a change in the present deplorable condition of industry, unemployment, in foreign countries, and the purchasing power of American citizens. In cents and dollars the American farmer is a much better and larger customer to the United States commerce and is a customer of the United States' trade. And besides there is nothing like a home customer.

LOANS TO FOREIGN AGRICULTURE—WHY NOT TO THE AMERICAN FARMER?

In an essay published in 1927 in the American quarterly known as Foreign Affairs by the late Dwight W. Morrow, former United States Senator and at one time partner in the international banking house of J. P. Morgan Co., after careful investigation Mr. Morrow found that 128 bond issues of foreign governmental subdivisions, cities, corporations, and for agricultural enterprises, aggregating $15,000,000,000, were sold to the American investor in the space of a few years. (This exclusive of loans made by the United States Government to foreign countries and subdivisions thereof.)

These loans were made to countries scattered the world over. Some of the names of these countries are known only to a few Americans and there was no security for these loans except the moral obligation of these cities, states, and governments. In fact, a great portion of the $15,000,000,000 was taken from the American investor and a great share from the American farmers, who are the greatest plights to help agriculture in these foreign countries. That is why American surplus agricultural products can not be sold since we furnished money to produce when we have plenty of other produce in those foreign countries that they compete with our American farmers. This stopped the sale and export of our surplus of wheat, cotton, and other farm products.

Are the American people, through their Congress, going to vacillate for a moment in the fact of the above loans to foreign countries which every year whatever amount they may be for the purpose of providing a small amount of loans to American farmers with an absolute 100 per cent additional capital? Not if the American people start the wheel of commerce in every line of industry in this country because the purchasing power of the American farmers of $3,000,000,000 people, according to our authoritative published figures, is approximately $55,000,000,000 annually. This is over twice the amount of money supported in the position of agriculture, which is essentially manufacturing. Not only for the farmer but for every American citizen, and a permanent help at no cost to the American taxpayers, as the cost of refinancing the American farmer is self-liquidating and self-sustaining.

The loans we have accorded to foreign countries were not only for providing the necessary structures as balanced their annual budgets; I recall a loan granted to the Dutch East Indies of $150,000,000. To do what? To pay off its floating debt. It is not necessary to earmark American money to help American agriculture, but not to the American farmer. In fact, help was given to foreign agriculture to compete with American agriculture.

It is hard to comprehend the American Government and American bankers combining to lend large sums of American credit for the purpose of extending destructive and financial aid to agriculture when our own was, and is, in such distressful need.

If that was proper and good business, certainly it is even better business to extend the same credit to the American farmer, who is the best customer for American commerce. In fact, without the American farmer, commerce is what it is to-day—dead.

The purchasing power of $3,000,000,000 American farmers is our stake. For every conceivable article of home manufacture that can be sold to farmers will then have every wholesale and every factory calling the unemployed back to work. This is what sound financing rehabilitation to the American farmer means to this country.

The proposed refinancing of the American farmer is for productive purposes, with a constant recurring wealth to be produced from American acres for many millions of people, as well as raw materials for the mills and factories. And if every American farmer was refinanced and rescued from his present hopeless plight, it would only release $11,000,000,000. It is a fact that ever since that period the American farmer was humbugged, tricked, and kept down to a point of slavery, because of the lack of financial capital.

He was compelled to purchase his supplies at a high cost and borrowings. Financial and operating ends from which are not possible, except from the protected banking system under the Government's control.

CONSTRUCTIVE BUSINESS PROPOSITION

Reduced to a strictly business conservative proposition, all that is proposed in this plan is for the United States Government to assemble every available unemployed dollar through the means of an obligation to be issued and sold to the public in the open market that will carry a fair rate of interest to those who buy and invest in these bonds, and the proceeds from the bond-issue loan on a conservative basis and in a safe manner to rehabilitate the first and greatest and most necessary industry—agriculture. In this plan no gifts, doles, no favoritism is contemplated, nor is there the remotest chance in evidence that one single dollar will be lost by the Government. Outside of the paying of many millions of American citizens. In cents and dollars the American farmer is a much better and larger customer to the United States commerce and is a customer of the United States' trade. And besides there is nothing like a home customer.

Mr. JONES. Pursuant to the unanimous-consent agreement heretofore made, I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until to-morrow, Friday, June 3, 1932, at 11 o'clock a. m.
NOMINATIONS

Executive nominations received by the Senate June 2 (legislative day of June 1), 1932

APPOINTMENTS IN THE REGULAR ARM OF THE UNITED STATES

The following-named cadets, United States Military Academy, who are scheduled for graduation on June 10, 1932:

To be second lieutenants with rank from June 10, 1932

CORPS OF ENGINEERS

2. Cadet Stanley Tanner Wray.
3. Cadet Ellsworth Ingalls Davis.
7. Cadet Richard Roberts Arnold.
11. Cadet Allen Fraser Clark, jr.

