By Mr. DONDERO: Joint resolution (H.J.Res. 198) to authorize the Comptroller of the Currency to aid in the restoration of normal banking conditions in the State of Michigan, and for other purposes; to the Committee on Banking and Currency.

By Mr. GRAY: Concurrent resolution (H.Con.Res. 22) requesting the President to exercise the power granted him by virtue of section 43 of an act of Congress entitled "An act to increase agricultural purchasing power, and for other purposes", approved May 12, 1933; to the Committee on Banking and Currency.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Alaska, regarding building of a highway between Seattle, Wash., and Fairbanks, Alaska; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H.R. 5947) authorizing adjustment of the claim of the Western Union Telegraph Co.; to the Committee on Claims.

Also, a bill (H.R. 5948) authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; to the Committee on Claims.

By Mr. KENNEY: A bill (H.R. 5949) for the relief of Leonard Delillo; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1303. By Mr. COCHRAN of Missouri: Petition of Rodoph Scholom Lodge, No. 165, Independent Order Brith Abraham, Ben Herman, president; M. Silberman, secretary, 1400 North Euclid Avenue, St. Louis, Mo., urging the Congress to take action that will express its condemnation of the unjust persecution of Jews in Germany with a view to bringing about a speedy termination of such discrimination against the Jews; to the Committee on Foreign Affairs.

1304. By Mr. FORD: Petition of sundry constituents of the Fourteenth Congressional District of California to restore to all service-connected disabled veterans their former benefits, privileges, schedules, ratings, etc.; to the Committee on Appropriations.

1305. By Mr. GIBSON: Petition of Vermont State Association of the National Association of Letter Carriers, urging that the postage rates be increased to a point to cover cost of mail service, and favoring the 30-year optional plan of employment retirement; to the Committee on the Post Office and Post Roads.

1306. By Mr. HOEPPEL: Petition of citizens of the United States and residents of the State of California, protesting certain phases of the Economy Act regulations, particularly insofar as they pertain to the legitimately service-connected disabled veteran, and urging Congress to take such action as is necessary to revise the regulations and/or the Economy Act itself so as to restore to all veterans who were actually disabled in the military or naval service their former benefits, rights, privileges, ratings, schedules, compensation, presumptions, and pensions heretofore enjoyed by them and existent prior to the enactment of the Economy Act; to the Committee on Economy.

1307. By Mr. JOHNSON of Minnesota: Resolution by the Minnesota State Council of Agencies for the Blind, adopted at annual meeting at Faribault, Minn., to reallocate funds under annual appropriation to make available talking books; to the Committee on Appropirations.

1308. Also, resolution adopted by the sixth district executive committee of the American Legion at Brainerd, Minn., June 2, to restore veteran benefits cut by the Economy Act of 1933; to the Committee on Appropriations.

1309. By Mr. KVALE: Petition of 88 citizens of Zumbrota, Minn., urging immediate enactment of House bill 4940 in order to maintain the post office in the second class; to the Committee on the Post Office and Post Roads.

1310. Also, petition of 28 merchants and business men of Cannon Falls, Minn., urging that the post office be maintained as second class so that employees may retain a living wage; to the Committee on the Post Office and Post Roads.

1311. Also, petition of 13 post-office clerks from various second-class offices in Minnesota, urging enactment of House bill 4940, for efficiency in post offices; to the Committee on the Post Office and Post Roads.

1312. Also, petition of Elk River (Minn.) Commercial Club, urging enactment of House bill 4940, and urging that Elk River be continued in the second class of post offices; to the Committee on the Post Office and Post Roads.

1313. Also, petition of Jewish societies of Eveleth and Gilbert, Minn., expressing opposition to the attitude of Hitler toward German Jews; to the Committee on Foreign Affairs.

1314. By Mr. TRAEGER: Petition of 201 citizens of the State of California, urging legislation to restore to all veterans who were actually disabled in the military or naval service their former benefits, rights, privileges, ratings, schedules, compensation, presumptions, and pensions heretofore enjoyed by them and existent prior to the enactment of said Economy Act; to the Committee on Pensions.

1315. Also, petition of the Legislature of the State of California, urging legislation for the relief of the oil industry; to the Committee on Ways and Means.

1316. Also, petition of the Legislature of the State of California, dated May 12, 1933, proposing an amendment to the Constitution of the United States providing for economic planning and regulation; to the Committee on Labor.

1317. Also, petition of the Legislature of the State of California, dated May 10, 1933, relative to the use of granite in Federal construction projects; to the Committee on Public Buildings and Grounds.

1318. Also, petition of the Legislature of the State of California, urging legislation providing for a 2-year suspension of labor on mining claims; to the Committee on Mines and Mining.

1319. Also, petition of the Legislature of the State of California, dated May 12, 1933, in regard to increasing the customs duties on certain fish products, and to negotiate treaties concerning the conservation of fish; to the Committee on Ways and Means.

1320. Also, petition of the Legislature of the State of California, dated May 12, 1933, urging enactment of legislation providing for the suspension in payment of charges due from Federal reclamation-project settlers to the United States, and providing for a loan to the reclamation fund to replace the income thereto thus suspended; to the Committee on the Public Lands.

1321. Also, petition of the Legislature of the State of California, dated May 12, 1933, relative to extension of time by institutions receiving Federal aid or assistance for the payment of certain debts secured by mortgages or deeds of trust; to the Committee on Banking and Currency.

1322. By the SPEAKER: Petition of United American Veterans' Association of Pittsburgh, urging that Congress amend the Economy Act; to the Committee on Expenditures in the Executive Departments.

1323. Also, petition of Crusaders' antiracketeering mass meeting, regarding racketeering in the United States; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JUNE 7, 1933

(Legislative day of Tuesday, June 6, 1933)

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

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Austin	Dickinson	Logan	Reed
Bachman	Duffy	Lonergan	Robinson, Ark.
Barbour	Erickson	Long	Robinson, Ind.
Borah	Fess	McGill	Russell
Brown	Frazier	McNary	Stephens
Byrd	Gore	Metcalf	Thomas, Utah
Byrnes	Hale	Murphy	Thompson
Caraway	Harrison	Norris	Townsend
Coolidge	Johnson	Nye	Tydings
Cutting	Kendrick	Overton	Wagner
Davis	King	Patterson	White

Mr. KENDRICK. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily detained from the Senate by reason of his attendance as a delegate representing our Government at the London Economic Conference.

The VICE PRESIDENT. Forty-four Senators have answered to their names; there is not a quorum present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BANKHEAD, Mr. CONNALLY, Mr. HEBERT, Mr. POPE, and Mr. WHEELER answered to their names when called.

Mr. HEBERT. I desire to announce the necessary absence on official business of the senior Senator from South Dakota [Mr. NORBECK].

Mr. ADAMS, Mr. ASHURST, Mr. BAILEY, Mr. BARKLEY, Mr. BLACK, Mr. BONE, Mr. BRATTON, Mr. BULKLEY, Mr. BULOW, Mr. CAPPER, Mr. CAREY, Mr. CLARK, Mr. COPELAND, Mr. COSTIGAN, Mr. DALE, Mr. DIETERICH, Mr. DILL, Mr. FLETCHER, Mr. GEORGE, Mr. GLASS, Mr. GOLDSBOROUGH, Mr. HASTINGS, Mr. HATFIELD, Mr. HAYDEN, Mr. KEAN, Mr. KEYES, Mr. LA FOLLETTE, Mr. LEWIS, Mr. MCADOO, Mr. MCCARRAN, Mr. MCKELLAR, Mr. NEELY, Mr. REYNOLDS, Mr. SCHALL, Mr. SHEPPARD, Mr. SHIPSTEAD, Mr. SMITH, Mr. STEIWER, Mr. THOMAS of Oklahoma, Mr. TRAMMELL, Mr. VANDENBERG, Mr. VAN NUYS, Mr. WALCOTT, and Mr. WALSH entered the Chamber and answered to their names.

Mr. VANDENBERG. I desire to announce that my colleague [Mr. COUZENS] is necessarily absent from the Senate en route to the London Economic Conference. I ask that this announcement stand for the day.

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

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a joint resolution adopted by the Legislature of the State of California, memorializing Congress to enact legislation to facilitate the protection of sardines in the territorial waters of California, which was referred to the Committee on Commerce.

(See joint resolution printed in full when presented today by Mr. JOHNSON.)

The VICE PRESIDENT also laid before the Senate a joint resolution adopted by the Legislature of the State of California, favoring the passage of legislation limiting the hours of employment of persons on interstate carriers to 12 consecutive hours in any 24-hour consecutive period, and declaring that such employee shall remain off duty at least 12 consecutive hours, which was referred to the Committee on Interstate Commerce.

(See joint resolution printed in full when presented today by Mr. JOHNSON.)

The VICE PRESIDENT also laid before the Senate a joint resolution adopted by the Legislature of the State of California, favoring the passage of legislation to limit the jurisdiction of the Federal courts in suits brought to restrain State officers in the enforcement of public-utility rate orders, which was referred to the Committee on the Judiciary.

(See joint resolution printed in full when presented today by Mr. JOHNSON.)

The VICE PRESIDENT also laid before the Senate a joint resolution adopted by the Legislature of the State of California, relative to accepting amendments to permit from the Government of the United States for the construction of approach roads over certain rights of way leading to the Golden Gate Bridge in the Fort Baker Military Reservation, and relating to the retrocession by the Congress of jurisdiction over said rights of way as relocated, which was referred to the Committee on Military Affairs.

(See joint resolution printed in full when presented today by Mr. JOHNSON.)

Mr. JOHNSON presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Commerce:

Senate Joint Resolution 15, relative to memorializing and petitioning Congress to enact legislation which will facilitate the protection of sardines in the territorial waters of this State

Whereas it has long been the practice of the State of California to protect the sardines which inhabit the territorial waters of this State; and

Whereas, to that end, the reduction of sardines into fish meal, fish oil, and other fishery products has been carefully regulated; and

Whereas there are now operating on the high seas off the coast of California certain vessels which have been equipped to operate as reduction plants; and

Whereas such vessels operate in waters over which this State has no jurisdiction and engage in the unrestricted reduction of sardines; and

Whereas sardines are generally found near the coast line, and not on the high seas; and

Whereas sardines are migratory within a distance of a few miles, and the unrestricted reduction of sardines caught beyond the 3-mile limit is depleting the species as effectively as if such fish were caught within the territorial waters of this State; and

Whereas the number of floating reduction plants is constantly increasing; and

Whereas there are now pending before the Legislature of the State of California measures designed to control the present unrestricted destruction of sardines, which measures, if adopted, could be made more effective should Congress also enact legislation looking toward the preservation of this species of fish: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California earnestly memorializes and petitions Congress to enact legislation which will facilitate the preservation of sardines in the territorial waters of this State; and be it further

Resolved, That a copy of this joint resolution be transmitted to the President of the United States, and the Vice President, and to each Member of the Senate and the House of Representatives of the United States.

Mr. JOHNSON also presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Interstate Commerce:

Senate Joint Resolution 28, relative to hours of employment of persons on interstate carriers

Whereas under the provisions of the laws of the United States persons employed on interstate railroads are required to remain on duty 16 consecutive hours; and

Whereas such extended period of continuous employment tends to the physical exhaustion and the consequent inefficiency of such employees, increasing the danger of mishap: Therefore be it

Resolved by the Senate and Assembly of the State of California, jointly, That the legislature of this State hereby urges upon the Congress of the United States the adoption of a law limiting the hours of employment of such persons to 12 consecutive hours in any 24 consecutive hours, and declaring that such employees shall remain off duty at least 12 consecutive hours.

Mr. JOHNSON also presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on the Judiciary:

Senate Joint Resolution 27, relative to legislation by Congress to limit the jurisdiction of the Federal courts in suits brought to restrain State officers in the enforcement of public-utility rate orders

Whereas there has been introduced in the Congress of the United States by the Honorable HIRAM W. JOHNSON Senate bill 752, designed to limit the jurisdiction of the district courts of the United States over suits wherein injunctions are sought by public-utility corporations to restrain the enforcement of orders issued by State administrative bodies fixing the rates of public utilities by amending section 24 of the Judicial Code of the United States so as to deprive the district courts of jurisdiction in such suits when an adequate remedy is provided to utilities in the courts of a State; and

Whereas such legislation is deemed to be of vital importance for the preservation of the powers of the various States in the regulation of public utilities and to be in the public interest: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California earnestly urges that the Congress of the United States immediately enact said Senate bill 752; and be it further

Resolved, That a copy of this joint resolution be transmitted to the President and to the Vice President of the United States and to each Member of the Senate and of the House of Representatives of the United States.

Mr. JOHNSON also presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Military Affairs:

Senate Joint Resolution 25, relative to accepting amendments to permit from the Government of the United States for the construction of approach roads over certain rights of way leading to the Golden Gate Bridge in the Fort Baker Military Reservation, and relating to the retrocession by the Congress of the United States of jurisdiction over said rights of way as relocated

Whereas on February 13, 1931, the Secretary of War pursuant to authority in him vested by section 6 of the act of Congress approved July 5, 1884 (23 Stat. 104) granted to the Golden Gate Bridge and Highway District a right of way for the extension, maintenance, and operation of a State road across the Presidio of San Francisco Military Reservation, Calif., and across the Fort Baker Military Reservation, including space for toll booths and facilities for regulating traffic, and also the right to erect, operate, and maintain the ends of the Golden Gate Bridge with cable anchorages, upon the said military reservations; and

Whereas said grant has been accepted by the Golden Gate Bridge and Highway District and also by the Legislature of the State of California under the terms of senate joint resolution no. 11, of the forty-ninth session of the Legislature of the State of California; and

Whereas on April 1, 1931, the said permit was amended to grant a right of way of the character and extent and for the purposes therein mentioned across the Fort Baker Military Reservation, the location of the center line of such right of way being shown in red on the photostat of map attached to said amendment and made a part thereof; and

Whereas the said permit as thus amended has been accepted by the Golden Gate Bridge and Highway District and also by the Legislature of the State of California under the terms of senate joint resolution no. 16, of the forty-ninth session of the Legislature of the State of California; and

Whereas said district has made resurveys of that part of the right of way on the Fort Baker Military Reservation extending northerly of the north bridge terminus, and as a result thereof through its chief engineer has made application for a further change in said portion of the right of way on said reservation; and

Whereas on the 1st day of May 1933 the Secretary of War did grant to the Golden Gate Bridge and Highway District a modification of said permit as amended, and being a grant of a right of way of the character and extent and for the purposes in said permit mentioned, across the Fort Baker Military Reservation northerly of the north bridge terminus, the location of the center line and right of way lines being shown in red on the plan attached to said modification of said permit as amended on the 1st day of May 1933, which said plan was dated May 16, 1933, marked "Fort Baker Ground Plan and Center Line of the R/W Sheet No. A4B", the profile and sections thereof being shown on the plan bearing the same date marked "Profile and sections of State highway and north lateral on Fort Baker Res., sheet no. G-104B", also attached thereto and made a part thereof, and which said modification of said permit as amended was filed in the office of the Golden Gate Bridge and Highway District on the 5th day of March 1933; and

Whereas it was, however, in said permit expressly provided that in lieu of the War Department connecting roadways shown on said sheet no. A4B as "relocation of road to Battery Spencer" and "connecting road and gate", the grantee should prior to the commencement of construction of said connecting roadways prepare and submit for approval a revised layout thereof, in accordance with paragraph 4 of said original permit as amended on said 1st day of May 1933; and

Whereas said modified permit further provided for on the Fort Baker Military Reservation was expressly stated to be in lieu of and to supersede the right of way granted across said reservation in the original permit of February 13, 1931, and so much of the right of way in the amendment of April 1, 1931, as lies north of the north bridge terminus, but that all of the provisions and conditions of said original permit except paragraph 4 should remain in full force and effect, and said paragraph 4 was in said modified permit as amended set forth in full, to which said paragraph 4, as set forth in said instrument of May 1, 1933, reference is hereby made; and

Whereas it was, however, in said modification expressly provided that the amendments therein contained should not become effective and the original permit of February 13, 1931, and the amendment of April 1, 1931, should remain unchanged thereby, unless and until the said Golden Gate Bridge and Highway District should have accepted said amendment, and unless and until the State of California should have, with respect to said amendment, taken the same formal action which it was required to take with respect to the original permit, and which is set forth in paragraph 11 and subparagraphs 11a, 11b, and 11c of that instrument, as a condition precedent to the taking effect thereof: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That said modification and amendment dated May 1, 1933, to the said permit dated February 13, 1931, as amended by the amendment dated April 1, 1931, granted by the Secretary of War to the Golden Gate Bridge and Highway District, be and the same hereby is, together with each, all, every, and singular the terms, conditions, limitations, reservations, and requirements therein contained, accepted by and on behalf of the State of California; and be it further

Resolved, That the State of California does hereby make application to the Congress of the United States for a retrocession of jurisdiction over the rights of way as relocated and amended by said modification dated May 1, 1933, in lieu of and superseding the application for retrocession of jurisdiction over the right of way heretofore granted across the Fort Baker Military Reservation in the original permit of February 13, 1931, and as amended by the amendment dated April 1, 1931, in case said relocation of the right of way is finally granted to the Golden Gate Bridge and Highway District; and be it further

Resolved, That the State of California will, in case such retrocession of jurisdiction is granted by Congress, accept such retrocession of jurisdiction and will assume the responsibility for managing, controlling, policing, and regulating traffic thereon, all subject to the following limitations and to such other limitations as Congress may prescribe:

(a) That nothing in said permit contained shall be construed to give to the State of California or any of its agents authority at any time to regulate traffic of military personnel or vehicles upon the said bridge or roads. All traffic upon said roads and upon said bridge shall be free from any tolls, charges, or any form of obstruction by the State or other agencies, against military and naval personnel and their dependents, civilians of the Army and Navy traveling on Government business under military authority, and Government traffic.

(b) That whenever in the judgment of the Secretary of War or his authorized representative any emergency exists which justifies it, he may assume exclusive control and management of said bridge and roads and may then, in his discretion, prohibit, limit, or regulate traffic thereon.

(c) That nothing in said permit contained shall be construed to confer upon the State courts the right to try persons subject to military law for crimes or offenses committed on said roads or upon said bridge within the boundaries of the respective military reservations involved, but the courts of the United States or military tribunals as now or hereafter provided by law shall retain exclusive jurisdiction to try such persons for such offenses; and be it further

Resolved, That the State of California does hereby agree to make such relocated right of way in the Fort Baker Military Reservation in said amended permit described a part of the system of public highways of the State; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the Secretary of War, to each House of Congress, and to the Senators and Representatives in Congress of the State of California.

Mr. FLETCHER presented a concurrent resolution adopted by the Legislature of the State of Florida, favoring the allocation of Federal funds for the immediate construction of a canal suitable for the operation of self-propelled barges for the completion of the inland waterway from New Orleans, La., to Columbus, Ga., or beyond, to Atlanta, as the case may be, which was referred to the Committee on Commerce.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 3d instant, p. 4886, CONGRESSIONAL RECORD.)

Mr. KEAN presented a resolution adopted by the New Jersey branches of the Catholic Central Verein of America and the Catholic Women's Union of America, at Newark, N.J., which was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Whereas the President of the United States and Congress are endeavoring to bring about the necessary improvements in the field of business activity; and

Whereas the economic forces of capital and labor are still in disagreement as to the just distribution of the fruits and endeavors according to the degree of contributions made by these respective forces; and

Whereas it is therefore necessary for the Government to regulate and control the activities of these forces for the purpose of effecting a just settlement of their respective claims, thereby contributing toward the common good; and

Whereas it is imperative that all industrial factors, including machinery, hours, and rates of wages, as well as profits of industry, should be regulated and rationally controlled: Therefore be it

Resolved by the Catholic Central Verein of America and by the Catholic Women's Union of America, New Jersey Branches, That we petition the Congress of the United States for legislation regulating the use of machinery, hours of labor, minimum wages paid labor, both male and female, the amount of profit to be made upon the manufacture, sale, and/or distribution of the products of industry; and

We further petition the Congress of the United States for legislation limiting the use of labor-saving devices, shortening the working week and hours thereof, providing a minimum wage scale

for male and female employees, specifying the amount of profit to be made upon the manufacture, sale, and/or distribution of the products of industry.

Respectfully submitted.

CATHOLIC CENTRAL VEREIN OF AMERICA, NEW JERSEY BRANCH,
LOUIS M. SEIG, *President.*
JOSEPH NADLER, Jr., *Secretary.*
CATHOLIC WOMEN'S UNION OF AMERICA, NEW JERSEY BRANCH,
LOUISA A. BOLCUR, *President.*
ALVINA MADDEN, *Secretary.*

Adopted at Newark, N.J., May 28, 1933.

TILE IN THE WHITE HOUSE SWIMMING POOL

Mr. KEAN presented a letter from the Federal Seaboard Terra Cotta Corporation, by Peter C. Olsen, first vice president and general manager, New York City, N.Y., relative to the tile supplied by that corporation for the President's swimming pool installed in the White House, which was ordered to be printed in the RECORD, as follows:

NEW YORK, *June 1, 1933.*

Hon. HAMILTON F. KEAN,
Kean, Taylor & Co.,
20 Exchange Place, New York City.

MY DEAR SENATOR: It has occurred to me that you might be interested in seeing the high-fire glazed terra cotta we have recently produced for the President's swimming pool now being built in the west terrace corridor of the White House.

The pool is designed in an unusually vigorous and dignified color scheme of terra-cotta glazes—the variegated aquamarine tints remind of the blue sea water of our southern resorts—and not of a bathtub.

Won't you please, when you have the opportunity, stop in the White House and see the pool? It is very much worth while, and we hope you will like it.

Very truly yours.

FEDERAL SEABOARD TERRA COTTA CORPORATION,
By PETER C. OLSEN,
First Vice President and General Manager.

LEAGUE OF NATIONS

Mr. WALSH. Mr. President, I present a petition signed by citizens of the State of Massachusetts, praying that the United States become a member of the League of Nations in the near future, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the petition was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, without the signatures, as follows:

MARCH, 1933.

Hon. DAVID I. WALSH,
United States Senate.

We, the undersigned, registered voters in Massachusetts, because of the greatly needed growth in international understanding and cooperation, do earnestly desire you to do all in your power to have the United States become a member of the League of Nations in the near future.

REPORTS OF COMMITTEES

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

S. 1783. An act granting the consent of Congress to the Overseas Road and Toll Bridge District, a political subdivision of the State of Florida, to construct, maintain, and operate bridges across the navigable waters in Monroe County, Fla., from Lower Matecumbe Key to No Name Key (Rept. No. 127);

H.R. 4872. An act authorizing Farris Engineering Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near California, Pa. (Rept. No. 132);

H.R. 5495. An act to amend an act entitled "An act creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.", approved June 25, 1930, and to extend the times for commencing and completing construction of said bridge (Rept. No. 133);

H.R. 5589. An act granting the consent of Congress to the city of Washington, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Washington, Mo. (Rept. No. 134); and

H.R. 5793. An act to revive and reenact the act entitled "An act authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.", approved March 2, 1929 (Rept. No. 128).

Mr. STEPHENS, from the Committee on Commerce, to which was referred the bill (S. 1759) granting the consent of Congress to the Mill Four drainage district, in Lincoln County, Oreg., to construct, maintain, and operate dams and dikes to prevent the flow of waters of Yaquina Bay and River into Nutes Slough, Boones Slough, and sloughs connected therewith, reported it with amendments and submitted a report (No. 131) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 1772) for the relief of the Western Montana Clinic, Missoula, Mont., reported it without amendment and submitted a report (No. 129) thereon.

Mr. KENDRICK, from the Committee on Public Lands and Surveys, to which was referred the bill (H.R. 3659) to extend the mining laws of the United States to the Death Valley National Monument in California, reported it without amendment and submitted a report (No. 130) thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S.Res. 87) to pay for certain services rendered to the United States district attorney for Nebraska in the case of the United States against Victor Seymour, reported it with amendments.

He also, from the same committee, to which were referred the following resolutions, reported them each with an amendment:

S.Res. 79. Resolution authorizing an additional expenditure in connection with a general survey of Indian conditions in the United States; and

S.Res. 94. Resolution increasing the limits of expenditures of the investigation of air mail and ocean mail contracts.

Mr. BYRNES also, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S.Res. 89) increasing the limit of expenditures under Senate Resolution 55 to investigate the delay in prosecuting alleged law violations by the Harriman National Bank, New York City, reported it without amendment.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. McNARY:

A bill (S. 1848) for the relief of Josephine R. Briggs; to the Committee on Claims.

By Mr. TOWNSEND:

A bill (S. 1849) to provide for the purchase by national banks of the assets of closed national banks and State banks and trust companies; to the Committee on Banking and Currency.

By Mr. COPELAND:

A bill (S. 1850) to establish a national military park to commemorate the campaign and Battles of Saratoga in the State of New York; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 1851) for the relief of K. W. Boring; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 1852) to permit Government use of forfeited property; to the Committee on the Judiciary.

By Mr. HARRISON:

A bill (S. 1853) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; to the Committee on Finance.

By Mr. THOMPSON:

A bill (S. 1854) granting an increase of pension to Mary S. Miller; to the Committee on Pensions.

By Mr. McCARRAN:

A bill (S. 1855) for the establishment, development, and administration of the Boulder Canyon National Reservation, and the development and administration of the Boulder Can-

yon Project Federal Reservation, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. KING:

A joint resolution (S.J.Res. 60) making an appropriation for an investigation of housing conditions and rentals in the District of Columbia; to the Committee on the District of Columbia.

NATIONAL INDUSTRIAL RECOVERY—AMENDMENTS

Mr. KEAN, Mr. BYRNES, Mr. MCCARRAN, Mr. MCGILL, Mr. REYNOLDS, and Mr. WHEELER each submitted an amendment, and Mr. REED and Mr. RUSSELL each submitted two amendments intended to be proposed by them, respectively, to House bill 5755, the so-called "industrial control and public works bill", which were severally ordered to lie on the table and to be printed.

Mr. AUSTIN submitted five amendments intended to be proposed by him to House bill 5755, the so-called "industrial control and public works bill", which were ordered to lie on the table and to be printed.

Mr. GORE. Mr. President, I send to the desk an amendment which I intend to propose to the general industries or recovery bill. It proposes to strike out the increased tax on gasoline. I ask that the amendment lie on the table, but will not ask that it be printed.

The VICE PRESIDENT. The amendment proposed by the Senator from Oklahoma will lie on the table.

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment intended to be proposed by me to House bill 5755, now pending, which I ask may be printed, printed in the RECORD, and lie on the table.

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

The amendment is as follows:

On page 14, line 20, beginning with the word "The", to strike out all through and including the word "State" on page 15, line 1, and insert the following:

"(c) The President is authorized to prescribe regulations to supplement State conservation laws regulating the production of crude petroleum, to allocate equitably the national market demand for crude petroleum and the products thereof among the oil-producing States and also between domestic production and importations, and to prohibit the transportation in interstate commerce of crude petroleum and the products thereof produced or withdrawn from storage in violation of any State or Federal law or the regulations prescribed thereunder."

EXEMPTION FROM TAX OF DIVIDENDS OF MUTUAL BUILDING-AND-LOAN ASSOCIATIONS—NATIONAL INDUSTRIAL RECOVERY—AMENDMENT RELATIVE TO TAXES

Mr. WALSH. Mr. President, I present an amendment to the pending bill and ask that it may be printed, printed in the RECORD, and lie on the table. I also present a statement explanatory of the amendment which I ask may be printed with the amendment in the RECORD.

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

The amendment and the explanatory statement are as follows:

On page 36, at the end of section 212, insert the following:

"(e) The taxes imposed by this section shall not apply to the dividends of any corporation enumerated in section 103 of the Revenue Act of 1932 nor to any insurance company subject to the tax imposed by sections 201 and 204 of such act."

MEMORANDUM RE INDUSTRIAL RECOVERY BILL (H.R. 5755)

Relief taxes—section 212, page 35: Presumably this section was written to tax dividends of industrial and business corporations and not intended to tax the distribution of earnings by mutual or domestic building-and-loan associations, mutual insurance companies, cooperatives, labor, agricultural, horticultural, or such other organizations as are exempted from the tax on corporations in section 103 of the Revenue Act of 1932.

A building-and-loan association is a local, community, mutual organization financing the building and buying of homes. There are 11,442 of these institutions in the United States. Substantially all of their business is confined to making loans to members. Their funds arise from the savings or membership of wage earners and people in the humbler walks of life. In fact, building-and-loan associations are often spoken of as the "poor man's banks."

At this time the associations are experiencing great difficulty, due to unemployment and other conditions, in obtaining money with which to make construction or other mortgage loans and to pay investing members who are out of employment and in need of money. The average amount invested in these mutual institutions by each member is approximately $700 and their average mortgage loan is slightly over $3,000.

Building-and-loan associations have a legal peculiarity in that all of their funds are in the form of shares and the earnings thereon are distributed as dividends. Dividends are paid to borrowing members as well as to investing members, because loans are repaid through payments on shares augmented by dividends earned. Therefore a tax on dividends amounting to 5 percent will further discourage the flow of funds into these worthy institutions, will be an additional burden to the borrower, as well as take very modest amounts from a type of small saver who can ill afford it. The tax will also result in colossal expense and inconvenience to the associations in calculating small amounts, filing the required lists, embracing over 10,000,000 members, and accounting to the Government.

A great discrimination would result from the present language because millions of depositors in banks, mutual savings banks, and trust companies would not be taxed because the payments they receive are called "interest", while the very similar payments of earnings in building-and-loan associations are called "dividends."

Provision was made in subsection (c) of section 214 that the excise or capital-stock tax therein imposed should not apply to corporations enumerated in section 103 of the Revenue Act of 1932. In order to make this same proper exception apply to section 212 the following amendment should be inserted:

AMENDMENT TO AMENDED H.R. 5755, AS REPORTED BY SENATE FINANCE COMMITTEE

On page 36, at the end of section 212, add the following:

"(e) The taxes imposed by this section shall not apply to the dividends of any corporation enumerated in section 103 of the Revenue Act of 1932 nor to any insurance company subject to the tax imposed by sections 201 and 204 of such act."

Submitted by United States Building and Loan League; H. F. Cellarius, Cincinnati, Ohio, secretary-treasurer; C. Clinton James, Washington, D.C., chairman Federal Legislative Committee; Morton Bodfish, Chicago, Ill., executive manager.

TAXES IMPOSED BY THE INDUSTRIAL RECOVERY BILL

Mr. WALSH. I also ask to have printed in the RECORD in connection with the debate on this bill an enumeration of the taxes imposed therein.

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

The matter referred to is as follows:

EXPLANATORY STATEMENT—TAXES IMPOSED BY THE INDUSTRIAL-RECOVERY BILL

Section 210 increases the 1-cent tax on gasoline imposed under existing law by one half cent, and exempts industrial benzol from the tax.

Section 211 extends the taxes (designated as manufacturers' excise taxes and miscellaneous taxes) imposed by titles 4 and 5 of the Revenue Act of 1932, for an additional year, so that they expire July 1, 1935, instead of July 1, 1934.

Section 212 imposes an excise tax on all dividends paid to any person other than a domestic corporation. The tax is 5 percent of the dividend, and is imposed on the recipient, but is to be deducted and withheld by the paying corporation.

Section 213 is an administrative amendment to penalize the avoidance of the dividend tax by the accumulation of corporate surplus. The penalty is a tax of 50 percent of the corporate income.

Section 214 imposes an annual tax of $1 for each $1,000 of the declared value of the capital stock of every corporation carrying on or doing business.

Section 215 imposes on corporations, subject to the capital-stock tax, an excess-profits tax equivalent to 5 percent of such portion of its net income as exceeds 12½ percent of the declared value of its capital stock. The primary purpose of this tax is to induce corporations to declare a high value for the purposes of capital-stock tax.

Section 216 provides for the expiration by Presidential proclamation of the new taxes imposed by the foregoing sections in the event that the Budget is balanced or the eighteenth amendment is repealed. This expiration date applies to the additional one half cent on gasoline, but not to the 1 cent. The entire gasoline tax expires July 1, 1935, in any event.

Section 217 (a) abolishes the privilege, under existing law, of carrying over a net loss for 1 year to reduce taxable income for the next year. Existing law permits a carry-over of 1 year. The 1928 act permitted a 2-year carry-over.

Section 217 (b) abolishes the privilege of applying losses from dealings in securities against gains from dealings in securities for a subsequent year.

Section 217 (c) abolishes the exemption from the provisions relating to losses from securities dealings, which is given by the existing law to private bankers.

Section 217 (d) provides that partners shall not be allowed to reduce their individual incomes by their distributive share of a partnership net loss, which is attributable to losses from dealings in securities.

Section 217 (e) increases the additional rate of income tax on corporations filing consolidated returns from three fourths of 1 percent to 1 percent, and extends the additional rate to the

taxable years 1934 and 1935. The present law fixes the additional rate at three fourths of 1 percent for the years 1932 and 1933.

Section 217 (f) and (g) are administrative provisions to take care of interest and returns in cases where the income-tax amendments have a retroactive effect.

Section 218 exempts free admissions to the legitimate spoken drama from the admissions tax.

INCREASE IN MEMBERSHIP OF SPECIAL COMMITTEE ON CONSERVATION OF WILD LIFE RESOURCES

Mr. ROBINSON of Arkansas submitted the following resolution (S.Res. 96), which was referred to the Committee on Rules:

Resolved, That the membership of the Special Committee on Conservation of Wild Life Resources shall be increased from 5 to 7 members and that the President of the Senate on the passage of this resolution shall appoint the 2 additional members.

WILLIE MAYES SHUEY

Mr. GLASS submitted the following resolution (S.Res. 98), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for expenses of inquiries and investigations, contingent fund of the Senate, fiscal year 1932, to Willie Mayes Shuey, widow of Theodore F. Shuey, late an Official Reporter of the Senate, a sum equal to 1 year's compensation at the rate he was receiving at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PROTECTION OF GOVERNMENT RECORDS—CONFERENCE REPORT

Mr. ROBINSON of Arkansas submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4220) for the protection of Government records, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

JOE T. ROBINSON,
WM. E. BORAH,
TOM CONNALLY,
Managers on the part of the Senate.

TOM D. MCKEOWN,
J. BANKS KURTZ,
Managers on the part of the House.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House insisted upon its amendment to the bill (S. 1580) to relieve the existing national emergency in relation to interstate railroad transportation, and to amend sections 5, 15a, and 19a of the Interstate Commerce Act, as amended, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RAYBURN, Mr. HUDDLESTON, Mr. LEA of California, Mr. PARKER of New York, and Mr. COOPER of Ohio were appointed managers on the part of the House at the conference.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolution:

On May 29, 1933:

S. 73. An act to authorize the Comptroller General to allow claim of district no. 13, Choctaw County, Okla., for payment of tuition for Indian pupils.

On June 5, 1933:

S.J.Res. 43. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Posheng Yen, a citizen of China.

On June 6, 1933:

S. 510. An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes.

THE CALENDAR

Mr. ROBINSON of Arkansas. I ask unanimous consent that the calendar be now called for unobjected bills under rule VIII.

The VICE PRESIDENT. Is there objection?

Mr. HARRISON. Mr. President, I am not going to object. I understand it will take only about 30 minutes to complete the consideration of bills on the calendar.

Mr. ROBINSON of Arkansas. I understand it will take only a few minutes to call the calendar.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first bill on the calendar.

JOINT RESOLUTION AND BILLS PASSED OVER

The joint resolution (S.J.Res. 15) extending to the whaling industry certain benefits granted under section 11 of the Merchant Marine Act, 1920, was announced as first in order.

Mr. KING. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 682) to prohibit financial transactions with any foreign government in default on its obligations to the United States was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1286) to increase the efficiency of the Veterinary Corps of the Regular Army was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 506) conferring upon the President the power to reduce subsidies, and for other purposes, was announced as next in order.

Mr. HALE. Over.

The VICE PRESIDENT. The bill will be passed over.

SURVIVAL OF CERTAIN ACTIONS IN FAVOR OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 815) to provide for the survival of certain actions in favor of the United States, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 5, after the word "interested", to strike out "now or hereafter" and insert "and"; in line 6, after the word "pending", to insert "against any defendant prior to the time of his death"; in line 8, after the word "any", to insert "such"; and in the same line, after the word "defendant", to strike out "in such action", so as to make the bill read:

Be it enacted, etc., That no civil action to recover damages, brought by the United States or in its behalf, or in which the United States shall be directly or indirectly interested, and pending against any defendant prior to the time of his death, in any court of the United States, shall abate by reason of the death of any such defendant; but any such action shall survive and be enforceable against the estate of any such deceased defendant. This act shall not be construed to deprive the plaintiff in any such action of any remedy which he may have against a surviving defendant.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. NYE. Mr. President, the bill makes no reference to any particular or individual case, but its authors had in mind primarily the case of Edward Doheny, who is at the present time involved in many judgments and claims growing out of the so-called "oil scandals", and the Department of Justice has felt that this proposed legislation was neces-

sary in order to effect the recovery to which the Government is entitled in the event of his death.

Mr. ROBINSON of Arkansas. The bill is asked for by the Department of Justice?

Mr. NYE. It has been asked for by the Department of Justice.

The VICE PRESIDENT. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

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

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (H.J.Res. 93) to prohibit the exportation of arms or munitions of war from the United States under certain conditions was announced as next in order.

Mr. ROBINSON of Arkansas. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1403) to authorize the merger of the Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes, was announced as next in order.

Mr. JOHNSON. Over.

The VICE PRESIDENT. The bill will be passed over.

TRANSFER OF LANDS IN SAN DIEGO, CALIF.

The bill (H.R. 1767) to authorize the acceptance of certain lands in the city of San Diego, Calif., by the United States and the transfer by the Secretary of the Navy of certain other lands to said city of San Diego was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized on behalf of the United States to accept from the city of San Diego, Calif., when said city has been duly authorized to make such transfer by the State of California, free from all encumbrances and without cost to the United States, all right, title, and interest in and to the lands contained within the following-described area: Beginning at the intersection of the prolongation of the northwesterly line of Bean Street with the United States bulkhead line as established in February 1912; thence southwesterly along the prolongation of the northwesterly line of Bean Street to the pierhead line as the same has been or may hereafter be established by the United States; thence northwesterly and southwesterly along the said pierhead line to its intersection with the prolongation of the northeasterly line of Lowell Street; thence northwesterly along the prolongation of the northeasterly line of Lowell Street to the United States bulkhead line as established in February 1912; thence northeasterly, easterly, and southeasterly along the United States bulkhead line as established in February 1912 to the point of beginning containing approximately 242 acres; and also, all of block 16, municipal tide lands subdivision, tract numbered 1; said lands being desired by the Navy Department for national defense and for use in connection with existing naval activities at San Diego, Calif.

The said Secretary of the Navy is also authorized hereby to transfer to the city of San Diego, Calif., free from all encumbrances and without cost to said city of San Diego, all right, title, and interest of the United States in and to the lands contained within that part of the Marine Corps base, San Diego, Calif., described as follows: Beginning at a point on the United States bulkhead line as established in February 1912, distant 300 feet northwesterly from station numbered 104 on said bulkhead line; thence north 7 degrees east a distance of 2,160 feet; thence north 60°34'59" west to an intersection with the prolongation of the northwesterly line of Bean Street; thence southwesterly along the prolongation of the northwesterly line of Bean Street to an intersection with the United States bulkhead line, as established in February 1912; thence south 83° east along said bulkhead line to the point of beginning, containing approximately 67 acres.

IMPROVEMENT OF ALLEY CONDITIONS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 1780) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment was, in section 1, page 2, line 23, after the word "determine", to insert "*Provided*, That if any such land is required for the purposes of the government of the District of Columbia such land may be transferred to the said government upon payment to the Authority of the reasonable value thereof", so as to make the section read:

That to enable the President, in the interest of public health, comfort, morals, safety, and welfare, to provide for the discontinuance of the use as dwellings of buildings situated in alleys and to eliminate the hidden communities in inhabited alleys of the District of Columbia, and to carry out the policy declared in the act approved May 16, 1918, as amended, of caring for the alley population of the District of Columbia, the President is hereby authorized and empowered, within the limits of the amounts herein authorized—

(a) To purchase, or acquire by condemnation or gift, any land, buildings, or structures, or any interest therein, situated in or adjacent to any inhabited alley in the District of Columbia, and such other land, buildings, or structures, or any interest therein, within any square containing an inhabited alley as he may determine to be necessary for the replatting and improvement of said square pursuant to the provisions of this act;

(b) To replat any land acquired under this act; to pave or repave any street or alley thereon; to construct sewers and water mains therein; to install street lights thereon; to demolish, move, or alter any buildings or structures situated thereon and erect such buildings or structures thereon as deemed advisable: *Provided, however*, That the same shall be done and performed in accordance with the laws and municipal regulations of the District of Columbia applicable thereto;

(c) To lease, rent, maintain, equip, manage, exchange, sell, or convey any such lands, buildings, or structures upon such terms and conditions as he may determine: *Provided*, That if any such land is required for the purposes of the government of the District of Columbia such land may be transferred to the said government upon payment to the Authority of the reasonable value thereof; and

(d) To aid in providing, equipping, managing, and maintaining houses and other buildings, improvements, and general community utilities on the property acquired under the provisions of this act by loans, upon such terms and conditions as he may determine, to limited dividend corporations whose dividends do not exceed 6 percent per annum, or to home owners to enable such corporations or home owners to acquire and develop sites on the property: *Provided, however*, That no loan shall be made at a lower rate of interest than 5 percent per annum, and that all such loans shall be secured by reserving a first lien on the property involved for the benefit of the United States.

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 23, after the word "or", to insert the words "method of", so as to make the section read:

SEC. 2. (a) The President may designate, for the purpose of carrying out the provisions of this act, such official or agency of the Government of the United States or of the District of Columbia (hereinafter referred to as "the Authority") as in his judgment is deemed necessary or advantageous, and the Authority shall have or obtain all powers necessary or appropriate therefor, including the employment of necessary personal services; but (1) all plans for replatting and/or method of condemnation under the provisions of this act shall be submitted to and receive the written approval of the National Capital Park and Planning Commission and of the Board of Commissioners of the District of Columbia: *Provided, however*, That (a) failure of the National Capital Park and Planning Commission or of the Board of Commissioners of the District of Columbia to formally approve or disapprove in writing within 60 days after a plan has been submitted shall be equivalent to a formal approval, and (b) disapproval shall be accompanied by a written statement giving all the reasons for disapproval; and (2) any plan which shall involve action by any department, bureau, or agency of the United States or of the District of Columbia shall be made after consultation with such department, bureau, or agency.

(b) In the event condemnation proceedings are required to carry out the provisions of this act the same shall be conducted in accordance with the provisions of the act entitled "An act to provide for the acquisition of land in the District of Columbia for the use of the United States", approved March 1, 1929.

(c) If the Authority determines in the case of any alley that it will be more advantageous to proceed in accordance with sections 1608 to 1610, inclusive, of the Code of Laws of the District of Columbia, the Commissioners of the District of Columbia shall be notified of such determination and proceedings shall then be had as provided in such sections for alleys and minor streets, except that if the total amount of damages awarded by the jury and the cost and expenses of the proceedings be in excess of the total amount of the assessment for benefits, such excess shall be borne and paid by the Authority.

The amendment was agreed to.

The next amendment was, in section 7, page 8, line 19, after the word "property", to insert the words "to which it is accessory", so as to make the section read:

SEC. 7. As used in this act—

(a) The term "alley" means (1) any court, thoroughfare, or passage, private or public, less than 30 feet wide at any point; and

(2) any court, thoroughfare, or passage, private or public, 30 feet or more in width, that does not open directly with a width of at least 30 feet upon a public street that is at least 40 feet wide from building line to building line.

(b) The term "inhabited alley" means an alley in or appurtenant to which there are one or more alley dwellings.

(c) The term "alley dwelling" means any dwelling fronting upon or having its principal means of ingress from an alley. This definition does not include an accessory building, such as a garage, with living rooms for servants or other employees; if the principal entrance to the living rooms of the accessory building is from the street property to which it is accessory.

(d) The term "dwelling" means any building or structure used or designed to be used in whole or in part as a living or a sleeping place by one or more human beings.

(e) The term "person" includes any individual, partnership, corporation, or association.

The amendment was agreed to.

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

PROMOTION OF FOREIGN TRADE IN APPLES AND PEARS

The Senate proceeded to consider the bill (H.R. 4812) to promote the foreign trade of the United States in apples and/or pears, to protect the reputation of American-grown apples and pears in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 4, after the word "any", to strike out "common"; in the same line, after the word "carrier", to insert "or any steamship company, or any person"; and on page 2, line 12, after the word "act", to strike out "No clearance shall be given to any vessel having on board any apples or pears which are not covered by a certificate complying with the provisions of this act", so as to make the section read:

That it shall be unlawful for any person to ship or offer for shipment or for any carrier, or any steamship company, or any person to transport or receive for transportation to any foreign destination, except as provided in this act, any apples and/or pears in packages which are not accompanied by a certificate issued under authority of the Secretary of Agriculture showing that such apples or pears are of a Federal or State grade which meets the minimum of quality established by the Secretary for shipment in export. The Secretary is authorized to prescribe, by regulations, the requirements, other than those of grade, which the fruit must meet before certificates are issued. The Secretary shall provide opportunity, by public hearing or otherwise, for interested persons to examine and make recommendation with respect to any standard of export proposed to be established or designated, or regulation prescribed, by the Secretary for the purposes of this act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. COPELAND subsequently said: Mr. President, I ask that following the disposition of Calendar No. 120, being House bill 4812, certain telegrams which I have received regarding that measure may be inserted in the RECORD.

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

NEW YORK, N.Y., *June 1, 1933.*

ROYAL S. COPELAND,
Senator of New York, United States Senate Office Building.

HONORABLE SIR: We respectfully request and urge your support of Senator BYRD'S apple export bill, No. H.R. 4812.

FRUIT AND PRODUCE TRADE ASSOCIATION,
97 Warren Street.

NEW YORK, N.Y., *June 1, 1933.*

Senator ROYAL S. COPELAND,
Senate Office Building, Washington, D.C.

HONORABLE SIR: We most respectfully and urgently request that you support Senator BYRD'S apple export bill, H.R. 4812. Whether a great many apple growers in this country continue to operate or not depends upon passage of this bill.

T. A. WATSON & Co.

NEW YORK, N.Y., *June 1, 1933.*

Senator ROYAL S. COPELAND,
Senate Office Building, Washington, D.C.

HONORABLE SIR: We respectfully request and urge your support of Senator BYRD'S apple export bill, H.R. 4812. Apple growers' financial success depends upon passage of this bill.

C. C. HESS & Co.

NEW YORK, N.Y., *June 1, 1933.*

Hon. ROYAL S. COPELAND,
The Senate:

We urge your support in securing passage of Senate bill 877 in the interest of preservation of fresh-fruit export industry. Indiscriminate shipments of inferior and infected apples and pears have already resulted in restrictive regulations, principally by England, France, Germany, and it is certain that other countries will follow suit or else place complete embargoes. Such an eventuality would be disastrous to producers and shippers of these commodities. Domestic consumption cannot absorb surplus.

E. W. J. HEARTY, INC.

ROCHESTER, N.Y., *May 31, 1933.*

Hon. ROYAL S. COPELAND,
Senate Office Building, Washington, D.C.:

Please cooperate with Senator BYRD in passing export control bill, H.R. 4812. Bill has already passed House and has been approved by apple and pear industries from coast to coast. We deem it highly important bill pass this session in interests preserving our extensive foreign trade apples and pears.

INTERNATIONAL APPLE ASSOCIATION,
R. G. PHILLIPS, *Secretary.*

NEW YORK, N.Y.

Senator COPELAND, of New York,
United States Senate Building:

Respectfully urge your support apple export bill sponsored by Senator BYRD, of Virginia.

ROBERT W. NIX,
Rockville Center, Long Island.

NEW YORK, N.Y., *June 1, 1933.*

Senator ROYAL S. COPELAND,
Senate Office Building:

We respectfully solicit your support Senator BYRD'S apple export bill, H.R. 4812.

AMERICAN FRUIT GROWERS, INC.

PAYMENT TO CHIPPEWA INDIANS, MINNESOTA

The Senate proceeded to consider the bill (S. 1561) providing for payment of $100 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 7, after the word "of", to strike out "$100" and insert "$50, in two equal installments of $25 each, one as soon as practicable after the passage of this act and one on or about December 1, 1933"; and on page 2, line 9, after the word "Indians," to insert "except that not to exceed 15 percent of each installment may be deducted to apply toward individual obligations due the United States or the Red Lake Band of Chippewa Indians", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to withdraw from the Treasury so much as may be necessary of the principal timber fund on deposit to the credit of the Red Lake Band of the Chippewa Indians of the State of Minnesota and to make therefrom payment of $50, in two equal installments of $25 each, one as soon as practicable after the passage of this act and one on or about December 1, 1933, to each enrolled Chippewa Indian of the Red Lake Band of Minnesota, under such regulations as such Secretary shall prescribe. No payment shall be made under this act until the Chippewa Indians of the Red Lake Band of Minnesota shall, in such manner as such Secretary shall prescribe, have accepted such payments and ratified the provisions of this act. The money paid to the Indians under this act shall not be subject to any lien or claim of whatever nature against any of said Indians, except that not to exceed 15 percent of each installment may be deducted to apply toward individual obligations due the United States or the Red Lake Band of Chippewa Indians.

The amendments were agreed to.

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

The title was amended so as to read: "A bill providing for payment of $50 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States."

M. M. TWICHEL

The Senate proceeded to consider the bill (S. 1126) for the relief of M. M. Twichel, which had been reported from the Committee on Indian Affairs, with an amendment, on line 6, after the words "sum of", to strike out "$6,200.90" and insert "$3,433.34"; and on line 10, after the words "prior to", to strike out "December 2, 1931" and insert "May 1, 1933", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to M. M. Twichel, of St. Ignatius, Mont., out of any money in the Treasury not otherwise appropriated, the sum of $3,433.34 in full satisfaction of his claim against the United States for compensation for services rendered and expenses incurred in connection with the burial of Indians on the Flathead Indian Reservation, Mont., prior to May 1, 1933.

The amendments were agreed to.

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

PETER PIERRE

The bill (S. 512) for the relief of Peter Pierre was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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 $45 to Peter Pierre, in payment for a horse which was lost while being used to transport supplies to a forest fire on the Flathead Indian Reservation, State of Montana.

SUIT BY THE FLATHEAD, KOOTENAI, AND UPPER PEND D'OREILLE INDIANS

The Senate proceeded to consider the bill (S. 723) to amend the act of March 13, 1924 (43 Stat.L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder, which was read, as follows:

Be it enacted, etc., That the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians of Montana shall be granted a further period of 2 years from the date of this act within which to file suit in the Court of Claims under the act of March 13, 1924 (43 Stat.L. 21): *Provided*, That the limitation of attorneys' fees to $25,000 contained therein shall not apply to the Indians of the Flathead Reservation, Mont.

Mr. REED. Mr. President, I notice that the bill strikes out the limitation on attorney's fees, which is usual in such cases. I am wondering why a different course should be followed in this instance. It is notorious that the Indians have been held up by their lawyers in the absence of such a limiting clause. I move that the proviso be stricken out.

The VICE PRESIDENT. The Senator from Pennsylvania offers an amendment, which will be stated.

Mr. ROBINSON of Arkansas. Mr. President, the author of the bill, the Senator from Montana [Mr. WHEELER] is not present. Therefore I am going to ask that the bill may be passed over without prejudice, so that it may be considered a little later if he arrives in the Chamber.

The VICE PRESIDENT. Is there objection to passing over the bill without prejudice? The Chair hears none, and it is so ordered.

Mr. WHEELER subsequently said: Mr. President, my attention was distracted when Senate bill 723 was reached. I do not know who objected to it.

Mr. ROBINSON of Arkansas. I may say to the Senator from Montana that no objection was made to the bill. The Senator from Pennsylvania was about to suggest an amendment. I thought the Senator from Montana was absent, so I asked that the bill go over, without prejudice, in order that the Senator from Montana might have an opportunity to be present.

Mr. REED. Mr. President, will the Senator from Montana explain to us the reason for the proviso which leaves attorney's fees unlimited in this matter?

Mr. WHEELER. I have not any objection to limiting the attorney's fees. I may say, however, that the bill was sent down to me from the Department in its present form.

Mr. REED. Would the Senator be willing to accept an amendment to strike out the proviso beginning in line 7?

Mr. WHEELER. Yes; I am willing to do so.

Mr. REED. I move that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Pennsylvania.

The amendment was agreed to.

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

CHARLES L. GRAVES

The bill (S. 690) for the relief of Charles L. Graves was announced as next in order.

Mr. KING. Mr. President, I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. BRATTON subsequently said: Mr. President, during my temporary absence from the Chamber, Calendar No. 125, being the bill (S. 690) for the relief of Charles L. Graves, went over on objection. I ask unanimous consent to return to that bill, in order that I may make a brief explanation of it.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. BRATTON. Charles H. Graves is superintendent of the Jicarilla Indian Agency. About 2 years ago we appropriated some money with which to buy tribal sheep for those Indians. The sheep were purchased; the money was expended for the purpose authorized by the act of Congress, but the details of making the purchase and of disbursing the funds were not correct. The Secretary of the Interior, however, gives a detailed statement of the manner in which the money was expended, and he concludes with this language:

The end attained was the same, and, as a matter of fact, the method followed by Superintendent Graves resulted in considerable saving of time and effort; but it was necessary to correct his accounts.