SIGNAL CORPS

41. Cadet Kenneth Frederick Zitzman.
65. Cadet Charles Michael Baer.

CAVALRY

43. Cadet George Robinson Mather.
59. Cadet Frank Hamilton Britton.
111. Cadet John Reynolds Sutherland.
113. Cadet Richard Tide Colner, jr.
131. Cadet Karl Laurence Scherer.
127. Cadet John Ramsey Fugh.
145. Cadet Bogardus Snowden Cairns.
152. Cadet Byram Arnold Bunch.
176. Cadet Charles Marvin Isley.
178. Cadet Sam Houston Witman.

FIELD ARTILLERY

4. Cadet Andrew Hero, 3d.
27. Cadet Roger Derby Black, jr.
33. Cadet John Campbell Street.
35. Cadet Alexander Graham.
37. Cadet William Mencher.
49. Cadet James Aloysus Cain, jr.
45. Cadet Stanley Sawicki.
49. Cadet Frank Lester Howard.
58. Cadet Samuel Watson Horner, 2d.
63. Cadet Robert Angur Hewitt.
63. Cadet Edwin Simpson Hartahorn, jr.
64. Cadet James Forsyth Thompson, jr.
68. Cadet Roland Francis Bower.
70. Cadet Joseph Edward Gill.
72. Cadet Frederick William Ellery.
73. Cadet Loren Boyd Hillinger.
74. Cadet Horace King Whalen.
75. Cadet John Paul McConnell.
80. Cadet Walter Parks Goodwin.
82. Cadet John Abner Meek.
86. Cadet John Clifford McCawley.
88. Cadet Edward Gibbons Shinkle.
92. Cadet Harry Cecil Porter.
94. Cadet Dwight Edward Beach.
100. Cadet Theodore George Houston.
104. Cadet Hugh Willard Riley.
105. Cadet Ray James Stecker.
107. Cadet Curtis Alan Schrader.

122. Cadet Theodore George Houston.
125. Cadet John Britton Heyburn.
129. Cadet Bernard Thielen.
130. Cadet George Dowery Campbell, jr.
141. Cadet Francis Garrison Hall.
142. Cadet Charles Louis Williams, jr.
144. Cadet William Russell Huber.
156. Cadet Gordon Whitney Seaward.
158. Cadet Walter Marquis Tieade.
160. Cadet Charles Albert Pidcock.
162. Cadet Walter Rallt Goodrich.
166. Cadet David Hamilton Kennedy.
177. Cadet Edwin Guldlin Simmons.

COAST ARTILLERY CORPS

13. Cadet Frederick Raleigh Young.
17. Cadet Christian Frederick Drayer.
25. Cadet James Hutchings Cunningham, jr.
29. Cadet Edward Ellis Farnsworth, jr.
32. Cadet Daniel Stanly Speckler.
34. Cadet Milton Leonard Ogden.
42. Cadet John Hall Metzler.
44. Cadet Harrison Alan Gerhardt.
46. Cadet Leo Peter Dahle.
47. Cadet Howard Raymond Martindell.
52. Cadet Torgils Grinkel Wold.
53. Cadet John Bevier Ackerman.
54. Cadet Charles Ray Lousangecker.
55. Cadet Irving Donald Roth.
57. Cadet Lauri Jacob Hillberg.
59. Cadet Philip Vibert Doyle.
61. Cadet Benjamin Jepson Webster.
65. Cadet William Alden Call.
69. Cadet Dwight Benjamin Johnson.
76. Cadet Preston Steele.
77. Cadet Robert Douglas Glassburn.
81. Cadet Erven Charles Somerville.
83. Cadet Clifford McCoy Snyder.
84. Cadet Gilbert Nevius Adams.
85. Cadet Aaron Meyer Lazar.
89. Cadet Robert Lockwood Williams, jr.
90. Cadet John Joseph Hutchison.
91. Cadet Robert Earl Schukraft.
92. Cadet Carl Morton Sprinkle.
96. Cadet William Massello, jr.
119. Cadet William Fletcher Spurgin.
112. Cadet Donald Linwood Hardy.
124. Cadet Francis Arkadiusz Lwak.
133. Cadet Dwight Drench Edison.
140. Cadet Wallace Haw Brucker.
The House met at 12 o'clock noon.

O God, we thank Thee that in spite of all of the testing circumstances through which we are passing this day Thou art still on Thy throne; Thou art still calling out the great hearts of men and women to carry forward that program that shall bring confidence and renew faith in the principles of our Nation, and in our lawmakers and in this great body in particular.

We pray, O God, that Thou wilt be in this session; that Thou wilt lead these, Thy servants, in the way of Thy choosing, and that out of their great work there shall be offered the following prayer: •

Thou wilt lead these, Thy servants, in the way of Thy choosing, and that out of their great work there shall be offered the following prayer: •

The Clerk read the Journal of the proceedings of yesterday.