Mr. President, inasmuch as the superintendent received not a dime of the money, that the Indians received the benefits of all of it, that his action was entirely for their benefit, and that it is merely a matter of correcting accounts, I ask that the bill may be passed.

Mr. KING. Mr. President, does the bill call for an additional appropriation?

Mr. BRATTON. It does not. The money has been expended, but the Comptroller General holds that the superintendent is liable for it. No appropriation is made or contemplated. The bill merely corrects the superintendent's accounts for money expended for the benefit of the Indians.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, directed to allow credit in the accounts of Charles L. Graves, superintendent and special disbursing agent at Jicarilla Agency, N.Mex., for payments aggregating $51,277, made from tribal funds of the Jicarilla Indians to various persons in connection with the purchase of sheep for issue to various members of the tribe, to which payments exception was taken by the General Accounting Office for the reason as claimed that there was no authority of law therefor.

FINAL PROOF BY HOMESTEAD ENTRYMEN

The bill (H.R. 5239) to extend the provisions of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen", approved May 13, 1932, to desert-land entrymen, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen", approved May 13, 1932, is amended to read as follows:

"That the Secretary of the Interior is hereby authorized to extend for not exceeding 2 years the period during which annual or final proof may be offered by any person who has a pending homestead or desert-land entry upon public lands of the United States on which at the date of this act or on any date on or prior to December 31, 1934, under existing law, annual or final proof is required, showing residence, cultivation, improvements, expenditures, or payment of purchase money, as the case may be: *Provided*, That any such entryman shall be required to show that it is a hardship upon himself to meet the requirements incidental to annual or final proof upon the date required by existing law due to adverse weather or economic conditions: *And provided further*, That this act shall apply only to cases where adequate relief is not available under existing law.

"SEC. 2. The Secretary of the Interior is authorized to make such rules and regulations as are necessary to carry out the purposes of this act."

EXCHANGE OF LANDS, FORT MOJAVE INDIAN RESERVATION

The bill (S. 1807) to provide for the exchange of Indian and privately owned lands, Fort Mojave Indian Reservation,

Ariz., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to accept, in his discretion, under rules and regulations to be prescribed by him, conveyances to the Government of privately owned lands contiguous to the even-numbered sections added to the Fort Mojave Indian Reservation, Ariz., by Executive order of February 2, 1911, and to permit lieu selections of lands approximately equal in value from the even-numbered sections by those surrendering their holdings, so that the lands retained and acquired through exchange for Indian use may be consolidated and held in a solid area so far as may be possible: *Provided*, That upon conveyance of any privately owned lands to the Government pursuant thereto, the Secretary of the Interior is hereby authorized to issue to the person or persons making the conveyance, patent of appropriate form and legal effect for the lieu lands. The areas consolidated in the Government pursuant to this act are hereby declared to be held for the benefit of the Indians of the Fort Mojave Reservation: *Provided further*, That the title or claim of any person or persons who refuse to convey to the Government shall not be affected by this act.

AMENDMENT OF PROBATION LAW

The Senate proceeded to consider the bill (H.R. 5208) to amend the probation law, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 3, after the word "paragraph", to insert "of section 2", so as to make the bill read:

Be it enacted, etc., That the first sentence of the second paragraph of section 2 of the act of March 4, 1925, entitled "An act to provide for the establishment of a probation system in the United States courts, except in the District of Columbia" (U.S.C., title 18, sec. 725), be, and the same is hereby, amended to read as follows: "At any time within the probation period the probation officer may arrest the probationer wherever found, without a warrant, or the court which has granted the probation may issue a warrant for his arrest, which warrant may be executed by either the probation officer or the United States marshal of either the district in which the probationer was put upon probation or of any district in which the probationer shall be found and, if the probationer shall be so arrested in a district other than that in which he has been put upon probation, any of said officers may return probationer to the district out of which such warrant shall have been issued."

Mr. ROBINSON of Arkansas. Mr. President, I should like a statement with reference to the bill, its provisions, and purposes.

Mr. HEBERT. Mr. President, the bill modifies the probation law and provides that where a probationer violates his parole he may be arrested within the district while he is on parole by the probation officer and brought back before the court. If, however, he happens to be in another district, then the court out of which the probation issued may make its warrant directed to the probation officer and authorize the probation officer to arrest him wherever he may be. The law is not altogether clear upon that point. The bill was suggested by the Department of Justice to clarify the provisions of the law.

Mr. ROBINSON of Arkansas. Very well. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PRINTING OF CONSTITUTION AND DECLARATION OF INDEPENDENCE

The concurrent resolution (S.Con.Res. 2) providing for the printing, with an index, of the Constitution of the United States, as amended to April 1, 1933, together with the Declaration of Independence, was considered and agreed to, as follows:

Resolved, etc., That the Constitution of the United States, as amended to April 1, 1933, together with the Declaration of Independence, be printed as a Senate document, with an index, in such form and style as may be directed by the Joint Committee on Printing, and that 3,500 additional copies be printed, of which 1,000 copies shall be for the use of the Senate and 2,500 copies for the use of the House of Representatives.

BILL PASSED OVER

The bill (H.R. 5755) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes, was announced as next in order.

Mr. McNARY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

DEFERRED PAYMENTS ON HOMESTEAD ENTRIES

The bill (S. 1774) to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time within which a homestead entryman for lands in the abandoned Fort Lowell Military Reservation, in the State of Arizona, shall make deferred payments be, and it is hereby, extended for a period of 2 years from the 1933 anniversary of the date of the acceptance of his proof tendered on his entry.

UMPQUA RIVER BRIDGE, OREGON

The bill (S. 1745) granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across the Umpqua River at or near Reedsport, Douglas County, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Oregon to construct, maintain, and operate a bridge and approaches thereto across the Umpqua River, at a point suitable to the interests of navigation, at or near Reedsport, Douglas County, Oreg., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 15 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

YAQUINA BAY BRIDGE, OREGON

The bill (S. 1746) granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across Yaquina Bay at or near Newport, Lincoln County, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Oregon to construct, maintain, and operate a bridge and approaches thereto across Yaquina Bay, at a point suitable to the interests of navigation, at or near Newport, Lincoln County, Oreg., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 15 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

ALSEA BAY TOLL BRIDGE, OREGON

The bill (S. 1747) granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across Alsea Bay at or near Waldport, Lincoln County, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Oregon to construct, maintain, and operate a bridge and approaches thereto across Alsea Bay, at a point suitable to the interests of navigation, at or near Waldport, Lincoln County, Oreg., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 15 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

COOS BAY BRIDGE, OREGON

The bill (S. 1748) granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across Coos Bay at or near North Bend, Coos County, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Oregon to construct, maintain, and operate a bridge and approaches thereto across Coos Bay, at a point suitable to the interests of navigation, at or near North Bend, Coos County, Oreg., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 15 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

SIUSLAW RIVER TOLL BRIDGE, OREGON

The bill (S. 1749) granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across the Siuslaw River at or near Florence, Lane County, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Oregon to construct, maintain, and operate a bridge and approaches thereto across the Siuslaw River, at a point suitable to the interests of navigation, at or near Florence, Lane County, Oreg., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges but within a period of not to exceed 15 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

DECEPTION PASS BRIDGE, WASHINGTON

The Senate proceeded to consider the bill (S. 1742) granting consent of Congress to Ernest N. Hutchinson, Otto A. Case, and A. C. Martin to construct, maintain, and operate a bridge across Deception Pass between Whidby Island and Fidalgo Island in the State of Washington, which had been reported from the Committee on Commerce with amendments.

The amendments were, on page 2, line 6, to strike out "the construction of such bridge shall not be commenced nor shall any alterations of such bridge be made either before or after its completion until the plans and specifications for such construction or alterations have been first submitted to and approved by the Secretary of War and he", and to insert "the Secretary of Agriculture"; on page 2, line 15, to strike out "and whether the height and clearance of such bridge are adequate to protect the commerce on and through said Deception Pass, and whether the location selected is feasible for the erection of such bridge without obstructions in navigation, and without being detrimental to the development of interstate and foreign commerce as well as domestic commerce moving to and from the Pacific Ocean through Deception Pass to the waters of the Puget Sound territory of the State of Washington"; on page 5, line 3, after the word "approaches", to strike out "to pay an adequate return on the cost thereof"; and on page 5, line 6, to strike out "forty", and insert "twenty-five", so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to Ernest N. Hutchinson, Otto A. Case, and A. C. Martin, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge and approaches thereto across Deception Pass at a point suitable to the interests of navigation between a point on the north end of Whidby Island in the county of Island, in the State of Washington, and a point on Fidalgo Island on the north side of said Deception Pass, in the county of Skagit, in the State of Washington, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act. The Secretary of Agriculture shall determine whether the types, designs, and specifications thereof are adequate, based upon the proposed use, volume, and weight of traffic passing over such bridge, and whether public convenience will be served by such bridge as a connecting link between the Federal aid highway systems of the State of Washington. The said Secretary is empowered and, if requested to do so, is directed to hold public hearings for the full and complete determination of said precedent requirements.

SEC. 2. The said Ernest N. Hutchinson, Otto A. Case, and A. C. Martin, their heirs, legal representatives, and assigns, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in such act of March 23, 1906.

SEC. 3. After the date of completion of such bridge, as determined by the Secretary of War, the State of Washington, any political subdivision thereof, within or adjoining which such bridge is located, or any two or more of them jointly, may at any time acquire and take over all rights, title, and interest in such bridge and approaches, and interests in real property necessary therefor, by purchase or by condemnation in accordance with the law of the State of Washington governing the acquisition of private property for public purposes by condemnation. If at any time after the expiration of 20 years after the completion of such bridge it is acquired by condemnation, the amount of damages or compensation to be allowed shall not include goodwill, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and approaches, less a reasonable deduction for actual depreciation in respect of such bridge and approaches; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs (not to exceed 10 percent of the sum of the cost of construction of such bridge and approaches and the acquisition of such interests in real property); and (4) actual expenditures for necessary improvements.

SEC. 4. There is hereby conferred upon the said Ernest N. Hutchinson, Otto A. Case, and A. C. Martin, their heirs, legal representatives, and assigns, all such rights and powers to enter upon lands and to acquire, condemn, appropriate, occupy, possess, and use real estate and other property needed for the location, construction, operation, or maintenance of such bridge, approaches, and terminals as are possessed by bridge corporations for bridge purposes in the State of Washington, upon making proper compensation therefor, to be ascertained according to the laws of the State of Washington and the proceedings thereof may be the same as in the condemnation and expropriation of property in said State.

SEC. 5. If such bridge shall be taken over and acquired by the State of Washington or political subdivisions thereof under the provisions of section 3 of this act, the same may thereafter be operated as a toll bridge; in fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide, as far as possible, a sufficient fund to pay for the cost of maintaining, repairing, and operating the bridge and its approaches, and to provide a sinking fund sufficient to amortize the cost thereof within a period of not to exceed 25 years from the date of acquiring the same. After a sinking fund sufficient to pay the cost of acquiring such bridge and its approaches shall have been provided, the bridge thereafter shall be maintained and operated free of tolls, or the rates of toll shall be so adjusted as to provide a fund not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches.

SEC. 6. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said Ernest E. Hutchinson, Otto A. Case, and A. C. Martin, their heirs, legal representatives, and assigns, and any corporation to which such rights, powers, and privileges may be sold, assigned, or transferred, or which shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation.

SEC. 7. The said Ernest N. Hutchinson, Otto A. Case, and A. C. Martin, their heirs, legal representatives, and assigns, shall, within 90 days after the completion of such bridge, file with the Secretary of War a sworn itemized statement showing the actual original cost of constructing such bridge and approaches, including the actual cost of acquiring interests in real property and actual financing and promotion costs. Within 3 years after the completion of such bridge the Secretary of War shall investigate the actual cost of such bridge, and for such purpose the said Ernest N. Hutchinson, Otto A. Case, and A. C. Martin, their heirs, legal representatives, and assigns, shall make available to the Secretary of War all of their records in connection with the financing and construction thereof. The findings of the Secretary of War as to such actual original costs shall be conclusive.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

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

BILLS PASSED OVER

The bill (H.R. 5790) to provide for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to provide a market for obligations of the United States, and for other purposes, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards, was announced as next in order.

Mr. REED. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

HOUSING CONDITIONS IN DISTRICT OF COLUMBIA

The Senate proceeded to consider the resolution (S.Res. 86) directing the Public Utilities Commission of the District of Columbia to investigate facts pertaining to housing in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, in line 4, after the word "Columbia", to insert "and to receive and adjust complaints in relation thereto", so as to make the resolution read:

Resolved, That the Public Utilities Commission of the District of Columbia is hereby directed and empowered to investigate all facts relating to the cost and character of housing in rented premises in the District of Columbia and to receive and adjust complaints in relation thereto; be it further

Resolved, That for the purpose of executing this direction the said Commission may call witnesses and subpena records and accounts in the same manner as provided for the performance of the duties of the said Commission with respect to public utilities; and be it further

Resolved, That the said public utilities commission shall prepare a full and comprehensive report of the matters investigated under the terms of this resolution and shall transmit the same to the President of the Senate of the United States on or before January 30, 1934.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ONE HUNDREDTH ANNIVERSARY OF INDEPENDENCE OF TEXAS

The bill (S. 1808) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary in 1936 of the independence of Texas, and of the noble and heroic sacrifices of her pioneers, whose revered memory has been an inspiration to her sons and daughters during the past century, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in commemoration of the one hundredth anniversary in 1936 of the independence of Texas and of the noble and heroic sacrifices of her pioneers, whose memory has been an inspiration to her sons and daughters during the past century, there shall be coined at the mints of the United States silver 50-cent pieces to the number of not more than one and one-half million, such 50-cent pieces to be of the standard troy weight, composition, diameter, device, and design as shall be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, which said 50-cent pieces shall be legal tender in any payment to the amount of their face value.

SEC. 2. That the coins herein authorized shall be issued only upon the request of the American Legion Texas Centennial Committee, of Austin, Tex., upon payment by such American Legion Texas Centennial Committee of the par value of such coins, and it shall be permissible for the said American Legion Texas Centennial Committee to obtain said coins upon said payment, all at one time or at separate times, and in separate amounts, as it may determine.

SEC. 3. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating the guarding and process of coinage, providing for the purchase of material, and for the transportation, disposition, and redemption of coins, for the prevention of debasement or counterfeiting, for security of the coins, or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized: *Provided*, That the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

The VICE PRESIDENT. That completes the calendar.

REDUCTION OF DEBTS, INTEREST, AND TAXATION

Mr. NYE. Mr. President, I ask unanimous consent that there may be printed in the RECORD addresses delivered at a conference on debt and interest reduction and taxation under the auspices of the People's Lobby, held in the Cosmos Club, Washington, D.C., May 20, 1933. These addresses were made by prominent individuals interested in the subject.

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

DEBT AND INTEREST REDUCTION AND TAXATION

(Statement by Dr. Harry W. Laidler, chairman of the board of the National Bureau of Economic Research, presiding at debt and taxation conference, Cosmos Club, Washington, Saturday morning, May 20)

During the last few years the American people have awakened as perhaps never before to the realization of the tremendous burden of debt under which they are struggling. Most estimates place this debt, public and private, at more than 150 billion dollars. The mortgage debt on the farm alone has been estimated at about $8,500,000,000. This debt bore down heavily upon the farmers and workers during the booming days of so-called "prosperity." Its weight is becoming intolerable in these days of tragic depression, of starvation prices for farm products, of low wages, and of no wages at all for millions of Americans. The gross income from farm production in 1932 was estimated at only $5,143,000,000, a decrease of 57 percent from the high level of $11,918,000,000 in 1929.

While the income of farmers and home owners has, in many instances, approached a vanishing point, the interest on their mortgages has remained the same in tens of thousands of cases. The interest payable in 1932 on the farms was $612,000,000, a reduction of only about one eighth from 1929, while the tax reduction amounted to only about 20 percent. Average weekly wages in manufacturing industries from 1929 to 1932 decreased by over 40 percent. The sacrifice involved in paying mortgage charges in general is from two to three times as great as in the days before the Wall Street crash. In thousands of instances, despite all efforts to meet debt payments, homes and farms have been foreclosed and the former owners are now penniless.

Through this painful process, many private debts have been wiped out. In the last 3 years billions in debts have been likewise canceled by bank failures; two billions by domestic bond defaults; another billion by foreign bond default; and at least two billion by commercial failures. All of these cancelations have been without plan or purpose and have been attended by great suffering.

Why not carry forward the process of writing down debts in a deliberate and selective manner? Many students are now urging that this be done. In the case of Government bonds, which aggregate in city, State, and national about $33,000,000,000, they are proposing that certain callable issues be refunded.

In the case of farm and home mortgages, they are going far beyond the present Government program in urging reductions on interest and principal. Many are proposing a moratorium lasting for several years.

Vitally connected with the burden of debt is the problem of taxation.

During these days we must raise great sums of money not only for the ordinary expenses of government but for direct relief and for public works. What shall be done about this problem? Economy leagues throughout the country are demanding that the situation be met by cutting down ordinary public expenditures to the very marrow. Educational, recreational, health, and sanitation, and other vitally important social services have already been ruthlessly slashed.

Some urge inflation as the way out, others the imposition of sales taxes. A final school, the People's Lobby among them, has vigorously opposed sales taxes on the ground that it is a tax on each successive sale, and that it not only falls heaviest on the poor but that its cumulative effect can be made almost intolerable for those having small incomes. We are of the belief that the Nation should impose higher income and inheritance taxes on those best able to bear them and should make it impossible to dodge these taxes by the subterfuges resorted to by some of our millionaires of yesterday or today. Such taxes are just. They would aid in a healthy redistribution of wealth and income and would put purchasing power in the hands of those who would use it immediately.

Increasingly men and women everywhere are realizing that one of the great causes back of the present depression has been the great and unjust inequality of wealth and income in this country. The latest study of the National Bureau of Economic Research on economic tendencies in the United States indicates that in the period 1922–29 wages of factory workers increased at the rate of only 1.4 percent per year. We increased the amount turned into new capital equipment by 6.5 percent per year. Profits of industrial concerns advanced during the same period at 7.3 percent per year, while financial profits jumped at the rate of over 16 percent per year. Thus profits and productive machinery leaped forward at a speed far greater than did wages, while the purchasing power of the farmers during that period was, indeed, at low ebb. Farmers and wage earners as the years advanced thus became increasingly unable to buy the goods that could be produced with such lightning rapidity by our mass industries. If we had put far more of the products of industry into wages, salaries, and other real income for the city and farming population—including social services provided by the Government out of taxation—and less of the national income into profits and new machines and factories, the large masses of our people would have been far more able to buy the goods which our industries could produce, and much of the present suffering would have been averted.

A few months ago the Business Week published a significant series of articles. These articles told us where our market was for our agricultural and manufacturing turn-over. It showed that those who obtained incomes of less than $3,000 per year purchased over 67 percent, over two thirds, of the total goods and services consumed. Those receiving less than $5,000 purchased 78 percent of the total, while all groups above the $25,000 class together account for a bare 8 percent. The need for such a redistribution of income as would give adequate purchasing power to the masses is thus clearly demonstrated.

A more drastic program of taxation reaching the higher income levels would not only bring to the Government large sums of money even during the present crisis but would aid materially in striking the needed balance between production and consumption. An increasing number of students are urging such taxation and likewise insisting on the taxation of income from tax-exempt securities and corporation surpluses.

A few weeks ago the People's Lobby, through its president, John Dewey, and its secretary, Benjamin C. Marsh, wrote a number of economists asking their opinion on certain points regarding the writing down of debts and interest rates. It asked (among other things, whether Congress should declare that a national emergency existed and enact legislation authorizing debtors to reduce the face of their indebtedness and the interest rate thereon.

Many well-known economists sent in significant replies to this questionnaire. A number of the economists who contributed most notably to this or other symposia on the problem of debts and taxation are here today at the spring conference of the People's Lobby, opened this morning at the famous Cosmos Club of Washington, D.C. The subject of the conference is "Taxation and debt and interest reduction."

I take pleasure in introducing as the first speaker of the morning, Dr. Rufus Tucker, economist, former member of the economics faculty of Harvard and the University of Michigan and a former member of the staff of the Commerce and Treasury Departments. Dr. Tucker will speak on the important question, "How to reduce debts and interest rates."

HOW TO RELIEVE DEBTORS WITHOUT INFLATION

(Statement by Dr. Rufus S. Tucker, economist, formerly in the Treasury and Commerce Departments, May 29, 1933)

The most distressing and dangerous aspect of the present situation is the burden of debt, especially that part of it that rests on private individuals. Of these debts the most conspicuous are farm and home mortgages.

The mortgage-relief provisions embodied in recent legislation are inadequate for the reason that they contemplate refunding existing mortgages at fairly high rates of interest. Consequently they give no relief to debtors unless the principal of the mortgage is drastically reduced; and if that were done, the loss to the creditor would be so great that he will be compelled to refuse to make the exchange and to insist on his full legal rights. It is especially true of trustees, and of banks and insurance companies that are in a position where taking losses on their books is impossible if they wish to continue in business. Consequently it is essential to devise a means whereby interest can be reduced considerably while the principal is left intact or nearly so.

If the principal of farm and home mortgages was reasonable in relation to the value of the property when the loan was made, it would be possible to relieve both debtor and creditor without loss to the Government by offering in exchange bonds yielding 2 percent, maturing in 15 years, with Government guaranty of both interest and principal. Trustees, banks, and especially insurance companies can carry such bonds on their books at par, in spite of the fact that their present market value would be only about 78 percent. Such bonds would never come on to the market in great quantities, since their sale would involve asknowledging a loss; they would be adequately secured, both as to current charges and ultimate repayment; and for these reasons would not injure the Government's credit or involve a net drain on the Budget. If the administration is unwilling to guarantee the principal for fear that the bonds would then be regarded as an addition to the Government debt, nearly the same advantage could be obtained by providing that the bonds shall be acceptable at their face value in payment of estate taxes, war debts, and all other payments to the Government for which Liberty bonds are now acceptable at par; also that any of the mortgages taken over may be paid off at any time by tender of these bonds at par. These privileges would cause the market price of the bonds to remain fairly high and ultimately to reach par even without a specific guaranty of principal.

The valuation of property for the purpose of converting mortgages into the new bonds could be as high as 50 percent of the 1929 value in most cases without involving any loss to the Government, provided that accrued taxes are paid to the taxing authority and deducted from the amount paid to the mortgagee. By this means it would be possible to cut the debtors' interest payments in half and give them ample time in which to pay the principal, without doing any injustice to the creditors. Such relief would do more to restore the confidence and the purchasing power of our people than any other proposal that has been made, for nobody would lose anything by it—not even "Uncle Sam"—and several million would gain.

WHY DEBTS AND INTEREST RATES MUST BE REDUCED

(Speech at conference on debts and interest and taxation at Cosmos Club, Washington, Saturday morning, May 20, by Dr. Max Winkler, of New York City, investment expert, economic adviser for the Senate committee investigating banking)

Developments within recent years bear adequate testimony to the accuracy of the statement made by Wendell Phillips that "debt is the fatal disease of republics, the first thing and the mightiest to undermine government and corrupt the people."

Two hundred and fifty thousand million dollars ($250,000,000,000) is the estimated total debt of the world. It is equivalent to more than $125 for each man, woman, and child living, regardless of color or creed. It comprises external and internal obligations of governments and political subdivisions, but does not include outstanding obligations of corporations or debts of individuals.

Since the wealth of nations is estimated at about $750,000,000,000, the ratio of wealth to debt is about 3 to 1; that is, there are $3 of assets for every $1 of liabilities.

If it were possible to realize on all the assets belonging to the nations of the world, on the basis of which these assets are carried on balance sheets, one third might suffice to take care of the existing commitments of nations. The remaining two thirds would then barely suffice to take care of all private engagements.

With the bulk of the wealth, however, in the form of fixed and often frozen assets, it is apparent that under existing conditions the extent of the outstanding debt—public as well as private—is far beyond the capacity of debtors to meet. Many have already followed the line of least resistance. Standstill, moratorium, default, repudiation, and similar measures have been resorted to by many nations, political subdivisions, and private debtors as well.

Figures relative to existing governmental defaults are startling. The principal amount of bonds on which payments have been sus-

pended is estimated at $21,000,000,000. Interest in arrears aggregates well over 2½ billions. Moreover, back interest is accruing at the rate of substantially more than a billion dollars a year, or more than $2,000 a minute.

These undreamed-of sums will never be repaid. They can never be repaid. They have been incurred by men, supposedly charged with guiding the destinies of peoples; men who were often inclined to sacrifice the future for the present; over whose financial operations no protecting deity was holding guard; and to whose constant borrowing there was no official check.

Although it cannot be denied that by far the greater part of existing indebtedness of nations had its origin in war, and although it is equally true that had it not been for past wars, and were it not for fear of future wars, the natural income of nations might be sufficient to pay off all indebtedness contracted for industrial and commercial expansion, the fact remains that a debt—regardless of origin—is still a debt, and has the same general effect of restricting the financial freedom of nations.

It is also worth bearing in mind that most of the debt, both public and private, was contracted at a time when prices were abnormally high. To give a few concrete examples: Bolivia borrowed, or was permitted or even encouraged to borrow, when tin—the country's principal stand-by—was quoted markedly in excess of current levels. A dollar borrowed at a time when tin was quoted at 63 becomes more than $3 with tin at 20.

If Cuba secured a dollar when sugar was quoted at 18½, she owes $18 with sugar selling at 1 cent a pound. Argentina owes $4 with wheat at 70 cents for every dollar contracted when wheat was selling for almost $3.

The farmer in Iowa owes more than $4.50, with corn selling at 45, for every dollar obtained when corn was quoted at about $2. The Kansas wheat farmer owes $4.50 or $5, as much as he actually received on the basis of present quotations for wheat, compared with prices prevailing at the time he obtained his accommodations; and the Mississippi cotton planter owes about $5, with cotton at 8 cents, for every dollar he borrowed when cotton sold for more than 40 cents.

Shall we tell creditors to wait for payment according to original agreements until prices return to the levels prevailing at the time debts were contracted? Or, shall we, adopting the methods of medieval princes, debase our currency to the extent to which prices have fallen and redeem in this manner a commitment at a lower value than we originally agreed to pay?

In other words, shall we satisfy the debtor—that is, one part of our public—at the expense of and discrimination against the creditor, another perhaps equally deserving part of our people?

Or, shall we permit our money to fluctuate in accordance with the ups and downs of world prices and adopt what is ordinarily called in the classroom and in the lecture hall a "managed" currency?

As a creditor nation, we have assumed grave responsibilities. It is incumbent upon us to honor the inviolability of contracts. If we repudiate obligations, in whole or in part, how can we approach our debtors, expecting them to meet in full payments due us?

The existence of an emergency cannot be denied. The credit position of the United States Government must remain unimpaired. The recent decision to pay in depreciated dollars, contrary to provisions in loan agreements, should be changed forthwith.

As to political subdivisions and all other categories of debtors within the United States, relief is imperative. To provide this, I submit the following concrete suggestions:

Let there be created without delay a debt revaluation board, charged with effecting adjustments of existing obligations on the basis of a careful examination of the capacity of every debtor or group of debtors.

The principal amount of debts at present outstanding should remain undisturbed. Amortization should be suspended for a period of from 3 to 5 years. Interest during this period should be adjusted according to capacity, payments to vary from 25 percent of the present rate of interest to the full rate, which is in no case to exceed 6 percent per annum. For the difference, let there be issued beneficiary certificates, which shall bear no interest, but which will be redeemed at par, beginning after the expiration of the emergency period.

Obligations falling due within this period of from 3 to 5 years should be repaid in a similar manner—that is, cash payments should vary from 25 to 100 percent of the amount due; but in this case beneficiary certificates issued for the difference shall bear interest at the original rate, the interest on such certificates to be payable in full.

Adjustment shall be made only upon the request to the debt revaluation board by the debtors or the creditors, and the decisions of the board shall be binding.

Unless some such measures are adopted in the very near future, it is doubted whether American debtors will be able to continue to meet existing commitments. Default is bound to affect most seriously not only the position of the respective debtors in the United States, but the credit standing of the entire Nation as well. This must be avoided.

TAXATION VERSUS BONDS

(Radio talk at taxation conference, Cosmos Club, Washington, Saturday morning, May 20, by Lawrence Dennis, author of Is Capitalism Doomed?)

Shall the Government meet all its expenditures by taxation, or shall it cover part of its outlay by borrowing? If the Government should borrow, then to what extent should it do so? This question has been a recurrent problem of government ever since spending, taxing, and borrowing have been acts of government. The question is especially acute in America today for the following reasons:

1. It appears that increased spending is needed to get us out of the depression; that private individuals who have money they could spend or invest will not spend or invest it fast enough; and that, consequently, Government must effect the necessary increase in total spending.

2. It is evident that revenues from taxation are steadily diminishing in measure as the bases of tax levies are shrinking in the course of the depression. Tax laws are inadequate at present.

3. It is probable that large-scale borrowing by the Federal, State, or local governments through the sale of bonds would be extremely difficult if not impossible.

Now, if Government can neither tax nor borrow enough, as many people argue, and if an adequate amount of spending cannot be brought about through private action, we must as a people resign ourselves to the abandonment of our existing standard of living and to the horrors of a deepening depression. I reject that conclusion and argue that whatever amount of spending or consumption may be necessary for the survival and welfare of the race can and must be effected by the State.

Taking this view, I plead for taxation to the exclusion of loans for the following reasons:

First. The entire resources of the Nation are in the last analysis at the command of the taxing power of the State. To say that the people won't stand for enough taxation to accomplish the ends sought is to say that the people do not desire these ends.

Second. The taking of purchasing power by means of taxation instead of loans avoids the subsequent evils of interest charges borne by the masses. The chief effect of interest on the public debt is that of obliging the masses to transfer to a small number of leaders a part of the national income. Most of our present debt difficulties are due to this interest factor.

Third. Loans are not a permanent substitute for taxation. They can only replace taxation for a short time, as loans must be repaid. Loans are only justified as temporary expedients for financing. Some people treat the need for increased Government expenditure as a temporary need. This view is erroneous. It has always been taken in respect of public borrowing and always been wrong. The reason is that Government expenditures must necessarily be recurrent and of increasing amount, except possibly for the excessive expenditures of abnormal periods, like war. In the present situation the objects of a desirable increase in public spending, such as better housing, municipal beautification, additional social services, are all objects of expenditure which should absorb public funds for an indefinite future period. To start a program for social spending by the State on the assumption it is to be temporary would be foolish and harmful. The total amount of Government expenditure must be maintained fairly stable and progressively expanded. Therefore a long-range plan of increased public spending should be started and continued right along—on a pay-as-you-go basis. For only on such a basis can the plan be conducted successfully over a long period.

HOW THE GOVERNMENT CAN OBTAIN REVENUE

(Speech at conference on debt and interest reduction and taxation, Cosmos Club, Washington, Saturday morning, May 20, by Dr. Joseph McGoldrick, professor of public law, Columbia University)

The immediate demand for the inclusion of a tax program in the industrial recovery bill springs from a desire to protect public credit and put a brake upon inflation. This is both wise and prudent, but in devising a tax program we must be careful not to put a check upon recovery itself. We have been suffering for some considerable time in the United States from an uneven distribution of national income. Before 1929 the effect of this was to cause too much money to be set aside for investment. The converse of this was that we had too little for national purchasing power. On the one hand we were putting money into factories, mills, and office buildings; and on the other hand we had an insufficient purchasing power to consume the goods which these factories and mills could turn out. It is not clear that we have had any overproduction in an absolute sense. But we have had overproduction in the sense that we have been able to produce more things than our people have had money to buy. An absolute overproduction in shoes would mean that we were producing more shoes than our people could wear. Instead we have been able to produce more shoes than people could buy. If our standard were two cars in every garage, we had not reached, even in 1929, an overproduction in automobiles. But with purchasing power dwindling we have had more cars produced than the national income could absorb.

I prefer to approach this problem not from the standpoint of morals or justice but from the standpoint of ordinary business sense. Our great fortunes differ from the great wealth of earlier civilizations. They are not in palaces and chateaus, but in industry and commerce. The value of an automobile factory, or the shares of stock that represent it, lies not in the machinery and equipment of that factory, but in the purchasing power of its prospective customers. Unless these customers are able to buy the stock cars which it can produce, the value of the factory and of the stock evaporates.

Our difficulty since 1929 has been a progressive shrinking of national spending power. It began with the cessation of invest-

ment in heavy industry. This meant the lay-off of the workers in those industries and the cancelation of their purchasing power. But they, after all, were the customers of still other industries, which now were forced to contract. As they laid off employees, a new layer of national purchasing power vanished. With this purchasing power gone, still other manufacturers were forced to retrench. That has been the story from midsummer of 1929 to this day. We have had an unbroken spiral of falling wages, business curtailment, bringing with them still further wage reductions and still further business curtailment.

The problem even before 1929 was the twofold one of too much national income going into capital investment and too little into purchasing power, that would alone sustain national investment. This is a problem not only of the workingman but of the farmer as well, whose best customer is that numerous class of American wage earner. It is the problem of the industrialist and man of wealth as well, for unless his customers can buy his goods his business and his wealth are destroyed. This is coming to be accepted as a fairly satisfactory explanation of our economic difficulties. President Roosevelt himself has indicated his awareness of it. In his valuable little book published on the very eve of his taking office he declared, and here I quote:

"In the years before 1929 we knew that this country had completed a vast cycle of building and inflation; for 10 years we expended on the theory of repairing the wastes of the war, but actually expended far beyond that, and also far beyond our natural and normal growth. During that time the cold figures of finance prove there was little or no drop in the prices the consumer had to pay, although those same figures prove that the cost of production fell very greatly; corporate profit resulting from this period was enormous; at the same time little of the profit was devoted to the reduction of prices. The consumer was forgotten. Little went into increased wages; the worker was forgotten, and by no means an adequate proportion was paid out in dividends—the stockholder was forgotten.

"Incidentally, very little was taken by taxation to the beneficent Government of those days.

"What was the result? Enormous corporate surpluses piled up, the most stupendous in history. These surpluses went chiefly in two directions: First, into new and unnecessary plants which now stand stark and idle; second, into the call-money market of Wall Street, either directly by the corporations or indirectly through the banks.

"Then", Mr. Roosevelt adds, "came the crash. Surpluses invested in unnecessary plants became idle. Men lost their jobs, purchasing power dried up, banks became frightened and started calling loans. Those who had money were afraid to part with it. Credit contracted, industry stopped, commerce declined, and unemployment mounted."

That is Mr. Roosevelt's graphic picture of what has been happening in the United States. Our problem is not an easy one, but we could hardly hope to solve it without first knowing what it is. It may be that there are several ways of redressing the balance in our economic system. But certainly as things are now set up it is very difficult to check overinvestment or to stimulate the rise of wages.

One thing we can and should do is to resolve now that our taxing policy hereafter will be predicated upon a transfer of taxes from consumption to surplus. Consumption taxation has the advantage of being comparatively simple and comparatively painless. Painlessness, however, is hardly a virtue in taxation. It is right and proper that people should know that they are paying taxes and why they are paying them. The disadvantages of consumption taxes far outweigh the advantages claimed for it. Consumption taxation is widely recognized as being inequitable. It runs absolutely counter to the theory of ability to pay. The poor man's expenditures for food, clothing, and necessities take up practically the whole of his income. Among the well to do, this is not the case. Their expenditures for consumable goods are not in proportion to their incomes. A family with $1,500 income must spend practically all of this for rent, food, and clothing. A 2 percent general sales tax would probably cost such a family $20 to $25 a year. A man with $1,000,000 income would spend a comparatively small fraction of this for consumable goods, so that his contribution to a general sales tax would be an almost infinitesimal fraction of his income.

It is urged that since the well-to-do contribute through income and estate taxes, it is only fair that the poor should contribute their share of the cost of government. This overlooks two very important factors. The first is that we are already drawing a very disproportionate amount of the taxes which support State and local government from the general property tax which falls very heavily upon the farmer and the city dweller of small means. The second is that we already have a group of important Federal consumption taxes, particularly those on tobacco, gasoline, and the latest impost upon beer. The contributions of all these taxes by the average man are altogether out of proportion to his income.

Or, it is urged, that the sales tax be adopted as an emergency expedient. Some even propose that it be sweetened with some sugary name like reemployment or recovery tax to indicate its special and temporary nature. The sales tax is no tax to set up as a temporary expedient. It will involve the examination and audit of the books of every sizeable manufacturing and commercial establishment in the United States. It is hardly conceivable that such a task could be undertaken by less than 10,000 examiners and accountants. And there is not a doubt that most of those who are advocating it, consciously or subconsciously, hope that it will become a permanent part of our national tax structure or that it may even ultimately supplant the income tax in our Federal fiscal policy.

The greatest opposition to the sales tax is that it points in the wrong direction. It would involve a curtailment of national purchasing power at the very time when all stress ought to be laid upon the increase of purchasing power. To this extent it would be a brake upon recovery.

The natural alternative to the sales tax and other forms of consumption taxes is taxes upon that portion of national income which is not spent for consumable goods. When Mr. Mellon was Secretary of the Treasury he urged the reduction of the high income-tax levies in order to release wealth for investment in industrial and commercial expansion. His ideas prevailed, and he was hailed among business men of the time as the greatest secretary of the Treasury since Alexander Hamilton.

The overexpansion of industrial capacity that characterized the boom era followed the acceptance of his counsels. He pointed out the wrong road. We must now choose the other. We must tax the surplus which our industry produced, for the good not only of the Nation, but of industry itself. For some time to come, one of our most important problems will be that of absorbing the productive capacity that that boom era bequeathed to us. We cannot permit unwise investment to destroy the value of existing sound investment. The factories and mills, the office buildings and apartment houses, the theaters and motion-picture establishments that we now have must be protected from the inrush of new capital that a sudden return of the boom spirit would almost certainly bring. Lest the devil find mischief for idle income, we must tax it to keep it and us out of trouble.

There are various forms which this tax on surplus income might take. The basis of all should be a return to at least the income-tax levels that prevailed during the war period. We ought never to have abandoned them, until the debt which the World War left behind, had been extinguished. It may well be that at the present moment this tax would not yield as much as our National Budget would require, but we must not forget that we are now instituting momentous measures for recovery. If the income tax needs to be supplemented, the two most promising additions to it would be a tax upon corporate surpluses, and a tax upon the income from public bond issues which now enjoy tax exemption. Our corporate surpluses are still exceedingly large. It is estimated that even with the unearned dividends that have been paid out of them since 1929, there is still $50,000,000,000 or more in corporate surpluses. With this should go a program for taxing the income from tax-exempt bonds. The whole notion of tax exemption is grounded upon some highly attenuated legal reasoning. We should certainly take steps to see that tax exemption is not extended, and there is plenty of reason to believe that it is within the power of Congress to reach it now. We can never hope to have an intelligent or equitable system of taxation in the United States as long as we tolerate this form of tax privilege.

The important thing to remember at this point is that the present administration has set itself to bring the depression to an end and to erect, if possible, machinery that will prevent its recurrence. The tax program must be made an integral part of this recovery. We are no longer dealing with the patchwork and makeshift of last year. Our tax program must abandon depression taxes for a tax suited to prosperity.

CONGRESS MUST REVISE REVENUE ACT NOW

(Radio speech of Benjamin C. Marsh, executive secretary, the People's Lobby, at conference, Cosmos Club, Washington, Saturday morning, May 20)

The campaign to substitute the sales tax for income and estate taxes is on.

The "opening wedge" is a sales tax to amortize the proposed $3,300,000,000 public-works program at the rate of $220,000,000 a year. In 10 years that would amount to $2,200,000,000.

The Government is losing at least $2,100,000,000 in taxes this year, as follows:

Corporations are withholding dividends to save wealthy stockholders from surtaxes. Corporations have liquid assets of over $8,000,000,000, which should be taxed $1,000,000,000 this year.

Capital-loss deductions are costing the Government at least $200,000,000 this year.

Failure to tax income from Government bonds is costing the Government at least $150,000,000 this year.

Failure to tax incomes adequately is costing the Government at least $700,000,000 this year.

Evasion of taxes through partnerships is costing the Government at least $100,000,000 this year.

At least $500,000,000 of consumption taxes, largely paid by the poor, should be repealed.

Write the President, both your United States Senators, and your Member of the House of Representatives to defeat the sales tax, repeal present Federal consumption taxes, and tax accumulated wealth and concentrated income, as we suggest.

NATIONAL INDUSTRIAL RECOVERY

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of H.R. 5755, the national industrial recovery bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 5755) to encourage national industrial recovery, to foster fair competition, and to provide for

the construction of certain useful public works, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. HARRISON. Mr. President, I merely desire to make the brief statement that no man has had more to do with the formulation of this legislation and the drafting of it from its initiation down to this moment than the junior Senator from New York [Mr. WAGNER]. Therefore I am going to yield to that Senator in order that he may explain the provisions touching industrial recovery as well as public works.

Mr. WAGNER. Mr. President, at the risk of being tedious, I purpose to explain the provisions of the pending bill and the policy behind it, as well as to clear up any doubts in the minds of those who may have them as to whether under the Constitution we are empowered to enact such legislation.

Mr. President, the national industrial recovery bill is an employment measure. Its single objective is to speed the restoration of normal conditions of employment at wage scales sufficient to provide a comfort and decency level of living.

THE ECONOMIC EMERGENCY AND THE NEED FOR ACTION

I want to say at the very beginning that the economic emergency is not over; it is upon us in fullest force. According to the latest publication of the Bureau of Labor Statistics, the index of employment in manufacturing industries, which was 100 in 1926, declined to 97.5 in 1929, to 84.7 in 1930, to 72.2 in 1931, to 60.1 in 1932, and to 56.4 during the first quarter of 1933. It is equally significant that, on a monthly basis, every month from the beginning of 1932 through the first quarter of the present year witnessed a decline in the index of employment, except for a 1-point rise in February 1932 and again in February 1933.

If we look at pay-roll indexes, the history is even worse. Starting with an index of 100.5 in 1929, pay rolls fell to 81.3 in 1930, to 61.5 in 1931, to 41.6 in 1932, and to 35.2 in the first quarter of 1933.

There has been some slight improvement, it is true, during the past 3 months. But if we do nothing to speed revival, if we do nothing to bring about revival more quickly than in the leisurely manner which may be expected from a study of business cycles in the past, the effects upon the stability of our social and economic institutions are too alarming to contemplate.

We cannot afford to wait. We know too well the effects of the tragic decline during the past 4 years; we are too familiar with the poverty, disease, and crime which it has brought in its wake. The task before us today is to adopt well-considered measures for the stimulation of employment. The present bill is designed to take care of these measures by promoting order in trade and industry and by inaugurating a widespread public-works program.

DEFECTS IN WORKINGS OF THE ANTITRUST LAWS

The first title of the bill deals with the problem of order in trade and industry, and involves primarily a reconsideration of the traditional attitude toward competition, as embodied in the antitrust laws. We cannot get the full meaning of this bill without examining the history of these antitrust laws in action.

Every well-considered law embodies an objective and a theory concerning the best way to reach that objective. The purpose of the antitrust laws was to prevent the excessive concentration of wealth, and to keep intact the social and economic opportunities of small business men, laborers, and consumers. We desired to assure every deserving person in the country an equitable share in our rapidly expanding national wealth. The method chosen was based primarily upon the belief that the preservation of competition and the prevention of business combination were most likely to secure these typically American ideals, and that nothing else had to be done.

Even from the start, the method had slight chance of success, because it was not based upon a twentieth century economic philosophy. It was not even an 1890 or an 1875 philosophy. It was a wholesale acceptance of the abstract theories of Adam Smith's Wealth of Nations, published in 1776. It was responsive to the conditions existing in England at the early dawn of the factory system, when the new middle-class business men were trying to strike off the shackles of outworn medieval restrictions. When this philosophy was lifted bodily out of the past and flung up against the rush of industrialism during the last 40 years, it had to fail. Insofar as we observed the method, we lost the objective. Let us review how this has happened.

The antitrust laws have not checked in the slightest degree the constant growth in the size of business units, and the intensifying concentration of economic power in the hands of a relatively few enormous enterprises. During the period 1920–29, which may be said to represent the summit of our industrial progress, the 200 largest nonfinancial corporations received 40.7 percent of the net income earned by all of the nonfinancial corporations in the country. And in these 200 enterprises, 80 percent of the wealth was controlled by management, as distinguished from ownership.

This large-scale enterprise was the inevitable result of changes in science and technology. Specialization and serialization made us the wealthiest nation in the world. Any attempt by law to arrest this sweep would have been like Canute trying to roll back the sea. The courts realized this to the fullest extent, and after enunciating the rule of reason in the *Standard Oil case*, they sanctioned the United States Steel Corporation, the United Shoe Machinery Co., and a host of mammoths of industry. More recently, large-scale enterprise extended into the field of banking and retail selling. In a few moments I shall trace the implications of this development.

Despite the fact that the antitrust laws did not prevent the displacement of small enterprises by big business, they did have other effects. And as is the case with most laws which are out of touch with the times, many of the effects were bad. Business was forced to grow big partly by methods that injured the very groups the laws sought to protect—the small undertaking, the consumer, and the laborer. Since the law frowned upon the mutual association of independent groups, business expanded in size by ruthless and predatory practices and by crushing the weaker man through resort to devices which, while they did not violate the law, bore heavily upon the small enterprise. The frightful economic waste, in turn, was charged to the consumer of goods. In addition, much expansion was forced underground. It took the devious forms of holding companies, interlocking directorates, stock control, and the intricate maze of financial subterfuges which are a constant threat to the public interest because they are not brought into the open.

Most important of all, business grew large in a way which prejudiced the rights of labor. The antitrust laws, in concentrating attention upon the problem of size alone, and on this score yielding inevitably to the forces of technology, forgot the more crucial problem—the problem of utilizing the wealth-creating possibilities of large size in such a way as to help everyone. The task is not to check efficiency, but to reap its full benefits. During the present century we more than doubled our national wealth. But we made no progress in distributing it more equitably. From the most comprehensive study of income in the United States, that of the National Bureau of Economic Research, we learn that less than 9 percent of the people in the United States receive one third of the total national income, that one thirtieth of the population receive one tenth of the national income, while three quarters of the population receive incomes below the standards of comfortable living set by the United States Bureau of Labor Statistics. This study was made in 1921, but later studies show that there has been no change in the distribution of wealth up to the end of 1929. Even at the height of our vaunted prosperity several million families lived in poverty. In the running fight over the application of the methods of the antitrust laws its objectives were forgotten.

I have been discussing the indirect effects of the antitrust-law philosophy. Even more significant is the startling paradox that these laws were invoked most successfully in actual litigation to curb the laborer and the small business man.

In the case of the laborer the acceptance of competition as a fetish encouraged employers to vie with one another in lengthening hours of labor and cutting rates of pay. In addition, when laborers attempted to protect themselves by uniting with others of their craft the antitrust laws were rigorously applied by the courts. In *Bedford Cut Stone Co.* v. *Journeymen Stonecutters' Association* (1927) (275 U.S. 37) this policy raised the dissenting protest of Mr. Justice Brandeis, in these words:

> The Sherman law was held, in *United States* v. *The United States Steel Corporation*, to permit capitalists to combine in a single corporation 50 percent of the steel industry of the United States, dominating the trade through its vast resources. The Sherman law was held, in *United States* v. *The United Shoe Machinery Co.*, to permit competitors to combine in another corporation practically the whole shoe-machinery industry of the country, necessarily giving a position of dominance over shoe manufacturing in America. It would, indeed, be strange if Congress had by the same action willed to deny to members of a small craft of workmen the right to cooperate in simply refraining from work, when that course was the only means of self-protection against a combination of militant and powerful employers.

In like manner, while great enterprises generally eluded the antitrust laws by a show of the economic necessity for large-scale operations, the small business man was frequently subjected to their sting. He was not allowed to cooperate with others of his kind, and thus was denied his only weapon against larger opponents. He was forced into the wrong kind of competition against other small men, a competition that was wasteful, blind, and destructive. Instead of being confined to honorable bids for the market and real gains in efficiency, that competition extended to degrading the position of the wage earner and cheating the consumer. In *American Column & Lumber Co.* v. *United States* (1921) (257 U.S. 337), the Court held that the antitrust laws prevented 365 small concerns, totaling 30 percent of the hardwood producers of the country, from engaging in an "open-competition plan." This plan involved merely the exchange of information. Here again Mr. Justice Brandeis, whose social philosophy is imbued with individualism and the merits of genuine competition, dissented. He pointed out the danger in these words:

> May not these hardwood-lumber concerns, frustrated in their efforts to rationalize competition, be led to enter the inviting field of consolidation? And if they do, may not another huge trust with highly centralized control over vast resources—natural, manufacturing, and financial—become so powerful as to dominate competitors, wholesalers, retailers, consumers, employees, and in large measure the community?

THE RESTORATION OF CONSTRUCTIVE COMPETITION

Title I of the present bill is intended to return to the objectives of the antitrust laws. The first step taken by the bill is to make competition constructive rather than ruinous, and to permit cooperation whenever a wise policy so dictates. The bill permits any trade or industrial group to draw up a voluntary code of fair competition, and to submit it to the President for approval. Such a code may contain the standards of fair competition, the practices which should be banned as unfair, and the methods which, in the judgment of the group, are most likely to revive industry and increase employment. These methods may include exchange of information, cooperative marketing, standardization, simplification, and a wide variety of other features.

When such a voluntary code is approved by the President, it becomes binding upon the entire trade or industry, and any action complying with it is exempted from the provisions of the antitrust laws. But before the President accepts any code it must be proved that the code will not tend to promote monopoly, and that the group which proposes it is truly representative of the trade or industry and imposes no inequitable restrictions upon membership. Nor will any code be approved which discriminates against small enterprise.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from New York yield to the Senator from Idaho?

Mr. WAGNER. If the Senator does not mind, I should prefer to finish. Then I shall be very happy to answer any questions, if I can.

It must be stated in the strongest terms that the bill does not abolish competition; it purifies and strengthens it. In the words of the Brandeis dissent in the *American Column case* (1921) (257 U.S. 377):

> The cooperation which is incident to this plan does not suppress competition. On the contrary, it tends to promote all competition which is desirable. By substituting knowledge for ignorance, rumor, guess, and suspicion, it tends also to substitute research and reason for gambling and piracy, without closing the door to adventure or risking the value of prophetic vision. In making such knowledge available to the smallest concern it promotes among producers equality of opportunity. In making it available also to purchasers and the general public, it does all that can actually be done to protect the community from extortion. If, as is alleged, the plan tends to substitute stabilization in prices for violent fluctuations, its influence, in this respect, is not against the public interest. The evidence in this case, far from establishing an illegal restraint of trade, presents, in my opinion, a commendable effort by concerns engaged in a chaotic industry to make possible its intelligent conduct under competitive conditions.

I am happy to state that this dissent has become the accepted view of the Court in later cases, especially the very recent decision of *Appalachian Coals* v. *United States* (1933) (53 Sup. Ct. 471). In this case the Court upheld under the antitrust laws an exclusive selling agency for 64 percent of the bituminous mines in the Appalachian territory. This agency was to sell all of the coal at the best available price, upon an agreed classification, and to apportion the orders if all the coal could not be sold. The agency was also to effectuate better methods of distribution, intensive advertising and research, economy in marketing, and the elimination of abnormal, deceptive, and destructive trade practices. Mr. Chief Justice Hughes wrote that the antitrust acts do not—

> Seek to establish a mere delusive liberty by either making impossible the normal and fair expansion of (interstate) commerce or the adoption of reasonable measures to protect it from injurious and destructive practices and to promote competition on a sound basis. We know of no public policy, and none is suggested by the terms of the Sherman Act, that in order to comply with the law those engaged in industry should be driven to unify their properties in order to correct abuses which may be corrected by less drastic measures. Public policy might indeed be deemed to point in a different direction.

This bill gives general recognition to economic realities which the Court, operating even under the antitrust laws, has been constrained to admit in specific instances. When viewed in this light it is clear that the bill is not a measure designed to curtail production or to lessen the volume of trade. It is a measure to expand trade and commerce by removing the barriers which have caused factories to close and men to walk the streets in idleness.

PROTECTION OF LABOR

The interests of the laboring man are adequately protected under the voluntary codes. No code will be approved unless it embodies the following: (1) Recognition of the right of employees to organize and bargain collectively through representatives of their own choosing; (2) prohibition of the antiunion or "yellow dog" contract as a condition of employment; (3) acceptance of the maximum hours of labor and minimum rates of pay and other standards of working conditions approved by the President.

I want to emphasize the minimum-wage provisions. In my opinion the depression arose in large part from the failure to coordinate production and consumption. During the years 1922–29 corporate earnings rose very much faster than wage rates. This led to an overexpansion in productive equipment, particularly machinery and plant facilities. The great mass of consumers did not receive enough pay to take the goods off the market. For several years we floated along on two bubbles, first the illusory prosperity of installment buying and secondly the quixotic policy of selling goods to Europe and lending money to pay for our own goods. When these two bubbles burst, the crash came. In retracing our steps to the land of plenty, we must set up sounder security than bubbles. The only safeguard is a well-planned wage

program, dispersing adequate purchasing power throughout the economic system.

The solution of the wage problem is necessary for other reasons. Even during 1929 fully one third of our population received incomes which did not permit them to meet the minimum requirements for health and decency set by the United States Bureau of Labor Statistics. By 1933 this situation characterized over one half of the people, and from ten to fifteen million families have been reduced to dire want. These figures are a matter of common knowledge. They make the wage situation more than an economic problem in the narrow sense. It is a situation tending to destroy health and morals, and should be dealt with in the same firm manner that we are accustomed to employ in such instances.

PRIMARY RELIANCE ON VOLUNTARY ACTION

I have been discussing codes which are voluntary both as to their competitive practices and as to their labor provisions, and it is primarily upon such spontaneous action that the bill relies. It is not my intention to substitute Government for business, or to remove from the shoulders of business men the responsibility for economic recovery. The duties of industrialists are enhanced by the opportunities which the bill offers for constructive cooperation. The whole Nation is confident that they will respond speedily and wisely. But if any trade or industry cannot or will not cooperate in the formulation of a voluntary code, the President is authorized, after proper investigations and hearings, to prescribe a code including all the salutary and protective features of the voluntary codes. Or if any trade or industry voluntarily arrives at some of the requirements of a code and neglects others, the President may in proper manner prescribe these others and include all in a general code. Another provision of the bill is that the President may, in the absence of need for a general code, or if such a code is impracticable, prescribe a limited code dealing only with maximum hours, minimum wages, and other conditions of employment.

This residuary compulsory power may seem novel and even shocking. But on analysis it fits perfectly into a system of ideas which we have long accepted. We have never doubted the right of the Government to regulate a limited group of public utilities, such as railroads and power companies. We said they were "affected with a public interest." Today the stern realities of the crisis and the interpenetration of all the industries in our complicated economic system affect all business with a public interest, especially when we are undertaking a comprehensive scheme designed to bring order out of chaos. We cannot achieve order unless we establish it everywhere. One exploiting employer can drag an entire trade down to his level; one disorganized trade can unsettle an industry; and one bankrupt industry can cause maladjustment throughout the Nation. Most industries will come out of the jungle gladly. The very few that cannot find their own way will be guided out by the force of the public sentiment operating through this law.

In addition to the code provisions, the President is authorized to enter into or approve voluntary agreements for the purpose of effecting the policies of the bill. These agreements need not apply to an entire trade or industry, and do not bind those who are not parties, but every voluntary agreement must contain all of the protective and labor features of the codes except those which have reference to membership in trade associations or groups.

ENFORCEMENT

Finally, title I of the bill has enforcement sections. Violation of any of the provisions of the code by anyone engaged in interstate commerce, or business affecting interstate commerce, constitutes unfair competition and subjects the violator to an order by the Federal Trade Commission to cease and desist from his unfair practices. Such violation is also a misdemeanor and the offender is subject to a fine of $500 for each day of violation. A code may be enforced by injunction proceedings in the Federal courts. In addition, for 1 year the President, after public hearing, may license any line of business enterprise in any geographical area whenever he finds such a course necessary to make effective a code of fair competition or an agreement or otherwise to further the policy of the bill. After any branch of trade or industry has been subjected to license, no one may carry on such trade or industry in interstate commerce or any transaction affecting interstate commerce without first obtaining a license, on penalty of $500 fine or 6 months' imprisonment, or both, for each day's violation.

The bill centralizes authority in the President, with power on his part to set up the agencies and appoint the officers and employees necessary to carry out the new policy. He is authorized also to establish an industrial and research planning agency, to enlist the aid of the Federal Trade Commission for necessary investigations, to modify or cancel any action taken under the bill, and to terminate the bill prior to its stated 2-year life by a declaration whenever the national economic emergency will have ended.

CONSTITUTIONALITY OF THE BILL

The constitutionality of title I rests upon three questions: (1) Are the regulatory measures proposed within the scope of Federal authority; (2) if so, are they of a type which our Constitution permits generally; and (3) is there an improper delegation of legislative power to the President?

The question of the proper exercise of Federal authority depends upon whether the bill confines itself to national matters, or whether it attempts to extend to matters which are of purely local concern. The answer is clear. The language of the bill expressly provides that any compulsory measures, such as the licensing feature of the bill, and any penalties for violation of the codes, shall be confined to business in or affecting interstate commerce. Thus no attempt is made to extend Federal action to an area of activity not covered by the commerce clause of the Constitution.

A survey of a few cases, however, shows that there will be ample power in the bill to deal effectively with industry as a whole. In the famous *Shreveport case* (1914) (234 U.S. 342) the Court held that the Interstate Commerce Commission had power to regulate the purely intrastate rates of a railroad, upon a showing that these intrastate rates were lower than the rates fixed by the Commission for similar distances between Louisiana and Texas. The Court did not base its decision upon the ground that an interstate carrier was being regulated. In fact, Congress has no power to regulate the purely intrastate rates of such a carrier if they do not affect interstate commerce. The decision rested upon the fact that the flow of goods between the two States was burdened when goods could be transported an equal distance within the State of Texas for less money. In my opinion, this is strictly analogous to a situation where the flow of interstate commerce into a particular State might be burdened by the practices governing the sale of goods of the same kind within the State by concerns doing an intrastate business. Thus if a local manufacturing concern in State A paid its labor starvation wages, and by this unfair practice sold goods in the local market for an excessively low price, this might be a burden upon competitive goods flowing in from another State, manufactured by an interstate business subject to a code of fair competition, including labor provisions.

The language of the present Chief Justice, then an Associate Justice, in the *Shreveport case* sustains a broad interpretation. He wrote that the authority of Congress extends—

> To the maintenance of conditions under which interstate commerce may be conducted upon fair terms. * * * This is not to say that Congress possesses the authority to regulate the internal commerce of a State, as such, but that it does possess the power to foster and protect interstate commerce, and to take all measures necessary or appropriate to that end.

In *Stafford* v. *Wallace* (1922) (258 U.S. 495) the Court upheld the authority of Congress to prohibit unfair, discriminatory, and deceptive practices on the part of commission merchants in the great stockyards, and also the packers and dealers who bought goods from these merchants and resold them to stock farmers and feeders, although these

transactions were not technically in interstate commerce. Chief Justice Taft wrote that where a national scheme of regulation is contemplated for the purpose of facilitating the flow of interstate commerce, the Court will not defeat it—

> By a nice and technical inquiry into the noninterstate character of some of its necessary incidents and facilities when considered alone.

When cases have arisen involving the rights of labor, the Court has taken a very broad view of interstate commerce. In the *Bedford case* (1927) (274 U.S. 37), the stonecutters refused to work upon stone which had been shipped into the State from quarries in other States where nonunion labor was employed. The stone upon which the cutters refused to work was no longer in the stream of commerce and it was hardly destined for use outside of the State in which it rested. It had been supposed that such work was not commerce at all, much less interstate commerce. But the Court held the action a violation of the antitrust laws, on the ground that refusal to work upon this stone necessarily diminished the orders for more stone from the quarries in other States and thus affected interstate commerce.

Think how far this *Bedford case* goes. Most goods, even when manufactured by an intrastate business and destined for intrastate use, are compounded of ingredients which flow in from other States. Thus unfair or chaotic conditions which put such a business in difficulty clearly affect the flow of interstate commerce. If the Court can take a broad interpretation of such commerce, when to do so frustrates the struggle of the wage earner to better his economic condition, I maintain that the Court should take an equally realistic approach when an effort is being made to remedy Nation-wide unemployment and distress.

In the very recent *Appalachian Coals case*, to which I have referred, Mr. Chief Justice Hughes recognized that in the present emergency the whole economic process is inextricably intertwined, in these words:

> The interests of producers and consumers are interlinked. When industry is grievously hurt, when producing concerns fail, when unemployment mounts and communities dependent upon profitable production are prostrated, the wells of commerce go dry.

This statement of the Chief Justice, sustaining agreements as far reaching as any proposed by this bill, expresses a viewpoint which I want to reiterate: that by substituting rational competition for ruinous warfare, the flow of commerce is not restrained, but immeasurably increased.

The second constitutional question is whether, granted that the Federal Government has jurisdiction, the regulations proposed are of a type permitted by our law. These regulations do not fall under powers specifically enumerated in the Constitution but are based upon the general power of every government to provide for the well-being of its people. This power, whether we call it the sovereign power or the police power, falls to the Federal Government under the insterstate-commerce clause in national matters and to the State governments in local affairs. The only limitations upon this power are the fifth amendment, which prohibits the Federal Government from taking life, liberty, or property without due process of law, and the fourteenth amendment, which places the same restriction upon the States. In our long constitutional history there is not a single case which holds that due process has a different meaning in these two amendments, or that the sovereign or police power is of a different amplitude in the States from what it is in the National Government. The nature of the power, the type of social and economic situations which it may deal with, and the extent of the regulation which it may undertake in its own sphere is exactly the same whether exercised by the Federal Government or by the States.

Therefore, since our question is what types of regulation are constitutional, and since the answer to this question is the same whether Federal or State action is involved, we may get our answer by examining both Federal and State statutes which have come before the Supreme Court of the United States.

The law has always recognized that the police power encompasses anything necessary to protect the health, safety, and morals of the people as a whole. In *Muggler* v. *Kansas* (1887) (123 U.S. 623) a State statute prohibiting the manufacture of spirituous liquors was sustained, and the health, safety, and morals doctrine was broadly stated. In the famous *Lottery case, Champion* v. *Ames* (1903) (188 U.S. 321), the Court upheld the power of Congress to keep lottery tickets out of the mails; in *Hipolite Egg Co.* v. *United States* (1911) (220 U.S. 45) the Pure Food and Drug Administration was sustained, and in *Hoke* v. *United States* (1913) (227 U.S. 308) the Court upheld the prohibition of the transportation of women in interstate commerce for purposes of prostitution. All of these earlier cases enunciated the health, safety, and morals doctrine, and applied it equally to State and congressional action.

In addition these cases all involved prohibitions. The Court has never denied that the right to regulate includes the right to prohibit, provided that the ends sought are constitutional and that prohibition is the only way of effectuating them. In *Hammer* v. *Dagenart* (1918) (247 U.S. 251), which held unconstitutional a statute prohibiting the transportation in interstate commerce of goods manufactured by child labor, the Court did not decide that the power to regulate does not include the power to prohibit. It decided only that the Federal Government was trying by indirection to deal with a purely local matter.

Now to examine the extension of the police power to the regulation of economic affairs. This extension is upheld upon two theories: First, that such regulation is frequently necessary to protect health, safety, and morals; and, secondly, upon the ground that the business which is regulated is affected with a public interest.

On the health doctrine as applied to economic affairs, *Bunting* v. *Oregon* (1917) (243 U.S. 246) upheld a State statute limiting the working hours of men in any mill, factory, or manufacturing establishment. A wide variety of cases, arising under both State and Federal statutes, establishes beyond any question the constitutionality of regulating hours of work.

The constitutionality of minimum-wage legislation came up in *Adkins* v. *Children's Hospital* (1923) (261 U.S. 525). The Court refused to uphold a statute which fixed minimum wages for women in certain occupations in the District of Columbia. This was a 5-to-4 decision; it was widely criticized over all the country; and other decisions cast grave doubts as to the present status of the *Adkins case*. But we may accept the *Adkins case* as law and examine its holding. Mr. Justice Sutherland argued that there was no measurable relationship between wages and health, because what might be a health wage for one person would not be for another. But the Court did not deny that if such a relationship could be shown it would provide a basis for wage regulations. It was not shown to the satisfaction of the Court at that time in the District of Columbia. Certainly today, however, where the total wages paid to the normally working population have fallen to about 40 percent of what they were in 1929, forcing millions to live on a bare subsistence level, and turning thousands to immorality and crime, any comprehensive scheme for restoring wage payments is related to the health, safety, and morals of the people. Mr. Justice Sutherland's second point was that wages were not affected with a public interest. That also may have been true in the District of Columbia in 1923; it is not true in the United States in 1933. There is nothing in the *Adkins case* which prohibits economic regulation where a health, safety, and morals problem can be shown, or where the general public interest is involved. The *Adkins case* was not concerned with a comprehensive attempt to deal coherently with a great national emergency.

Let us survey the leading cases permitting economic regulation. Some of these involve wage fixing, others deal with price fixing, still others involve the comprehensive regulation of business. But the constitutional problem is the same. The objection asserted in all cases is that liberty of contract is interfered with, and the justification must always be that the business is affected with a public interest. The concept of a public interest is not static; it changes with the

flow of circumstance. In *German Alliance* v. *Lewis* (1914) (223 U.S. 389) State regulation of insurance rates was upheld. Justice McKenna said:

A business, by circumstances and its nature, may rise from private to public concern and be subject, in consequence, to governmental regulation. * * * It would be a bold thing to say that the principle is fixed, inelastic, in the precedents of the past and cannot be applied though modern economic conditions make necessary or beneficial its application.

Wilson v. *New* (1917) (243 U.S. 332) is a case of the utmost importance. It sustained an 8-hour day and a minimum wage law for the railways. The minimum wage was to endure for only 30 days, it is true, but that was because the emergency contemplated was a short one. Chief Justice White did not rest the opinion upon the fact that common carriers were involved, though that seems to be the impression of the learned constitutional lawyer, Mr. BECK. The Court said:

The powers possessed by government to deal with a subject are neither inordinately enlarged nor greatly dwarfed because the power to regulate interstate commerce applies.

The decision was based upon the public-interest doctrine. It said, and mark the words:

Although an emergency may not call into life a power which has never lived, nevertheless, emergency may afford a reason for exercising a living power already enjoyed.

This quotation is absolutely applicable to the present situation, where the economic emergency does not change the public-interest doctrine, but enlarges the category of businesses which are affected with a public interest.

Block v. *Hirsh* (1921) (256 U.S. 135) is another vital case. It upheld the power of a commission in the District of Columbia, operating under a statute, to fix fair rents, and to allow the tenant to remain in occupancy for a period of 2 years if he paid these rents. The statute was based upon an emergency and was limited to 2 years, just as the present bill is. The great liberal sage, Justice Holmes, wrote for the Court:

No doubt it is true that a legislative declaration that a certain use is a public one may not be held conclusive by the courts. But a declaration by a legislature concerning public conditions that by necessity and duty it must know is entitled at least to great respect. In this instance Congress states a publicly notorious and almost world-wide fact. * * * Plainly circumstances may so change in time or so differ in space as to clothe with (a public interest) what at other times and in other places would be a matter of purely private concern.

In making this constitutional argument, I am not appearing in the role of an advocate who reads the opinions in the form necessary to sustain his conclusion. Thirteen years ago, in the Supreme Court of the State of New York, I had the honor of writing the opinion in one of the first rent cases. Then, too, we were confronted by an emergency, the same emergency that resulted in Block against Hirsh. I will read just a brief extract from the opinion delivered by me at that time.

Mr. KING. In what case was that?

Mr. WAGNER. It was the case of *Ullmann Realty Co.* v. *Tamur*, the New York Supplement, volume 185, page 620. I am going to read merely a portion of the opinion, and, by the way, that case was upheld all the way to the United States Supreme Court:

Our constitutional Government is not an impotent one. Not so readily can its arms of protection for those whose benefit it is imposed be bound and helpless; its scope and vision is wide; its power flexibly adaptable; its aim the protection of human rights. Our lawmaking body is restrained alone by the rule of reason as to the means adopted for the accomplishment of its purposes. To deny it such powers would be subversive of the principles upon which it was founded and of the postulates of dedication its creators avowed. It would deservedly be an indictment against and a reproach to our entire system of Government.

I said further in that opinion:

Our Constitution is not so inflexible, unyielding, and immovable that our law-making bodies lie prostrate at its feet, powerless to give legislative succor in the face of a peril threatening the health, morals, and even the lives of the people.

For a century and a half our constitutional restraints have received interpretations befitting every emergency and public matter. The statutes in question were enacted to avert a crisis.

I do not mean to imply that the pending legislation contemplates price fixing. I refer to these cases simply because price fixing is the most far-reaching form of economic regulation; and if the Court will sustain price fixing when the economic situation warrants, there is no reason to believe that the Court will find anything unconstitutional in this bill.

Cases which might seem to stand against us are clearly distinguishable. In *Wolff* v. *Court of Industrial Relations* (1923) (262 U.S. 522), the Court held unconstitutional a Kansas statute providing for compulsory arbitration as to wages and compulsory continuance in business on the basis of the wage scales set at the arbitration. Chief Justice Taft based the decision upon the compulsory-continuance feature, which this bill does not contemplate, and upon the absence of an economic emergency such as existed in Wilson against New. In *Tyson* v. *Banton* (1927) (273 U.S. 418) it was decided that the resale price of theater tickets in New York did not come under the public-interest doctrine, and therefore could not be subject to statutory regulation. In *Ribnik* v. *McBride* (1928) (277 U.S. 350) the Court held that "at least in the absence of a grave emergency", employment agencies are not affected with a public interest to an extent which would allow a State statute to fix the fees of its agents. Besides excluding the emergency situation, the *Ribnik case* decides only the invalidity of price fixing, and distinguishes regulation directed against fraud, extortion, and discrimination. In the famous recent case of *New State Ice Co.* v. *Liebman* (1932) (285 U.S. 262) the Court merely held that a certificate of public convenience and necessity could not be made a prerequisite to the right to enter the ice business in Oklahoma. This bill contemplates no such requirement. Besides, I believe that the powerful dissenting opinion of Mr. Justice Brandeis, with its ominous warning against the arrest of social and economic experiments, is the harbinger of the future decisions of the Court.

I cannot doubt that the pending legislation also comes under the public-interest doctrine. The first famous case, *Munn* v. *Illinois* (1876) (94 U.S. 113), held that grain elevators were affected with a public interest because they "stand at the gateway of commerce and take toll of all who pass." This depression stands at the gateway of our national economic life, and for almost 4 years has taken toll of all who pass. Congress has the power to remedy this situation. Mr. BECK, in an address a few days ago, when this bill was debated in the House, said that the legislation marked the abdication of all the powers of Congress. I think Congress is abdicating its powers when it sits supinely by and refuses to relieve a national calamity because of a totally erroneous concept of the spirit of our constitutional law.

Finally, the delegation of powers to the President does not violate the Constitution. It is true that legislative powers cannot be delegated. But in order that the wheels of government may continue to turn, the Court has always sanctioned the use of administrative agencies to fill gaps in those statutes which set up reasonable guides to action. *United States* v. *Grimaud* (1911) (220 U.S. 506) is a leading case. It sustained a statute delegating to the Secretary of Agriculture the power to fix regulations governing the use of forest reservations for grazing or other lawful purposes and making violation of these regulations a penal offense. I do not feel that any particular case taken alone would be decisive as to this bill, but the cumulative effect of cases sustaining the rate-making power of the Interstate Commerce Commission (*Interstate Commerce Commission* v. *Goodrich* (1912), (224 U.S. 195)), the administration of the Pure Food and Drug Act (*United States* v. *Antikamnia* (1913) (231 U.S. 654)), the flexible tariff (*Hampton* v. *United States* (1928) (276 U.S. 395)), and many other similar situations, is entirely decisive.

THE ADVISABILITY OF PUBLIC WORKS

I turn now to title II of the bill relating to the public-works program. My frequently expressed belief in the soundness of public construction as a means of prompting

economic recovery is winning the support of an increasing majority of legislators and economists.

Up to the present, however, this remedy has hardly been applied. In 1932 public construction was $1,500,000,000 less than in 1930. Today, two thirds of the two and one-half million workers normally engaged in construction activities are idle. During the past 4 years the volume of public construction decreased concomitantly with the decline in private industry instead of being expanded in order to act as an economic balance wheel.

Such planlessness has already elicited the disapproval of the Senate. In 1931 we passed the Federal Employment Stabilization Act and last July we enacted the emergency relief and construction measure, both of which were designed to initiate a program of purposeful planning in public works. But the requirement of the latter act that no project shall be eligible for a loan unless it be self-supporting and self-liquidating from revenues other than taxation and the unimaginative, inflexible policy of the Reconstruction Finance Corporation have circumvented the true purposes of those acts, and have accentuated the business catastrophe.

Today is the logical time to inaugurate a large public-works program. I have always maintained that it is better to pay men for useful effort than to maintain them in enforced idleness. Owing to the decline in activity during the past 2 years, which has caused a deficit of $2,000,000,000 worth of projects, an infinite variety of useful work is awaiting action over all the country. Furthermore, enforced idleness undermines the morale and health of the people and makes them unfit for the normal resumption of their accustomed tasks.

While the sustained resumption of private enterprise is impossible until there is a likelihood of profit, public works are suited to initiate the upward swing of the cycle without which profitable business can never become an actuality.

The public-works idea presents, in my estimation, the only sound method of spreading purchasing power, and that is admitted by everyone to be the vital need of today. Proposals for grants or loans to private industry do not meet this need. They assume that the difficulty we face is primarily a failure of credit facilities. But, except in brief periods of panic, there are ample credit facilities to satisfy reasonable business prospects as a whole. The real trouble is that business has no prospects when consumer demand is dried up. Public construction will create a pay roll for about 3,000,000 men and women, which will be translated into a rapid demand for consumer goods and thus lead to general industrial revival. At the same time, public construction does not flood the market with competitive goods in search of buyers.

Extensive outlays for public works will certainly stimulate the investment of large amounts of private funds. The construction of a roadway may open a new district to residential development or invite new business enterprise. I am confident that the activities selected under this bill will ramify into every phase of economic endeavor.

PUBLIC-WORKS PROGRAM

Title II launches a $3,300,000,000 public-works program and authorizes the creation of a Federal Emergency Administration of Public Works, all the powers of which will be exercised by a board of public works. The board will formulate projects, which may include publicly owned highways, instrumentalities, and facilities, the conservation and development of national resources, including waterworks, electrification, flood control, river and harbor improvements, and to a limited extent railway maintenance and a variety of private enterprises which are devoted to the public use and which are at present eligible for loans under section 201 (a) of the Emergency Relief and Construction Act. In addition, the bill authorizes the construction, under public regulation and control, of low-cost housing and slum-clearance projects.

Specific provisions are made for road construction. The President is authorized to allocate an amount not less than $400,000,000 for the Federal-aid highway system and secondary or feeder roads. This money is to be apportioned among the several States on the basis provided in the Federal Highway Act. These funds need not be matched by the States. It is noteworthy that the bill liberalizes the purposes for which road money may be spent. It extends to the elimination of highway-traffic hazards, the removal of grade crossings and widening of narrow bridges, and the construction of new roads to avoid congested areas. In connection with the elimination of railroad-grade crossings, however, no funds are to be used for the acquisition of any land, right of way, or easement.

Nothing is more important at this time than the speedy consummation of these projects, and the flexible, individualized administration of the aid contemplated. For this reason authority to disburse funds is lodged in the President. He may act through the board or by means of such agencies as he shall create or designate. He may engage in the construction directly. He may finance the construction by loans to States, municipalities, or other public bodies and to certain private corporations engaged in the construction of projects devoted to a public use. He may aid in financing such construction by purchasing securities, by guaranteeing securities, or in any way deemed desirable to carry out the purposes of the bill. In addition, whenever necessary to make the construction progress rapidly, the President is authorized to make outright grants to States, municipalities, or other public bodies in an amount not exceeding 30 percent of the cost of labor and materials employed upon the project.

In accord with the general objectives of the bill, to which I have referred, title II makes adequate provisions for the welfare of labor. It provides that every contract and every loan or grant made pursuant to this title of the bill shall contain provisions insuring (1) that no convict labor shall be employed upon the project, (2) that the 30-hour week shall prevail, (3) that all employees shall be paid wages sufficient to provide a standard of living in decency and comfort, and that all bids for contracts involving the expenditure of funds created by title II of the bill shall contain the wage standards set up by the President, (4) that preference in employment shall be given to ex-service men, and then to citizens residing in the locality where the work is being done.

The $3,300,000,000 are to be raised by Government borrowing. I have long maintained that this is sound economics, and similar to the customary practices of private business. The improvements contemplated by title II are relatively permanent, and their cost should be spread over a period not exceeding in length the normal life of the project.

MODERATION THE CHARACTERISTIC OF THE BILL

This completes my statement of the objectives and methods of the National Industrial Recovery Act. Its objectives are the restoration to security and comfort of millions of sorely tried people, and the permanent effectuation of ideals of social and economic justice which have been typically American since the founding of the Nation. Its method is sound and peculiarly our own. It is based upon the need for a well-balanced stimulation of private industry and public activity. It does not substitute Government for business, constraint for voluntarism, or socialism for competition. It gives business an opportunity to serve its true function; it opens the channels to voluntary action along fruitful lines; and it raises competition to a worthy level of effort.

Viewed in this light, the bill is not a radical measure; it is merely a fulfillment of the objectives which have characterized the whole mass of antitrust legislation. Let me quote from Senator Sherman's speech in the Senate on March 21, 1890. He did not fail to make the distinction between good and bad competition which we seek to establish in this bill. He said—

> The courts * * * will distinguish between lawful combinations in aid of production and unlawful combinations to prevent competition and in restraint of trade.

Senator Sherman added—

> It is the right of every man to work, labor, and produce in any lawful vocation, and to transport his production on equal terms

and conditions and under like circumstances. This is industrial liberty and lies at the foundation of the equality of all rights and privileges.

I believe that it is this equality of terms and conditions that is the principal objective of the present bill. Such equality may be attained and preserved only through the proper kind of competition. On May 12, 1913, the chairman of the House subcommittee which reported out the Federal Trade Commission Act, explained that measure in these words—

The truth is that the administration idea and the idea of business men generally is for the preservation of proper competitive conditions in our great interstate commerce.

I believe that to maintain such competition, new measures are necessary. At the time when the Federal Trade Commission Act was reported, it was said:

No one can foretell the extent to which the complex interstate business of a great country like the United States may require, alike for the benefit of the business man and for the protection of the public, new legislation in the form of Federal regulations, but such legislation should come by a sound process of evolution.

This process of evolution makes the national industrial recovery bill the natural, logical outcome of the antitrust legislation which commenced in 1890.

The words of President Wilson's message of June 20, 1914, recommending the passage of the Clayton Act and the Federal Trade Commission Act, might be spoken today about the Recovery Act of 1933. The great protector of the new freedom of the small enterprise and of labor said:

What we are proposing to do, therefore, is, happily, not to hamper or interfere with business as enlightened business men prefer to do it, or in any sense to put it under the ban. The antagonism between Government and business is over. We are now about to give expression to the best business judgment of America, to what we know to be the business conscience and honor of the land. The Government and business men are ready to meet each other halfway in a common effort to square business efforts with both public opinion and the law.

Of course, the bill implies some modification in traditional methods of handling economic problems. This is because these problems themselves have changed and must be dealt with experimentally. The bill is frankly an experiment, designed to last not more than 2 years. But the sad tide of affairs, bringing deprivation and disaster to the whole Nation, justifies an experiment. And it insistently urges an evolutionary experiment based upon the constructive measures embodied in this bill.

I want to urge upon the Senate the speedy passage of this bill as an employment measure. No amount of familiarity with the evils wrought by the depression can harden us to its effects or make us willing to endure it longer. The cumulative evidence comes in every day, of men degraded by undeserved poverty, of women demoralized by starvation, and of children neglected and crippled because of inadequate food, clothing, and shelter. There is no way of counting the human cost of such deplorable conditions. Twenty years from now, even if prosperity were to return overnight, and it will not return overnight, thousands of mature people will be handicapped by permanent disease because of earlier years spent in want. I firmly believe that Congress has it within its power to check the spread of economic disaster. I forbear to predict the consequences if you fail to take this opportunity to do so. Yours is the responsibility, and I earnestly plead for the immediate acceptance of this measure. When it is administered with the humane sympathies, level-headed judgment, and splendid valor which the President has shown in all his actions, it will be a powerful factor in bringing order and health into the economic life of the American people.

Mr. LEWIS. Mr. President, I rise to obey an impulse. I am moved by the address just concluded by the Senator from New York [Mr. WAGNER]. What I shall say in the moments I shall occupy the time of the Senate is really to the purpose of asking that justice be done where justice is due.

I pray I may be forgiven if my observations seem interlaced by a self-woven atmosphere of self-praise. Such self-laudation is not my object. But, Mr. President, I cannot refrain from recalling some pertinent history preceding the final conclusion of the bill. I ask you all to recall how in the beginning, when we, a small number of Senators, sought from this floor support for the different crumbling instrumentalities of government which had become so depleted as to be decaying. How we plead for the great army of mankind praying for bread. How we implored in behalf of those borne down by adversity to where they were hopeless and discouraged. We, the Senators to whom I refer, and I refer particularly to the senior Senator from New York [Mr. COPELAND], who now presides over the Senate, he together with his colleague [Mr. WAGNER], who has just presented the exalted philosophy upon which the bill takes the name of the Wagner bill. I, upon entering the Senate, early joined these two distinguished Senators from New York in their design. Then it was my purpose to serve the people whence I came and those whom I felt I represented, while they in their grievous need were appealing for rescue.

It was, however, before I came to this body, upon what I may call my second advent here, that these distinguished Senators had, preceding me, begun the undertaking of having the Federal Government recognize a new duty which had been imposed upon it by the new condition which had been evolved from the new and unparalleled catastrophes inflicted upon government and its mankind.

It will not be forgotten, if recalled in any phase whatever, that the very first speech I assumed to impose upon this body upon my return to the Senate was in behalf of those of whom we speak of as the "school teachers of the city of Chicago." They, having long been denied their compensation because of the lack of funds in the city with which they could be paid. Sirs, at the weird but holy hour of midnight despairing of all hope, I described to the session how these in thousands, paraded the public streets in anxiety and suffering as they exhibited their miseries before mankind. The streets of our cities were clogged with their number as they doubled from place to place to demonstrate their sad misfortunes. The actions, misconstrued by many, were in the trust that such might arouse, first, the natural sympathy of mankind and, second, call aloud for justice on the part of those who ruled in government.

I sought, as the first measure, to give to the Federal courts the right of jurisdiction to restrain foreclosures of mortgages and other exigent liens while the bill which we speak of now as the Reconstruction Finance Corporation Act was being tried in its usefulness. I sought to prevent those who were to benefit under the bill from being denied its opportunities, through vicious and hasty foreclosures at the hands of ruthless creditors, acting through heartless courts. I made bold to intercept the quick action that would leave the debtor with nothing to be preserved even should they obtain the loan with which it was the object of the bill to endow them.

But eminent Senators from this body, of whose legal judgment none could express a doubt based upon their ability, felt that I was advancing too far and undertaking an innovation that would not be justified by the Constitution.

I see before me my eminent leader, the very great administrative representative of this side of the Chamber, the eminent Senator from Arkansas, the Honorable JOSEPH T. ROBINSON. In his anxiety that all things for which he led should be preserved within the limits of the Constitution freely and justly expressed his view that it were not well to impose too far upon that field of doubt which awakened two suggestions—one, that my proposition was unconstitutional; and the other, that we be not careless of those limitations essential to assure permanent reliefs.

Then the distinguished senior Senator from New Mexico [Mr. BRATTON], now appropriately and justly promoted to the United States Circuit Court of Appeals, he having long been a judge in his State of New Mexico—and, too, with eminence in the discharge of his duty. He, too, likewise differed from me. He, taking the position that I was seeking to invest the Federal courts with power to restrain action of State courts procedure. There were those who felt that I was possibly not within the full limit of the Con-

stitution or its privilege when I would have endowed the Federal courts with the power of enjoining any State procedure or any procedure anywhere that sought to deprive the individual, worthy of enjoying it, of full rights and powers vested in State courts even though my object was to secure the debtor the benefit of the loan from the Reconstruction Finance Corporation in such due time as could rescue and refuge him from impending peril.

Because of respect for the two particular eminent Senators of whom I now speak, and many on the other side of this Chamber for whom I had great regard and as to whose ability there could be no suspicion of doubt, I refrained from pressing at that time that particular feature of the bill. But, sirs, following that, frankness compels me to admit that I was something of a common drag, little less at times than a nuisance; both to the newspaper men from their elevation in discussing and distributing the news—as well as to my brother Senators here upon my side of the Chamber. I was ever insisting upon the bill looking to a grant by the Government in behalf of the policemen, the watchmen, and the guardians of peace of Chicago; the school teachers, whose conditions I have intimated by a short description; the firemen who had pledged their very life in every undertaking—and to whom the call of the resounding bell of alarm, for aught they knew, was the dirge of their funeral. Thus, from that time until now, without an exception, wherever opportunity afforded and propriety would justify, I have followed up this measure in conjunction with these eminent Senators from New York.

For a long time the bill took on the form of a joint name, the Wagner-Lewis bill. I was not entitled to the whole credit. Both eminent Senators from New York had begun the work before I was sworn into my service here in my second term in the Senate. In later days a similar bill had attached to it the same name; but the credit of that Lewis is partly due to a very active Member of the lower House, who formerly served from the State of Maryland, and who, as a Tariff Commissioner, received praise for his independence. The bill, therefore, could be justly entitled, as far as he was concerned, with the credit; I with only part of it.

Then there came, sir, let me call to your attention, the ceaseless efforts of two other Senators. There was the distinguished Senator from Wisconsin [Mr. LA FOLLETTE], who from day to day toiled without cessation, with a patience that seemed inexhaustible. He sought to bring about support of the measure which was spoken of as the "La Follette-Costigan bill".

His colleague in the labor at the time being the Senator from Colorado [Mr. COSTIGAN], working in the same atmosphere of desire to serve the needy. These faithful servants—may I include myself—all combined, looked to the object which is now, we hope, near to fruition, when the Federal Government would, through new guidance, learn the lesson that it, the United States, was a government; that its principal purpose was the preservation of its people; that it was not a mere canopy, as one would create a tent with which to cover those that were beneath it; but, as it covered them with its protection, military and through the power of diplomacy and international negotiation, left the inmates to wither in hunger, to die in want. More, sir, to be consigned to the gnawing misery and acid suffering which they were compelled to endure because of the confession of our governmental masters of the impotence of a great Government, such as was disclosed to be the frailty of the United States of America.

The situation of the needy seemed never to dawn or to break upon that class of citizens, these eminent "business men", who ever characterize themselves as the only patriots and to prove such title would block any move made looking to the protection of the miserable, and those particularly on whom these specially endowed in criminal purpose, the "business men" have afflicted so severely by the methods of business they inaugurated as they stained the honor of the Government and sought to plant on this State the dishonor which they have, by their system of financial sin and debauchery, put on America within the last few years. We have all seen the spectacle paraded and disclosed here, and then we saw the futility of the efforts on the part of these eminent Senators who had from all political vantages fought to protect the endangered. We saw failure at every turn.

I must say for the Senators from New York that during the time when conditions in their great city called for their cooperation they did not abandon the task; they continued with me to struggle. The present Presiding Officer of the Senate, the senior Senator from New York [Mr. COPELAND], having in mind the situation touching the street railways of his city, acting as well in behalf of those who toiled in behalf of the city government, ever presented them in their need to this body as a justification for his ceaseless, multiplied efforts.

"UNCONSTITUTIONAL"

Mr. President, what I want to impress upon my eminent colleagues, who kindly give me a thought and attention when I dare present a viewpoint here, is that first came the cry that the measure was unconstitutional. It was the insistence that any effort on the part of any of the legislators of the Federal Government to hold it responsible for the care and the preservation of a citizen of a State was a violation of the Constitution, that the effort for relief itself was in itself against the theory of the Federal Government. One could always get that reply when one moved toward the object. To those who asserted it there seemed never to appeal the fact that the Federal Government was a mere institution, that it was the concrete and congregated whole of the separate parts of that government which we speak of as the State. Sir, I declare that now the ever uppermost question is not if the undertaking for justice and relief from persecution and oppression be constitutional, but is it institutional? Ever and ever returns the reply that it is to preserve the institutions of men, as well as to conserve the constitution of government, for which charter and compact called "Constitution" is framed and expressed in declaration.

OUR NEW DEAL

There was never a reason why that which represented all the States should be denied the right of protecting each of the States. But time and situations have more or less mollified the judgment of many of the eminent Senators who honestly felt we by our efforts were intruding too far upon the Constitution, even to the point of violation. Now, sirs, a general atmosphere has begun to assemble; I may say permeate the public at large. It now reaches to the consciousness and duty proclaiming that whatever is necessary to be done to preserve the citizen should be done, and should be done by that which could best do it. It was and is the fulfillment now of the ancient, sacred injunction:

Whatsoever thy hand findeth to do, do it with thy might.

Mr. President, what is the meaning of this constant assertion of the "unconstitutionality" of the measure, and particularly on the part of a certain set of citizenry who ever oppose any advent looking to relief of the humble citizen when he is in need, and when in his need and distress, he and his have become desperate to the point of discouragement—and, sir, when in his discouragement his army of sufferers threatens the very peace of the Government under which he lives and which he is pledged to earth to protect and sworn to God to preserve?

These eminent masters who cry "unconstitutional"—when are they ever solicitous as to the Constitution? Is it ever when they come here in legion of power for their own measures which gives them privilege over their fellow mankind.

Let us consider the word "privilege" for a second. We refer to it in this body as enjoyment of either what is called a right or some grant, but we who have been compelled to be the students of the hour from time to time will not forget that the word "privilege" is the mere adaptation of the phrase "privi leges"—private laws. They who have ever been authorized to obtain in their behalf private laws to serve their uses and reward their guilty undertakings with

compensation and profit, however disreputable, were ever busy finding opportunity to characterize every measure that looked to give salvation to the humble and relieve the misery of the unfortunate as "unconstitutional."

Sir, if the Constitution ever meant a fundamental document of honor and justice, on which was to be created the Government, and by which there was to be sustained and maintained a true mankind, then let us pause and see how for years these masters have seized this instrument as the excuse for ever opposing, and, whenever possible, of destroying, any measure that came to the rescue of the masses in their misery; but how they ever rush to it as the anchor of their special privilege when by the private laws of privilege they could under it obtain the enjoyment of that which granted to them riches of money and the license of debasing their Republic. Sirs, let us look to the dishonor to which they have now brought their Nation. Before all the world the face of America burns with shame as the pages of history flame in the conflagration they lighted upon the sacred history of once-glorious America. We reflect upon the actions which are being investigated by the diligent committees which are now holding sessions in different parts of the Capitol Building.

Mr. President, I hope we have heard the last of that cry of unconstitutionality when it is being raised for no other purpose than to obstruct a measure of righteousness, due to those who have a right to call upon their country for relief in the hour of their oppression and in the day of their destruction.

Mr. President, I want a concluding word as I pay my tribute to these eminent Senators who began in this work and even though I dare be so bold, if not audacious, as to refer to my own small part in its early performance. I thank the President and the committee for the credit given me. Now, sir, to relate my latterly and constantly conjoining with these eminent Senators who have done so much to bring success and to whom credit is so greatly due, is to feel proud.

I ask you, sir, what have we heard in this body of the meaning of the words of the Constitution which we speak of as the general-welfare clause? Why has it ever been that there have been those ever seeking to avoid any reference to that phraseology when they sought to find occasion to declare invalid and illegal any movement looking to the relief of the citizen, on the ground that it is not within the declared and distinctively described duties under the Constitution?

Mr. President, it was a very flippant thing ever indulged on the part of those who spoke of the general-welfare clause. They would seem to invest the mind with the idea that the words and the phraseology "general welfare" referred to some compact which alluded to form and shape of government. Sirs, when the Constitution was framed, with the severe labors of the masters who sought to put it together, there arose the suggestion that they would not be able to provide for all the conditions that might arise, and that something must be expressed to give authority to meet those conditions which, suddenly arising, submitting themselves to the intelligence of mankind, must be justified somewhere and provided for in the mercies and humanity of man.

Therefore the words "general welfare" came into life and being at the instance of a rather strange mortal of mankind, member of the Constitutional Convention, whose name was Luther Martin. He came out of Maryland. This man, joining with a member named "Morris", of Pennsylvania, began to contemplate that something had to be done to provide a phrase to meet the conditions which all of their fellows could not contemplate in detail yet was possible to arise.

Sirs, we of the law and procedure of justice, for our Nation had to seek a definition of the word "equity", and finally, after thousands of suggestions, no definition could be framed that completely described it. We became content, after long search and research, to take the definition of equity as left us by Grotius, the great Dutch law writer. From him we find it from the liberal Latin interpreted that "Equity is the correction of that, wherein the law, by reason of its universality, is deficient." That definition remained with us, and the eminent Senators sitting about me recall that it found its way into our jurisprudence as the only definition of equity which the law professor hands to the student as literally defining, as nearly as it can be defined—that particular phase of justice—Equity.

So the paragraphs relating to the general welfare are intended to mean, not, as construed so very many times in debate and in usage, that the "general welfare" of the Constitution in phrase constituted only an organized machine in form, which we call "government", sirs, they were meant as phrase to prepare for that which should produce and keep the general welfare of the citizen of the Government in general welfare. For if they had meant only the general welfare of the institution which we speak of as "government", the Army and Navy were, in themselves, with power of defense and assault, sufficient to produce and maintain that. But these eminent framers of the Constitution saw that there would arise such a necessity as is now confronting us, where there must be those who must act. Yet not finding specific warrant in the exact language of a phrase of the Constitution, there must be found a license granted to their discretion and to their spirit of justice through which there could be done the thing which the demands of right and honor called for to be performed and consummated.

Thus the phrase "general welfare" meant what it said; that it would assure the citizen a welfare that was so general in his behalf as would preserve him as the object of government, and his citizenship maintained as his pride and his honor and the praiseworthy things of his existence.

Now, Mr. President, comes forth the bill; it has received its birth. I am exceedingly interested in clauses, some of which apply specifically to my city of Chicago, which, may it be said, I sought to write in the measure by some form of verbal dictation in order that the institutions of my community might be protected and receive the benefits of the gratuities afforded and, sir, the distribution of justice on the part of the Government.

Here I may add, sir, there will never be a change. Writers upon the theory of government may feel we have temporarily invaded a field to shortly abandon it—that we have assumed to act upon an emergency which when it terminates will be the end of our undertaking in the new systems of relief. Mr. President, creation is, after all, but a progress of innovation. Everything, sir, from the delicate bloom of the bud pressing its lips upon the flower stem to the flaming, flashing sunlight over the great wooded lands, and the eternal rock that peaks itself so high that at its crest the angels may tread down to earth to visit their beloved; all, sirs, is but the constant multiplication of change. As fast as one bewilders itself in its form of change, then surrenders to the dust of corroding time, the other, the new, cometh forth and rises to multiply and increase itself to the service of the needing hour. The laws of our country can nowise differ from what are the institutions which are endowed from God and protect mankind.

Mr. President, there arises on occasion in our minds the familiar essay of Cicero. Coward as he was in refusing to defend his friend Milo on the ground of a new era calling for new change, he repaired to the groves outside the great imperial capital, there sat himself down to write an essay, and produced an immortal one, so far as the words of mankind can ever be called such. It is in the renowned classic that all organized creation have their time to perish and to fade; that these can only be restored either under the light of the sun that shall warm them and revivify them again into life known as "rebirth", or in the refreshing airs that blow upon them as the winds from the south perfume the civilization and dust through which they pervade and preserve. These may restore, but there can never be a time when one is not as rapidly destroyed as the other restores and fills its place.

Then says he, which is the crux of the best thought that we have known, that experience of men now show that as fast as conditions destroy or events transpire, or no longer apply to present conditions, other events are at once created

by that mysterious thing we speak of as creation to make up the deficiency. Thus the link and chain—in the process of life and being. Today we accept this philosophy, and it is recorded in this bill now before the Senate as the full expression and fulfillment of the thought of the great Roman philosopher, sir, on this one basis—all organized creation of government has its time for change.

It will not do to say that this change has come unbidden; it cannot be said it was unexpected; it shall not be denied upon the ground that it is an innovation; that it is a violation of some fundamental, ancient principle. The truth has to be met face to face. It is that our Government has reached a time of change. Its citizenship must now move through the vale which transforms them into a citizenship of a new nation.

We will never see the time when there will be abrogated and repealed this new departure of the citizen, who, preserving his government by his taxes and his efforts, and saving it whenever necessary by his life, shall not have the right to appeal to it and to every fountain that may be struck to its flowing with blessing, for his own care and that which shall be the guardianship of his home and his children.

If this Government, sir, has reached the point where it will fulfill the laws of justice, and your fellow men, Senators, shall know that you have entered upon the departure, you need not fear revolution in your country such as has existed seemingly in every other land across the sea. You need not fear that anarchy or the Communism, with its torch and the broad, shining ax with its gleaming edge of murder, shall ever work its destruction.

Your fellow citizen will have no such hopelessness in his life as to feel that his only refuge would be the destruction of his own house on whose wreck he may survive as he dreams to erect a new status of freedom that may save him from the injustice he now endures. He will not be called upon, sir, ever to consider such an emergency; he will see this new government under a new guise in its spirit and its patriotism, disregarding every mere designation of a party political name, but turning to the fulfillment of duty, as dictated by conscience and guided by the human heart, and he will in its care, in its legislative guaranty, preserve and protect both himself and his household. He will shrink away from an assault on his country, however invited it may be.

Sir, I invite you to the contemplation of 3 weeks past when the distinguished leaders on both sides of this Legislative Chamber were seriously concerned as to a condition that might arise at the doorway of the great Capitol here, such as had arisen under similar conditions in Rome. We were compelled for a while to guard the portals of the Senate lest there should be conduct at the doorways or in galleries against law and order that should shame us before the world. And, sir, you had the example brought to your minds, something delightful to dwell upon, gratifying to recall, consoling for all the future to memorialize. It was that the poor, the humble toiler, who had come to our doors in a spirit of defiance and desperation and seeking relief moved over our portals to see our action. He beheld that his protector was his Nation; that his guardian for the preservation of his home and children was his legislative body. He soon knew that the voices of the legislators of his countrymen assured him that he was the direct object of its care, its pity, its salvation—he, the citizen in need, the one thought of the legislators day and night.

Mr. President, these, once inflamed, then gradually softened; they moved off in smaller numbers; little by little repaired to their homes, in different directions. We know they melted and departed in new spirit; but America, sirs, your America, sirs, is the only country which within the last 2 years, when its citizens assembled in revolt at the Capital, sworn to execute vengeance, never suffered a stroke leveled against its institutions, never once by force or through voice of anarchy that summoned destruction by appeal was there one affront or offense. This, sir, we are pleased to ascribe to the confidence they had in their public servants, who, they saw, were anxious to come to their rescue and secure their relief. All this, in new transformation, our citizens beheld, and in it rejoiced. These became a part of that common lot of the lawful citizens and of constitutional government and moved off to praise—however they had been misguided in advice to betray and destroy.

Mr. President, if I have stepped apart a little to pay some little heed to my own contribution toward this measure, I beg to express my thanks to those who have allowed me the privilege.

"RADICAL"

Sirs, when it shall be said that the measure which now takes its course is to be "radical", let the reply be, "Yes; everything that undoes, eradicates; one cannot undo and put anew in the place of that which is undone without first eradicating the wrong upon which to construct the right. We eradicate; that is, uproot. Time and time again we may be called upon to overthrow an edifice when it has been afflicted with a plague, which may be disease or vermin or that which threatens what may be called the health of mankind and the security of society. Yet in all instances whatever was radical was only radical to the extent that it became necessary to eradicate the one that we might build up the other."

Mr. President, may I conclude by calling the attention of my fellow Senators that legislation or landmarks of principle now considered as conservative were when presented thought to be and aspersed as radical; that which is conservative now was deemed so radical at the time it was presented to the extent as to be anathematized as unconstitutional—all this because it was a departure or a new construction which had not been previously devised and enforced in execution.

But, sir, the mere fact that a measure may be radical—that is, new, undertaking a new authority, beginning a new course, and assuming, sir, a new departure in government—is no denial of its righteousness. It is no proof of injustice, and it is no justification for urging that because new that it should be impeded in its work of welfare or obstructed in its course and destroyed in its distribution of what it may give unto mankind of happiness and peace.

Mr. President, I then again congratulate the able Senator from New York [Mr. WAGNER] and his colleague [Mr. COPELAND]. I send my congratulations to those others, whom I need not name but who are familiar to us all, who have toiled with me looking to the object of having but a hearing, of having but the opportunity and desire of safeguarding the rights that belong to the citizen, and of applying the justice for which government was created. We wanted to assure the citizen of a refuge, that he may have the fullness of hope within his heart and the security of being preserved within his faith; since by this creed he may return to his children with the consciousness that they are to live the lives of citizens of America, guarded by its legislators and saved by that spirit of justice and rule of right that has so long been the guide for all America.

Mr. President, for that, sir, we delight to tell our countrymen that this, their America, which in its beginning was an experiment and radical, born of the brains of its patriotic fathers that in the emergency which then confronted them it did not hesitate, despite what may be termed "radicalism" to undertake the measure that shall give to this new America a new day, since we now move under a new guise to a new people who will now walk forth upon the avenues of their life in the highways of civilization with a consciousness that they are preserved by their country, for which they live and, in turn, for its preservation of them, they gladly tender themselves and their children to die, if it must be, upon battlefields, or in every encounter where justice would call for them in gratitude to remember with praise and sacrifice this our great America. I thank the Senate.

Mr. HARRISON. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendments, committee amendments to be first considered.

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

Mr. BORAH. Mr. President, at this late day and hour in the session I do not want to take time in expressing my views upon the pending measure; and yet I feel that there are some general observations which ought to be made, if I am to make them at all, before we enter upon the consideration of the amendments. I feel deeply about the proposed measure, or I should not trespass upon the time of the Senate.

As I understand the first subdivision of the bill, it presents a question of a change of policy of the Government toward the question of trusts and monopolies. Section 5 specifically provides for the suspension of the antitrust laws during the period of 2 years, and 60 days thereafter, as I recall. But it is not very material as to the limitation which is provided for in the bill, because in my opinion the effect of section 5, and the effect of the entire bill, so far as the first subdivision thereof is concerned, is to change our policy with reference to the antitrust laws and dealing with the question of monopoly. I was of that opinion before I heard the able speech of the Senator from New York [Mr. WAGNER], and he confirmed me in my view, very candidly stating that it is a change of policy with reference to the antitrust laws or with reference to dealing with monopolies. As I understand the measure, we are to have trusts and combines and monopolies, but we are not to call them such; and we are to regulate them.

Mr. WAGNER. Mr. President——

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

Mr. BORAH. I yield.

Mr. WAGNER. It is not a change with reference to the goals of the antitrust laws, but really an attempt to accomplish what they were intended to accomplish.

Mr. BORAH. Oh, yes; I understood that quite well. Nevertheless the Senator said the antitrust laws had failed, and that we have adopted a new policy, a new program, and this is the adoption of the new policy.

Mr. WAGNER. The antitrust laws failed because they resulted in the concentration of wealth.

Mr. BORAH. In my judgment this bill is a very advanced step toward the ultra concentration of wealth in the country. In other words, if we repeal or suspend the antitrust laws for 2 or 2½ years and permit those things to be done which may not now be done under the antitrust laws, at the end of that time it will be practically impossible to resolve ourselves into the position which we occupied with reference to that subject matter prior to the time the suspension took place. This is the first step to end all antitrust laws. We are to have combines as large as the industry itself, and any man in the industry who does not go along, joins it, may be put in jail.

If we say to the vast combinations of the country now existing, to the great corporations, "You may proceed to further merge, to further consolidate, to further monopolize, to control output and fix the prices during the period of 2½ years", it will be practically impossible to change the program at the end of that time. Therefore I look upon this suspension as in effect a repeal, a pronouncement against the antitrust laws, and a change of policy upon the part of the National Government as to the method and manner of dealing with the subject of concentration of wealth and of monopoly.

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

Mr. BORAH. I yield.

Mr. HATFIELD. There will be little to change after the operation of the proposed plan for 2½ years, so far as the people are concerned. Is not that true?

Mr. BORAH. I think that is true.

Mr. REED. Mr. President——

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

Mr. BORAH. I yield.

Mr. REED. Under an early section of the bill in title I it is evident that price fixing is intended by agreement among the producers of commodities, and it is made a crime to undersell that fixed price. Does the Senator think it will be possible at the expiration of 2 years to revert to a system whereby it is a crime to adhere to that fixed or pooled price?

Mr. BORAH. I do not think it is possible.

Mr. REED. The transition is too violent.

Mr. BORAH. Yes; and I do not believe it is practicable. I think the logic of the able speech of the Senator from New York [Mr. WAGNER] was to that effect. We have now reached the time when we are to deal with the subject of monopolies and with trusts from a different viewpoint from that with which we dealt with them when we were attempting to enforce the antitrust laws.

Mr. WAGNER. We are trying to prevent further monopoly.

Mr. BORAH. I accept the Senator's statement that he is trying to prevent it, but I am undertaking to say that he is accentuating and making possible greater concentration of wealth than could possibly take place under the Sherman antitrust laws if reasonably enforced. My contention is that whatever may be the Senator's intention, he is giving monopoly something it has been fighting for these 25 years—the death of the antitrust laws.

Mr. WAGNER. I do not want to argue with the Senator now, but our effort is to do quite the contrary, to give the smaller business men, who have been discriminated against under the operation of our present antitrust laws, an opportunity to be able to cooperate. The dissenting opinion of Mr. Justice Brandeis in the *American Column case* shows how the law has worked against the smaller man and in favor of his larger opponent.

Mr. BORAH. I shall read from Justice Brandeis in a few moments on the question of combination of wealth and how to deal with it. I am not now discussing the objective which the Senator says he has in view. I am undertaking to discuss the bill from the viewpoint of whether or not that objective can be obtained in that way.

Let us refer for a moment to the Sherman antitrust law and ask, if we are going to take care of the independents, if we are going to prevent the further solidification and concentration of wealth, if we are going to take care of the man who is striving for himself to do something without either the consent of the Government or the consent of some monopoly, why should the antitrust law be interfered with at all? It provides:

> Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal.

Why is it necessary to suspend a law which condemns the concentration of wealth or the combination of wealth or the merger of wealth for the purpose of controlling or restraining interstate trade? Under what conceivable condition could it be necessary, in the interest of the masses and of the people generally, to suspend the law which prohibits the control of wealth for the purpose of restraining trade, fixing prices, and controlling interstate commerce? If the object of the bill is to take care of the independents or to enable a man who under those conditions has not been able to take care of himself, then why is it necessary to suspend a law which makes illegal a contract or combination in the form of a trust or monopoly? If we desire to kill the trusts or the monopolies, why not add to the law which is upon the statute book rather than to suspend it when the law itself condemns that which it is said we condemn.

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

Mr. BORAH. I yield.

Mr. WAGNER. We are suspending the law only with reference to the provisions of the codes, and in no other respects.

Mr. BORAH. It is perfectly evident, then, that the provisions of the code are going to be combinations or contracts in restraint of trade, or it would not be necessary to suspend the antitrust laws. They could not possibly be in conflict with the code unless the code runs contrary to this provision which says a contract or combination in restraint of trade is illegal. What is the necessity of suspending this law which condemns trusts unless your new code is to be a trust? What is the necessity of suspending

a law which denounces combines in restraint of trade unless your new codes may become a combine in restraint of trade? What is the necessity of suspending a law unless you are preparing to violate it?

Mr. WAGNER. May I say to the Senator that while the objective of the antitrust laws, the perpetuation of genuine competition, was worthy, the law failed to reach that objective, and at the same time sanctioned the largest combinations of business that we have ever had in the history of the country. Yet the same law prevented smaller business men from cooperating in order to put competition upon a basis of efficiency, and has resulted instead in a destructive, cutthroat competition. We frankly propose to suspend the evil features of the antitrust laws without diminishing their capacity to serve useful ends.

Mr. BORAH. Very well. If that is a defect in the Sherman antitrust law, the objective being the same as the antitrust law, to wit, to prevent combinations and mergers, why is it necessary to repeal the law? Why not build up to it or modify it or make the combinations conform to it, rather than to repeal it?

Mr. WAGNER. We are not repealing the law. We are relaxing the law only with reference to the provisions contained in the codes.

Mr. BORAH. Exactly; and I ask again if the codes which are going to be made by private parties bent upon gain, determined to collect every cent which can be charged and collected, are not to be in conflict with the antitrust laws, why is it necessary to suspend all the antitrust laws? The Senator says we are only suspending the Sherman antitrust law because the code will come in conflict with it. If it does, it must follow that we are going to have a contract in the form of a trust or a conspiracy in restraint of trade; otherwise it would not be in conflict with the law. You are afraid of the antitrust laws, therefore, you suspend, which will in the end mean repeal. You will have vast combines and monopolies controlled by political machinery. God pity those who must pay the prices which will obtain.

Mr. WAGNER. Under the antitrust laws as they stand today no group of smaller or larger industries can cooperate for the purpose of putting wages and hours of labor upon a proper basis. It is the impossibility of doing these very things which has dragged our whole economic structure down, and the main purpose of this legislation is to rationalize competition and put it upon a basis of efficiency rather than upon a basis of exploitation of labor. That is the philosophy behind the legislation. The Government must approve the codes, and that is where the public protection lies.

Mr. BORAH. I do not desire to discuss now the political approval of a code.

Mr. WAGNER. I shall not interrupt the Senator further.

Mr. BORAH. We have had some experience in the last 3 months with approvals on the part of the President, and we know perfectly well that those approvals were never made by the President. They would not be in such disreputable standing if they had been approved by the President. They were approved by agents, as these codes will be. Do not forget that the President is authorized to delegate this question of approval to some individual responsible to no constituency, neither selected or elected by the people.

Mr. LONG. Mr. President——

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

Mr. BORAH. I yield.

Mr. LONG. I do not know whether the Senator is familiar with it or not; but the Democratic promise was that we were going to settle this trouble by shortening hours and decentralizing wealth.

Mr. BORAH. Yes; I am familiar with it; but I do not care to discuss the Democratic platform, because I do not regard either platform as of very much moment in the consideration of legislation. I know how and why platforms are written.

Again, section 2 of the Sherman antitrust law says:

> Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor.

Why suspend that?

Mr. WAGNER. Mr. President, my answer is that it is not suspended.

Mr. BORAH. Oh, it is not? Let us see. Perhaps I misread the bill:

> While this title is in effect, and for 60 days thereafter, any code, agreement, or license approved, prescribed, or issued and in effect under this title, and any action complying with the provisions thereof taken during such period, shall be exempt from the provisions of the antitrust laws of the United States.

Why is it necessary, Mr. President, to provide that it shall be exempt from the antitrust laws of the United States if it is not going to conflict with the antitrust laws of the United States?

Mr. WAGNER. It is necessary insofar as the provisions of the code are in conflict with the statutes.

Mr. BORAH. I understand that perfectly.

Mr. WAGNER. The Senator knows very well that no agreement can be made now in any industry to provide a living wage for the workers or to shorten the hours of labor.

Mr. BORAH. No; I do not agree to that at all. If the agreement goes no farther and may not be used for other purposes, I could not agree with the Senator.

Mr. WAGNER. The courts have said that industry can not cooperate or provide any code fixing definite standards for these things, because that is against the Sherman antitrust law.

Mr. BORAH. If the Senator has in mind that kind of agreements only, let us limit the suspension of the antitrust laws to that specific kind of contracts. This bill, however, makes a general suspension of the antitrust laws of the United States. While you are talking about labor you are opening the door to monopoly, the enemy of labor.

Mr. WAGNER. I do not want to reiterate constantly that we are suspending only those provisions that are in conflict with the codes. There are some other desirable powers that ought to be granted in addition to the right to agree as to hours and wages. These include suppression of fraudulent practices, false advertising, and the like. Then there are additional benefits, such as the interchange of information and the promulgation of research. All of these very salutary practices, which industry ought to be able to agree upon, cannot be indulged in under the restrictions of the present law.

Mr. BORAH. Mr. President, if that is the design of the bill, then I must say it has been rather unfortunately drawn, because under the suspension of the antitrust laws of which the Senator is speaking any combination may be made. These combinations which the units are going to be permitted to make may be in contravention of any provision of the Sherman antitrust law, and the Sherman antitrust law is suspended insofar as it conflicts with any code which the units may see fit to make. If they see fit to make a code which is monopolistic in form, it is valid, and the Sherman antitrust law is suspended. If they see fit to make a code which has the effect of restraining trade, the Sherman antitrust law is suspended and the code goes into effect.

Mr. WAGNER. Will the Senator note that the proposed law itself says that the President, before approving any code, must be satisfied that it will not promote a monopoly and that it will not discriminate against small business? That is a very clear declaration of principle.

Mr. BORAH. Then perhaps the provision of the bill ought to be redrafted in accordance with the Senator's view.

Mr. WAGNER. The bill so states.

Mr. BORAH. Section 3 of the Sherman antitrust law is as follows:

> Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce * * *, is hereby declared illegal.

The effect of this bill is to suspend the Sherman antitrust law, not only for two years and a half, as it says, or 2 years and 60 days, but in its practical effect indefinitely, because

once we permit these combines, once we permit these monopolistic practices, once we permit these mergers, we have a condition which cannot be resolved back into its original parts or conditions at the end of 2 years.

Mr. President, the Senator from New York a few moments ago referred to and quoted at length from Mr. Justice Brandeis. I desire to call attention now to an opinion by Mr. Justice Brandeis which it seems to me ought to have consideration in the final shaping of this bill.

Mr. WAGNER. Mr. President, will the Senator yield for one more interruption? I desire to read a provision of the bill which he may have overlooked. Section 3, subdivision (2), provides, among other things, that the President must be satisfied—

that such code or codes are not designed to promote monopolies or to eliminate or oppress small enterprises, and will not operate to discriminate against them.

Mr. BORAH. Yes; "not designed." There never in the world was one made that was designed to have that effect, according to the people who made it. What, as a practical matter, will it be when the steel industry gets its code into operation and all independents are out of business or in jail?

Mr. President, if Senators want to know how this measure is going to be enforced in the view of those who have been advocating it, let me call their attention to a statement made by Mr. Harriman, president of the United States Chamber of Commerce, who for years has been an earnest advocate of the repeal of the Sherman antitrust law, and so has the United States Chamber of Commerce, and now is an advocate of this bill, I take it, because of its suspension of the antitrust laws, from what he has said. He says in an interview:

Few industries are without "ruthless minorities" which are always ready to desert cooperative agreements and follow their own pathway to profits.

In other words, there are few industries but that have some independents, some who are seeking to conduct their business along lines which they think are proper and right and who are not willing to charge the price of the "combine"; and those independent business enterprises are the people of whom Mr. Harriman speaks here as minorities that are difficult to manage.

It is easy to see that if 90 percent of an industry lines up a program of shorter hours and better pay, the other 10, by lengthening hours and lessening pay, might make great gains.

President Harriman was asked what, under his trade-association plan, could be done to these men. His answer was:

"They'll be treated like any maverick. They'll be roped, branded, and made to run with the herd."

In other words, in the mind of Mr. Harriman, the practical interpreter of this measure, every independent, everyone who does not come into the combine, everyone who does not cooperate according to the agreement, will be roped, branded, ears split, and brought into the herd and made to run with the herd. His idea of it is that the independents can be put out of business as an entirety; that in a great unit of industry there can be no independents; that no one can be permitted to conduct his business except in accordance with the code. And when all independents are destroyed, when all competition is gone, when one powerful combination presents the code and makes its showing for approval, what will become of the consumer? Then it will be, as it has always been, that monopoly will regulate the regulators; and that is not a reflection upon individuals, it is stating an inevitable practical result.

Mr. WAGNER. I want to assure the Senator that Mr. Harriman had nothing to do with drafting this legislation, and will not be the administrator of it. That is simply his individual interpretation, just as the Senator is now attempting to advance his own interpretation. As for forcing people into line, there is a recalcitrant minority in some of these industries that we are trying to reach. This minority, with its long hours, short pay, and cutthroat competition, has dragged industry down to its present low level. We are trying to prevent those particular individuals from doing that sort of thing, and trying to bring them up to a level of efficiency and decency. If that can be accomplished, I think we will have made a great contribution toward a better day in the United States.

Mr. BORAH. It so happens he is satisfied with the bill. Mr. Schwab, in speaking of this measure, says:

I say that we gladly accept this offer of partnership, because with this kind of support and through our revitalized institute we should speedily and effectively be able to see brought into line those selfish interests who persist in unfair practices that are contrary to sound public policy.

The only persons who are remaining out of the steel combine are a few independents, and Mr. Schwab understands that through this bill and the suspension of the Sherman antitrust law he can force every steel concern in the United States to come into the combine which will be formed by the great steel companies of the United States.

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

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

Mr. BORAH. I yield.

Mr. COSTIGAN. On what occasion did Mr. Harriman and Mr. Schwab speak, and did they assume to speak with authority?

Mr. BORAH. Mr. Schwab was speaking at the meeting of the Steel Institute. Mr. Harriman, I think, was speaking in an interview.

I read the following item from the public press:

The Drug Institute of America, Inc., has been formed to unite all divisions of the $2,000,000,000 drug industry in an effort to maintain fair wages and to end cutthroat competition, it was announced yesterday.

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Patterned somewhat along the lines of the American Iron & Steel Institute and the American Petroleum Institute, the Drug Institute will pledge its members to cooperate with the Government—

And to bring into line the entire drug interests of the United States.

Mr. President, the practical effect of it will be that the drug interests, the steel interests, and this and that combine or interest will meet and formulate a code of rules. Any code which they formulate or which they put forth is no longer in conflict with the Sherman antitrust law, because the Sherman antitrust law is suspended wherever it comes in conflict with the code. Therefore, so far as the Sherman antitrust law is concerned, they are perfectly free in forming their code. They need not give consideration to the antitrust law in any way whatever, because they know that if they form the code and if it should conflict with the Sherman antitrust law, the Sherman antitrust law to that extent is repealed.

So we will have the steel industry, the drug industry, and the different industries of the United States meeting and combining for the purpose of formulating a code, the great objective of which will be to fix prices.

Mr. WAGNER. Mr. President, is there anything in the bill which justifies the conclusion of the Senator that all the matters to which he refers may be incorporated in the code? Remember that the code is to be a code of fair competition. A monopoly cannot be created in providing for fair competition. Besides being a contradiction, it would be contrary to the philosophy of the bill. Now, does not the Senator think it would be a better thing for the country if a minimum wage were provided for, and if reasonable hours of labor were fixed, so that competition would be put on a higher standard than at the present time? This would be of benefit to everybody, and would protect the small business man who cannot cooperate under the present law. It would prevent the necessity for the excessive concentration of wealth.

We are trying to prevent the further concentration of wealth by making rational competition possible. We are trying to effect a better distribution of wealth by providing for adequate wage payments. These are the objectives of this measure.

Mr. BORAH. The Senator speaks of taking care of the small man who has been forced into these large combines. What do we have here? When the large combines formu-

late their code, they not only bring to bear on the small man the economic pressure which may destroy him but the Government loans them the power to make him a criminal, and send him to the penitentiary, if he violates the code.

Mr. WAGNER. The answer is that the large industrialist will not formulate the codes. Everyone in the industry must be admitted into the groups proposing them or else the codes will not be approved. That is one of the conditions of the bill.

Mr. BORAH. Oh, yes.

Mr. WAGNER. The bill is to take care of the smaller men, so that they may have an equal chance so far as wages and hours are concerned. It is to put an end to certain practices in which they now indulge in an underground manner, leading to the destruction of the small industry. Under present conditions the larger units have wiped out small industries. We are trying to prevent this.

Mr. BORAH. When the time comes that the large interests in an industry, gathered together for the purpose of making a code, do not dominate the situation, but permit the small independent to write the code for the large industry, the millennium will have been here for many years. But until that time we are to have this same old world, with its appetite for gain and economic power still ruthless for profits.

Mr. WAGNER. The Government is here to step in to see that the small industries are taken care of and protected.

Mr. BORAH. If the Government cannot step in through the courts and enforce antimonopoly laws, does the Senator expect the Government to step in successfully through political maneuvers? The Senator is fond of reading from Justice Brandeis. Let me call attention in this connection to language which he used recently. He said:

> Able, discerning scholars have pictured for us the economic and social results of thus removing all limitations upon the size and activities of business corporations and of vesting in their managers vast powers once exercised by stockholders—results not designed by the States and long unsuspected. They show that size alone gives to giant corporations a social significance not attached ordinarily to smaller units of private enterprise. Through size, corporations, once merely an efficient tool employed by individuals in the conduct of private business, have become an institution—an institution which has brought such concentration of economic power that so-called "private corporations" are sometimes able to dominate the State. The typical business corporation of the last century, owned by a small group of individuals, managed by their owners, and limited in size by their personal wealth, is being supplanted by huge concerns in which the lives of tens or hundreds of thousands of employees and the property of tens or hundreds of thousands of investors are subjected through the corporate mechanism to the control of a few men.
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> The data submitted in support of these conclusions indicate that in the United States the process of absorption has already advanced so far that perhaps two thirds of our industrial wealth has passed from individual possession to the ownership of large corporations whose shares are dealt in on the stock exchange; that 200 nonbanking corporations, each with assets in excess of $90,000,000, control directly about one fourth of all our national wealth, and that their influence extends far beyond the assets under their direct control; that these 200 corporations, while nominally controlled by about 2,000 directors, are actually dominated by a few hundred persons—the negation of industrial democracy. Other writers have shown that, coincident with the growth of these giant corporations, there has occurred a marked concentration of individual wealth, and that the resulting disparity in incomes is a major cause of the existing depression.

Mr. President, under the pending bill, as a practical proposition, these vast corporations can meet and formulate a code, and I venture to say that the effect of the small participants will be infinitesimal in that meeting where these vast corporations, controlling two thirds of the national wealth, are brought together.

Mr. WAGNER. Mr. President, the conditions to which Justice Brandeis refers were brought about under the present law.

Mr. BORAH. Brought about—why? The Democrats said in the campaign that they were brought about under the present law because Republicans had refused to enforce the law, and that it was the Democrats who were going to enforce the law and remedy that condition of things. Now you are engaged not in enforcing the antitrust laws, for which you denounced Republicans, but in suspending them. Did you say anything in the campaign about suspending the antitrust laws? Nay, verily.

Mr. WAGNER. I have said that we are not suspending the law; we are enforcing it properly.

Mr. BORAH. By suspending the law. Again Justice Brandeis said:

> There is a widespread belief that the existing unemployment is the result, in large part, of the gross inequality in the distribution of wealth and income which giant corporations have fostered; that by the control which the few have exerted through giant corporations individual initiative and effort are being paralyzed, creative power impaired, and human happiness lessened; that the true prosperity of our past came not from big business, but through the courage, the energy, and the resourcefulness of small men; that only by releasing from corporate control the faculties of the unknown many, only by reopening to them the opportunities for leadership, can confidence in our future be restored and the existing misery be overcome.

Notice he says that "the true prosperity of our past came not from big business, but through the courage, the energy, and the resourcefulness of small men." What is proposed to be done with the small men? After these combines have made their code, if some gentleman, as an American citizen, desires to start his own business and conduct his own business in order to make a livelihood, they may not only force him with their economic power, but they may have him indicted as a criminal and send him to the penitentiary for pursuing his legitimate business in the United States. I declare that under this bill a condition could be brought about which would prevent a man from pursuing a legitimate business without the consent of the "combine", and if he did so he could be sent to jail.

The elder Rockefeller did not need any criminal law to aid him when he was building up his wealth. He destroyed the independents everywhere; he scattered them to the four winds; he concentrated his great power. But the Senator would not only give to the combines all the power to write their code, but would give them the power to indict and prosecute the man who violated the code, although he might be pursuing a perfectly legitimate business.

Mr. President, I do not care how much we strengthen, how much we build up, how much we buttress the antitrust law; I object to a suspension in any respect whatever, because I know that when those laws are suspended, we give these 200 nonbanking corporations, which control the great wealth of the United States, a stupendous power, which can never be controlled except through the criminal laws enforced by the courts.

Mr. WAGNER. Mr. President, will the Senator point out under what provision of this proposed act the small business man cannot meet in the industry and adopt a code?

Mr. BORAH. I am contending under this law the small man will and can be dominated by the larger interests.

Mr. WAGNER. They are all entitled to become members of the association and provide their code, a thing which they cannot do under the present law.

Mr. BORAH. Under the present law?

Mr. WAGNER. They cannot do it under the present law. They cannot meet for cooperative purposes to agree upon wages and hours of labor and these other practices. The law prevents them from meeting for these things. The result is that there are created these large industries, these large enterprises, about which the Senator complains, the very enterprises which have been created and which have survived under the law as it is today. We are trying to prevent the small business man from being frustrated in his attempts to secure equality.

Mr. BORAH. You are trying to give the small business man a chance against the large business man by taking off the large business man the Sherman antitrust law, which you can enforce if you desire to do so whenever he is operating in restraint of trade or practicing monopoly. It is not the small-business man who objects to the antitrust laws; it is not in his interests that you are suspending them. It is the large business interests which object to them and have sought their repeal for years. It is for big business that

you are suspending these laws, and in doing so you are making it just that much more difficult for the small man to protect himself in these "combines."

Mr. WAGNER. Mr. President, will the Senator yield, or would he rather not?

Mr. BORAH. I am perfectly willing to yield.

Mr. WAGNER. I want to call the attention of the Senator to the case of the American Column & Lumber Co. against the United States, where 365 small concerns, totaling 30 percent of the hardwood producers of the country were prevented from engaging in an "open competition plan." The Court ruled against them. Justice Brandeis wrote the dissenting opinion in that case, and he said this:

> May not these hardwood-lumber concerns, frustrated in their efforts to rationalize competition, be led to enter the inviting field of consolidation? And if they do, may not another huge trust with highly centralized control over vast resources—natural, manufacturing, and financial—become so powerful as to dominate competitors, wholesalers, retailers, consumers, employees, and in large measure the community?

That is just what happens under the law as it is today. These 365 smaller units of the industry could not meet for the purpose of providing an open competition plan, and the result is that the antitrust laws would tend to drive them into a combination. That is what we are trying to prevent.

Mr. BORAH. They could not meet for the purpose of trying to fix the price of lumber to be charged every home builder in the United States.

Mr. WAGNER. Oh, no.

Mr. BORAH. I am perfectly familiar with that decision, and I am perfectly familiar with the evidence which was taken in the case. The combination was fought for the reason that such a combination, nothwithstanding the professed objects of the combination, would have given those entering it control of every home builder, through the price they would charge for lumber to be used in the erection of buildings in the United States.

Mr. WAGNER. I have quoted from Justice Brandeis. He knew something about the facts in the case.

Mr. BORAH. I knew something about them, and I am not controverting Justice Brandeis' statement in any respect whatever. As the record was made for Justice Brandeis I am not controverting what he said; but I say, as Adam Smith once said long ago, "People of the same trade seldom meet together, even for merriment or diversion, but the conversation ends at last in a conspiracy against the public or in some contrivance to raise prices for the public." That is precisely what every trust seeks to do.

Mr. WAGNER. Is the Senator advocating the Adam Smith laissez-faire doctrine in this age? Is that what the Senator is doing?

Mr. BORAH. I am quoting him on a tendency of industrial power, and every page of industrial growth sustains the truth of his statement. The Senator knows that when the giant movers in a great industry meet together, even if they meet for the purpose of holding a dance, before they close their meeting they will talk over the question of whether they can raise the prices of their products. That is human nature. Now, you propose to suspend the law, and I ask, where in this bill is there any protection for the consumer? Where is there in this bill any protection for the man who has to pay the price?

Mr. WAGNER. The Government. That is the only place to which the consumer can ever come for protection.

Mr. BORAH. What government?

Mr. WAGNER. The United States Government—the President of the United States.

Mr. BORAH. The Senator means we may look to the President, not to the Government.

Mr. WAGNER. The President is the head of the Government.

Mr. BORAH. I am still sufficiently old-fashioned in my views to believe that there are two other departments of the Government besides the executive—the legislative, which abdicates, and the judiciary, which is disregarded in this bill.

Mr. WAGNER. The Senator knows that we cannot ourselves exercise purely administrative power. We have to delegate those functions to someone.

Mr. BORAH. It is not the particular occupant of the White House to whom I am referring. I am making the contention that we should write the law ourselves. There is not an indication in this bill of what is fair competition. There is no rule laid down. Anything is fair competition which industry agrees upon and can get approved. There is not an indication of what rule should govern, either the people who formulate the combine or the President of the United States. We do not indicate what we desire in the way of fair competition. We lay down no rule for them to follow. We give them no code. When they meet they are to form their own idea of what is fair competition. The Congress of the United States is asked to abdicate. The bill furnishes no rule for the protection of the consumer, and it furnishes no rule even for the guidance of the President of the United States.

I ask the Senator, where is the rule in this bill which indicates what is fair competition, or who is to decide it, except the 200 nonbanking corporations of the United States which hold the wealth of the United States? The consumers of the United States must pay whatever they say is a proper price, under fair competition, and get by with it. We hold no check upon them. We provide that the man who violates the code may go to jail. But we lay down no rule for the violation of which the members can be sent to jail. We fail the little fellow who wants to go alone, but we put not one single restraint of criminal law upon those who will be interested in weakening a code which will enable them to get the last red cent from the consumer.

Mr. REED. Mr. President, will the Senator permit a suggestion?

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

Mr. BORAH. Yes.

Mr. REED. Necessarily the President must delegate his powers under this bill?

Mr. BORAH. That is provided for.

Mr. REED. Necessarily, then, he must select some person for the administration of each of these great industries. He will either get somebody from within the industry or somebody from the outside who is not experienced in the industry. Obviously he will take the first course, and that means in the steel business, for example, that a man who has spent his life in the steel business will be called upon to exercise the actual, final say about what is a fair price. Does the Senator think it is good policy to expose the consumer to any such system as that?

Mr. BORAH. No; I do not. Let us suppose now that this bill is enacted, and all the different industries of the United States—the lumber industry, the drug industry, the steel industry, the shoe industry, the potato industry, and all the other industries in the United States—form their combines, form their codes, and submit them; do we suppose, for a moment, that the President of the United States, by any possibility, can go into the details of the thousand-and-odd business industries of the United States, upon a large scale, and himself pass upon them? We know that he is not going to do so; it is impossible for him to do so; he will delegate the authority to some individual; and we are now authorizing not the President of the United States but, as a practical proposition, we are authorizing some individual who may be selected for that place, or perhaps a dozen individuals, for there will be so many industries, to pass upon the question of fair competition, without any guide or direction from the lawmaking power of the United States as to what is fair competition. It is solely within the discretion of the industry and the particular individual who is called upon to pass on it; and, in my opinion, it is a most hazardous thing to do.

This is a huge, stupendous duty; no one man can perform it. The President cannot possibly attend to it. He must

select an individual whom we do not know and for whom we furnish no rule nor law.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. REED. Is the bill being read for committee amendments at this time, Mr. President?

The PRESIDING OFFICER. That course has been agreed to by unanimous consent, and the clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 1, section 1, line 7, after the word "interstate", it is proposed to insert the words "and foreign", so as to make the clause read:

SECTION 1. A national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to exist.

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

Mr. McCARRAN. I desire to present an amendment to the bill and ask that it may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

REGULATIONS PERTAINING TO VETERANS' ALLOWANCES

Mr. CUTTING. Mr. President, on yesterday afternoon the Senator from Arkansas [Mr. ROBINSON] introduced into the RECORD a statement relating to changes in the regulations having to do with compensation allowances for veterans of the World War and the Spanish-American War. Let me call to the attention of the Senate the fact that the Senator from Arkansas in no way guaranteed the accuracy of the statement. He did not reveal the source of the statement. The statement begins by saying that—

Important changes were made today by the President in regulations having to do with compensation allowances for veterans of the World War and the Spanish-American War. These changes were approved by the President by an Executive order which he signed.

Let the Senate notice that the Executive order which the President is alleged to have signed on yesterday was not introduced into the RECORD. It has not as yet been made public. This morning I called up the Veterans' Administration and attempted to obtain a copy of the order which the President is said to have signed, but the Veterans' Administration refused to give me a copy of it, on the ground that they had orders not to give it out to the public. Therefore——

Mr. REED. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Pennsylvania?

Mr. CUTTING. Yes.

Mr. REED. These regulations have the force of law, have they not?

Mr. CUTTING. Without having seen them, I so assume.

Mr. REED. Did the Veterans' Administration presume to deny a copy of that order to the Senator from New Mexico this morning?

Mr. CUTTING. That is correct.

May I quote now from the statement in the Baltimore Sun of this morning, which conveys more information than the Senate was furnished yesterday afternoon by the Senator from Arkansas. That quotation is as follows:

A statement issued from the White House after the President, Lewis W. Douglas, Director of the Budget, and Gen. Frank T. Hines, Administrator of Veterans' Affairs, had been in conference described in general terms the effect of the order.

The order itself was not made public.

Mr. President, I called the attention of the Senate yesterday to the fact that the Governor of my State had attempted to secure information from the Veterans' Administration as to the number of men drawing compensation who were going to be cut from the rolls in order that he might carry out the necessary program for the relief of those men. The Governor of New Mexico was refused that information by the Veterans' Administration. The State of New Mexico is, in consequence, unable to tell what action need be taken to protect thousands of men who are liable to be thrown out of the hospitals on the 1st of July, men coming from every State in the Union, men who are not the special responsibility of the State of New Mexico, but whom we shall be glad to take care of if we can. We cannot get that information, and now, Mr. President, we cannot get information as to an Executive order which the President is said to have signed on yesterday.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Georgia.

Mr. CUTTING. I yield to the Senator from Georgia.

Mr. GEORGE. May I say to the Senator from New Mexico that the Executive orders to which he is now referring are in the Senate, having been transmitted today, but they have not been yet laid before the Senate.

Mr. CUTTING. Are they here at present?

Mr. GEORGE. They are at the desk. The President has sent them to the Senate.

The PRESIDING OFFICER. Will the Senator from New Mexico yield in order to enable the Chair to lay before the Senate a communication relating to the subject?

Mr. CUTTING. I should certainly be very much interested to see a copy of those orders, as I have been trying to procure it all day.

Mr. REED. Mr. President, if the Senator from New Mexico will permit, I ask unanimous consent that the Executive orders may be printed in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and lays before the Senate a message from the President of the United States.

The message was read, and, with the accompanying copies of Executive orders, ordered to lie on the table and to be printed in the RECORD, as follows:

To the Congress:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith a photostat copy of Executive Orders, No. 6156 (Veterans' Regulation 1 (a)), No. 6157 (Veterans' Regulation 3 (a)), No. 6158 (Veterans' Regulation 9 (a)), and No. 6159 (Veterans' Regulation 10 (a)), approved by me June 6, 1933, embodying amendments to veterans' regulations approved by me March 31, 1933, relating to veterans' relief. These veterans' regulations have been issued in accordance with the terms of title I of that law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 7, 1933.*

EXECUTIVE ORDER

VETERANS' REGULATION NO. 1 (A)—ENTITLEMENT TO PENSIONS

Whereas section 1, title I, of Public, No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", provides:

"SECTION 1. That, subject to such requirements and limitations as shall be contained in regulations to be issued by the President, and within the limits of appropriations made by Congress, the following classes of persons may be paid a pension: (a) Any person who served in the active military or naval service and who is disabled as a result of disease or injury or aggravation of a preexisting disease or injury incurred in line of duty in such service. (b) Any person who served in the active military or naval service during the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, or the World War, and who is permanently disabled as a result of injury or disease; *Provided*, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper. (c) The widow, child or children, dependent mother or father of any person who dies as a result of disease or injury incurred or aggravated in line of duty in the active military or naval service. (d) The widow and/or child of any deceased person who served in the active military or naval service during the Spanish-American War, including the Boxer rebellion and the Philippine insurrection. (e) For the purpose of subparagraph (b) of this section, the World War shall be deemed to have ended November 11, 1918."

Now, therefore, by virtue of the authority vested in me by said law, the following regulation is hereby promulgated canceling Veterans' Regulation No. 1 and substituting therefor Veterans' Regulation No. 1 (a), to read as follows:

PART I

PENSIONS TO VETERANS AND THE DEPENDENTS OF VETERANS FOR DISABILITY OR DEATH RESULTING FROM ACTIVE MILITARY OR NAVAL SERVICE DURING THE SPANISH-AMERICAN WAR, BOXER REBELLION, PHILIPPINE INSURRECTION, AND/OR THE WORLD WAR

I. (a) For disability resulting from personal injury or disease contracted in line of duty, or for aggravation of a preexisting injury or disease contracted or suffered in line of duty, when such disability was incurred in or aggravated by active military or naval service during an enlistment or employment entered into on or after April 21, 1898, and before August 13, 1898, where the injury or disease was incurred or aggravated prior to July 5, 1902; or during an enlistment or employment where there was actual participation in the Philippine insurrection on or after August 13, 1898, and before July 5, 1902: *Provided, however,* That if the person was serving with the United States military forces engaged in the hostilities in the Moro Province, the dates herein stated shall extend to July 15, 1903; or during an enlistment or employment where there was actual participation in the Boxer rebellion on or after June 20, 1900, and before May 13, 1901; or during an enlistment or employment entered into on or after April 6, 1917, and before November 12, 1918, where the disease or injury was incurred prior to July 2, 1921: *Provided, however,* If the person was serving with the United States military forces in Russia, the dates herein shall be extended to April 1, 1920; or where such disability was incurred in or aggravated by active military or naval service during an enlistment or employment where there was active service in the Spanish-American War, or actual participation in the Boxer rebellion, or Philippine insurrection, or active service in the World War during the dates specified, the United States will pay to any person thus disabled and who was honorably discharged a pension as hereinafter provided; but no pension shall be paid if the disability is the result of the person's own misconduct.

(b) That for the purposes of paragraph I (a) hereof, every person employed in the active military or naval service for 90 days or more shall be taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, infirmities, or disorders noted at time of the examination, acceptance, and enrollment, or where evidence or medical judgment is such as to warrant a finding that the injury or disease existed prior to acceptance and enrollment.

(c) That for the purposes of paragraph I (a) hereof a chronic disease becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from active service as set forth therein shall be considered to have been incurred in or aggravated by service as specified therein notwithstanding there is no record of evidence of such disease during the period of active service; provided, the person suffering from such disease served 90 days or more in the active service as specified therein; provided, however, that where there is affirmative evidence to the contrary, or evidence to establish that an intercurrent injury or disease which is a recognized cause of such chronic disease, has been suffered between the date of discharge and the onset of the chronic disease, or the disability is due to the person's own misconduct, service-connection will not be in order.

(d) That for the purposes of paragraph I (a) hereof a preexisting injury or disease will be considered to have been aggravated by active military service as provided for therein where there is an increase in disability during active service unless there is a specific finding that the increase in disability is due to the natural progress of the disease.

II. That for the purposes of part I, paragraph I (a) hereof, if the disability results from injury or disease—

(a) If and while the disability is rated 10 percent the monthly pension shall be $9.

(b) If and while the disability is rated 20 percent the monthly pension shall be $18.

(c) If and while the disability is rated 30 percent the monthly pension shall be $27.

(d) If and while the disability is rated 40 percent the monthly pension shall be $36.

(e) If and while the disability is rated 50 percent, the monthly pension shall be $45.

(f) If and while the disability is rated 60 percent, the monthly pension shall be $54.

(g) If and while the disability is rated 70 percent, the monthly pension shall be $63.

(h) If and while the disability is rated 80 percent the monthly pension shall be $72.

(i) If and while the disability is rated 90 percent the monthly pension shall be $81.

(j) If and while the disability is rated as total the monthly pension shall be $90.

(k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or the loss of the use of only 1 foot, or 1 hand, or 1 eye, the rate of pension provided in part I, paragraph II (a) to (j) shall be increased by $25 per month.

(l) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands, or both feet, or of one hand and one foot, or is so helpless as to be in need of regular aid and attendance, the monthly pension shall be $150.

(m) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands and one foot, or of both feet and one hand, or if the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, the monthly pension shall be $175.

(n) If the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, and has suffered the anatomical loss or loss of use of one hand or one foot, the monthly pension shall be $200.

(o) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use as provided in subparagraphs (l) to (n), inclusive, of part I paragraph II of this regulation, and/or blindness in both eyes, having only light perception, which conditions under subparagraphs (l) to (n), inclusive, entitle him to two or more of the rates provided in those subparagraphs, no specified condition being considered twice in the determination, the monthly pension shall be $250.

III. That for the purposes of paragraph I hereof any person who on or after April 6, 1917, and prior to November 12, 1918, applied for enlistment or enrollment in the active military or naval forces and who was provisionally accepted and directed or ordered to report to a place for final acceptance into such military service, or who on or after April 6, 1917, and prior to November 12, 1918, was drafted, and after reporting pursuant to the call of his local draft board and prior to rejection, or who on or after April 6, 1917, and prior to November 12, 1918, after being called into the Federal service as a member of the National Guard, but before being enrolled for the Federal service suffered an injury or disease in line of duty and not the result of his own misconduct will be considered to have incurred such disability in active military or naval service during the period of the World War.

IV. The surviving widow, child, or children, and/or dependent mother or father of any deceased person who died as a result of injury or disease incurred in or aggravated by active military or naval service as provided for in part I, paragraph I hereof, shall be entitled to receive pension at the monthly rates specified next below:

Widow, but no child	$30
Widow and 1 child (with $6 for each additional child)	40
No widow, but 1 child	20
No widow, but 2 children (equally divided)	30
No widow, but 3 children (equally divided) (with $5 for each additional child; total amount to be equally divided)	40
Dependent mother or father, $20 (or both) each	15

The total pension payable under this paragraph shall not exceed $75. Where such benefits would otherwise exceed $75 the amount of $75 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

PART II

PAYMENT OF PENSION FOR DISABILITY OR DEATH INCURRED DURING PEACE-TIME SERVICE

I. (a) For disability resulting from personal injury or disease contracted in line of duty or for aggravation of a preexisting injury or disease contracted or suffered in line of duty when such disability was incurred in or aggravated by active military or naval service other than in a period of war service, as provided in part I, the United States will pay to any person thus disabled and who was honorably discharged from such period of service in which such injury or disease was incurred, or preexisting injury or disease was aggravated, a pension as hereinafter provided, but no pension shall be paid if the disability is the result of the person's own misconduct.

(b) For the purposes of paragraph I (a) of part II hereof, every person employed in the active military or naval service for 6 months or more shall be taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, infirmities, or disorders noted at time of the examination, acceptance, and enrollment, or where evidence or medical judgment is such as to warrant a finding that the disease or injury existed prior to acceptance and enrollment.

(c) Any veteran or the dependents of any deceased veteran otherwise entitled to pension under the provisions of part II of this regulation shall be entitled to receive the rate of pension provided in part I of this regulation, if the disability or death resulted from an injury received in line of duty in actual combat in a military expedition or military occupation.

II. For the purposes of part II, paragraph I (a), hereof, if the disability results from injury or disease:

(a) If and while the disability is rated 10 percent, the monthly pension shall be $6.

(b) If and while the disability is rated 20 percent the monthly pension shall be $9.

(c) If and while the disability is rated 30 percent the monthly pension shall be $13.

(d) If and while the disability is rated 40 percent the monthly pension shall be $18.

(e) If and while the disability is rated 50 percent the monthly pension shall be $22.

(f) If and while the disability is rated 60 percent the monthly pension shall be $27.

(g) If and while the disability is rated 70 percent the monthly pension shall be $31.

(h) If and while the disability is rated 80 percent the monthly pension shall be $36.

(i) If and while the disability is rated 90 percent the monthly pension shall be $40.

(j) If and while the disability is rated as total the monthly pension shall be $45.

(k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or the loss of the use of only 1 foot, or 1 hand, or 1 eye, the rate of pension provided in part II, paragraph II, (a) to (j), shall be increased by $12 per month.

(l) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands, or of both feet, or of 1 hand and 1 foot, or is so helpless as to be in need of regular aid and attendance, the monthly pension shall be $75.

(m) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands and 1 foot, or of both feet and 1 hand, or if the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, the monthly pension shall be $87.

(n) If the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, and has suffered the anatomical loss or loss of use of one hand or of one foot, the monthly pension shall be $100.

(o) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use, as provided in subparagraphs (l) to (n), inclusive, of part I, paragraph II, of this regulation, and/or blindness in both eyes, having only light perception, which conditions under subparagraphs (l) to (n), inclusive, entitle him to two or more of the rates provided in those subparagraphs, no specified condition being considered twice in the determination, the monthly pension shall be $125.

III. The surviving widow, child, or children, and/or dependent mother or father of any deceased person who died as a result of injury or disease incurred in or aggravated by active military or naval service as provided for in part II, paragraph I hereof, shall be entitled to receive pension at the monthly rates specified next below:

Widow but no child	$22
Widow and 1 child (with $4 for each additional child)	30
No widow but 1 child	15
No widow but 2 children (equally divided)	22
No widow but 3 children (equally divided, with $3 for each additional child; total amount to be equally divided)	30
Dependent mother or father	15
Both mother and father (each)	11

The total pension payable under this paragraph shall not exceed $56. Where such benefits would otherwise exceed $56, the amount of $56 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

PART III

PAYMENT OF PENSION FOR DISABILITIES OR DEATH NOT THE RESULT OF SERVICE

I. (a) Any person who served in the active military or naval service for a period of 90 days or more during either the Spanish-American War, the Boxer rebellion, the Philippine insurrection, or the World War, who is shown to have been in active service therein before the cessation of hostilities and to have been honorably discharged from such service shall be entitled to receive a pension for permanent total disability not the result of his misconduct and which is not shown to have been incurred in any period of military or naval service: Provided, that—

(b) To be entitled to pension under the terms of part III a veteran of either the Boxer rebellion or of the Philippine insurrection must be shown to have actually participated therein during his period of service.

(c) That for the purpose of paragraph I (a) hereof, the World War shall be deemed to have ended November 11, 1918, and the delimiting periods of the Spanish-American War, the Boxer rebellion, and the Philippine insurrection shall be as specified in part I.

(d) In determining the period of active service for the purpose of part III, it is not requisite that the 90 days' period of service shall have been completed before the cessation of hostilities. It is necessary, however, that a claimant hereunder shall have entered service prior to the cessation of hostilities and shall have served continuously thereafter for 90 days. A period of continuous active service for 90 days which commenced prior to, and extended into a period of hostilities as defined by part I, shall be considered as meeting the service requirements of part III.

(e) Except as provided in paragraph I (g) hereof, no pension shall be payable under part III for permanent disability less than total. A permanent total disability shall be taken to exist when there is present any impairment of mind or body which is sufficient to render it impossible for the average person to follow a substantially gainful occupation and where it is reasonably certain that such impairment will continue throughout the life of the disabled person. Notwithstanding this definition the Administrator of Veterans' Affairs is hereby authorized to classify as permanent and total those diseases and disorders, the nature and extent of which, in his judgment, is such as to justify such a determination.

(f) The amount of pension payable under the terms of part III shall be $30 monthly, provided that—

(g) Any veteran of the Spanish-American War over 62 years of age, (1) who meets the other requirements of part III, or (2) who was on the pension rolls March 20, 1933, shall be entitled to receive a pension in the amount of $15 monthly, except that under (2), the pension being paid to the veteran on March 20, 1933, shall be continued in the same amount if it was less than $15 per month.

II. (a) Payment of pension provided by part III, except as provided in paragraph I (g), shall not be made to any unmarried person whose annual income exceeds $1,000, or to any married person or any person with minor children whose annual income exceeds $2,500.

(b) Whenever the income of any beneficiary to whom pension has been allowed under part III exceeds the amount specified in this paragraph, the award of pension shall be discontinued.

(c) Whenever it may be considered to be necessary for the purpose of this paragraph, the Veterans' Administration may require from any beneficiary under part III such information, proofs, or evidence as may be desired in order to determine the annual income of such beneficiary.

III. (a) The surviving widow and/or child or children of any deceased person who served in the active military or naval service during either the Spanish-American War, the Boxer rebellion, or the Philippine insurrection, and whose service therein was as defined by part III, paragraph I hereof, shall be entitled to receive a pension at the monthly rates specified next below:

Widow, but no child	$15
Widow and 1 child (with $3 monthly for each additional child)	20
No widow, but 1 child	12
No widow, but 2 children (equally divided)	15
No widow, but 3 children (equally divided) with $2 monthly for each additional child; total amount to be equally divided)	20

(b) The total pension payable under this paragraph shall not exceed $27 monthly. Where such benefits would otherwise exceed $27 monthly, the amount of $27 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

PART IV

COMBINING OF PENSIONS

I. The Administrator of Veterans' Affairs is hereby authorized and directed to provide for the combination of ratings and to pay pension at the rates prescribed by Veterans' Regulation No. 1 (a), part I, to those veterans who had war-time service as defined in Veterans' Regulation No. 1 (a), paragraph I (a), and peace-time service as defined in part II, paragraph I (a) thereof, who have suffered disability in line of duty in each period of service.

II. The Administrator of Veterans' Affairs is hereby further authorized and directed to provide that for the purpose of determining whether a veteran is suffering from permanent and total disability as defined in part III, Veterans' Regulation No. 1 (a), ratings for disabilities incurred in active military or naval service and in line of duty may be combined with ratings for disabilities which are not shown to have been incurred in active military or naval service: *Provided*, That in those cases in which the veteran, by virtue of the above provision, is found to be entitled to a pension under part III of Veterans' Regulation No. 1 (a), and is entitled to a pension under part I or part II of Veterans' Regulation No. 1 (a), the Administrator of Veterans' Affairs is authorized and directed to pay to the veteran the greater benefit.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 6, 1933.*

EXECUTIVE ORDER

VETERANS' REGULATION NO. 3 (a)—SCHEDULE FOR RATING DISABILITIES

Whereas section 3, title I, of Public, No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", provides:

"For each class of persons specified in subparagraphs (a) and (b) of section 1 of this title the President is hereby authorized to prescribe by regulation the minimum degrees of disability and such higher degrees of disability, if any, as in his judgment should be recognized and prescribe the rate of pension payable for each such degree of disability. In fixing rates of pensions for disability or death the President shall prescribe by regulation such differentiation as he may deem just and equitable, in the rates to be paid to veterans of different wars and/or their dependents and to be paid for—

"(a) Disabilities and deaths resulting from disease or injury incurred or aggravated in line of duty in war-time service;

"(b) Disabilities and deaths resulting from disease or injury incurred or aggravated in line of duty in peace-time service;

"(c) Disabilities and deaths not incurred in service."

Now, therefore, by virtue of the authority vested in me by said law, the following regulation is hereby promulgated, canceling Veterans' Regulation No. 3 and substituting therefor Veterans' Regulation No. 3 (a), to read as follows:

I. The Administrator of Veterans' Affairs is hereby authorized and directed to adopt and apply a schedule of ratings of reductions in earning capacity from specific injuries or combination of injuries. The ratings shall be based, as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations. The schedule shall be constructed so as to provide 10 grades of disability, and no more, upon which payments of pension shall be based, namely, 10 percent, 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, 80 percent, 90 percent, and total, 100 percent. The Administrator

of Veterans' Affairs shall from time to time readjust this schedule of ratings in accordance with experience.

II. In connection with the review directed by section 17 of Public, No. 2, Seventy-third Congress, the schedule of ratings provided for herein shall not operate to reduce by more than 25 percent (exclusive of special statutory allowances) the payments being made to any veteran who on March 20, 1933, was properly rated on a permanent basis and who meets the requirements of Regulation No. 1, part I.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 6, 1933.*

EXECUTIVE ORDER

VETERANS' REGULATION NO. 9 (A)—PAYMENT OF BURIAL EXPENSES OF DECEASED WAR VETERANS

Whereas section 17 title I, of Public, No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government" provides:

"That subject to such regulations as the President may prescribe, allowances may be granted for burial and funeral expenses and transportation of the bodies (including preparation of the bodies) of deceased veterans of any war to the places of burial thereof in the sum not to exceed $107 in any one case."

Now, therefore, by virtue of the authority vested in me by said law, the following regulation is hereby promulgated canceling Veterans' Regulation No. 9, and substituting Veterans' Regulation No. 9 (a), to read as follows:

I. Where an honorably discharged veteran of any war dies after discharge a flag to drape the casket shall be furnished in all cases, such flag to be given to the next of kin after burial of the veteran.

II. Where an honorably discharged veteran of any war dies after discharge, the Administrator, in his discretion and with due regard to the circumstances in each case, shall pay, for burial and funeral expenses and transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding $75 to cover such items and to be paid to such person or persons as may be prescribed by the Administrator. Burial allowance, or any part thereof, authorized under this regulation shall not be payable if the veteran's net assets at the time of death, exclusive of debts and accrued pension, compensation, or insurance due at time of death, equal or exceed the sum of $1,000. The Administrator may, in his discretion, make contracts for burial and funeral services within the limits of the amount herein allowed without regard to the laws prescribing advertisement for proposals for supplies and services for the Veterans' Administration. No deduction shall be made from the sum allowed because of any contribution toward the burial and funeral (including transportation) which shall be made by a State, county, or other political subdivision, lodge, union, fraternal organization, society or beneficial organization, insurance company, workmen's compensation commission, State industrial accident board, or employer, but the aggregate of the sums allowed from all sources shall not exceed the actual cost of the burial and funeral (including transportation).

III. Where death occurs in a Veterans' Administration facility the Veterans' Administration will (a) assume the actual cost (not to exceed $75) of burial and funeral, and (b) transport the body to the place of residence or to the nearest national cemetery or such other place as the next of kin may direct where the expense is not greater than the ascertained cost of transportation to place of residence. Where the ascertained cost of transportation to a place directed by the next of kin exceeds the amount allowed in accordance with (b) hereof, such allowable amount shall be available for reimbursement purposes or partial payment in such manner as the Administrator may determine.

IV. Claims for reimbursement must be filed within 1 year subsequent to the date of death of the veteran. In the event the claimant's application is not complete at the time of original submission, the Veterans' Administration will notify the claimant of the evidence necessary to complete the application, and if such evidence is not received within 6 months of the date of the request therefor no allowance may be paid.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 6, 1933.*

EXECUTIVE ORDER

VETERANS' REGULATION NO. 10 (A)—MISCELLANEOUS PROVISIONS

Whereas section 4, title I, of Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government" provides:

"The President shall prescribe by regulation (subject to the provisions of section 1 (e) of this title) the date of the beginning and of the termination of the period in each war subsequent to the Civil War, including the Boxer rebellion and the Philippine insurrection, service within which shall for the purposes of this act be deemed war-time service. The President shall further prescribe by regulation the required number of days of war or peace-time service for each class of veterans, the time limit on filing of claims for each class of veterans and their dependents, the nature and extent of proofs and presumptions for such different classes, and any other requirements as to entitlement as he shall deem equitable and just. The President, in establishing conditions precedent, may prescribe different requirements or conditions for the veterans of different wars and their dependents and may further subdivide the classes of persons as outlined in section 1 of this title and apply different requirements or conditions to such subdivisions."

Now, therefore, by virtue of the authority vested in me by said law, the following regulation is hereby promulgated amending Veterans' Regulation No. 10 as hereinafter provided:

1. Regulation No. 10, paragraph VI, is hereby amended to read as follows:

"VI. The term "child" shall mean a legitimate child or a child legally adopted, unmarried and under the age of 18 years, unless prior to reaching the age of 18 the child becomes or has become permanently incapable of self-support by reason of mental or physical defect, except that the payment of pension shall be further continued after the age of 18 years and until completion of education or training (but not after such child reaches the age of 21 years), to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institute, or university, particularly designated by him and approved by the Administrator, which shall have agreed to report to the Administrator the termination of attendance of such child, and if any such institution of learning fails to make such report promptly, the approval shall be withdrawn."

2. Regulation No. 10, paragraph X, is hereby amended to read as follows:

"X. No person holding an office or position, appointive or elective, under the United States Government or the municipal government of the District of Columbia or under any corporation, the majority of the stock of which is owned by the United States, shall be paid a pension or emergency officers' retirement pay, so long as he continues to draw a salary from such employment, except (1) those receiving pension or emergency officers' retirement pay for disabilities incurred in combat with an enemy of the United States; (2) those persons so employed whose pension is protected by the provisions of the act; however, the rate of pension as to this class shall not exceed $6 per month; (3) those persons whose salary or compensation for service as such employee is in an amount not in excess of $50 per month; and (4) widows of veterans."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 6, 1933.*

Mr. CUTTING. Mr. President, in view of the fact that the orders have now been made public, I shall refrain from further comment on the statement made yesterday until I have had an opportunity to study the regulations. Whenever regulations of this kind have been issued in the past there has been some "joker" in them which nullified completely the explanatory statements which have accompanied or preceded them.

I do not know, of course, what we may find in the regulations which will justify the statement put in the RECORD yesterday that the average deduction will approximate 18 percent; I cannot see any way by which any such provision as that can possibly be written into the regulations. I do think, however, that it is better policy to give out the regulations at once, as soon as they are issued, rather than to indulge in the practice of giving out a statement one day and transmitting the regulations a day later.

Mr. NORRIS. Mr. President——

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

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

Mr. NORRIS. I should like to ask the Senator whether when he inquired this morning of the Veterans' Administration, and requested a copy of the regulations, he was given any information then that they would be sent to the Senate today?

Mr. CUTTING. No; I was given no such information.

Mr. NORRIS. Was the Senator given any information as to when the regulations would be published, or anything of that kind?

Mr. CUTTING. I was given no such information whatever.

Mr. NORRIS. I would be interested to know, if the Senator feels that he has a right to repeat the conversation, which I assume probably took place over the telephone——

Mr. CUTTING. It took place over the telephone.

Mr. NORRIS. Does the Senator have any information to give to the Senate as to the reasons, if any, which were given to him by the Veterans' Administration for not giving him a copy of the regulations?

Mr. CUTTING. The only information vouchsafed on that subject was that they had orders to that effect.

Mr. President, I should like to place in the RECORD a letter from the Governor of New Mexico to me, setting forth the reasons why he desired a list of the ex-service men in New

Mexico who are drawing compensation, which list has been refused him by General Hines.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

EXECUTIVE OFFICE,
Santa Fe., N.Mex., June 1, 1933.

Hon. BRONSON CUTTING,
United States Senator, Washington, D.C.

MY DEAR SENATOR CUTTING: Again replying to your recent telegram regarding the refusal of General Hines to furnish us with a list of the ex-service men who are drawing compensation in New Mexico and your request for further information, I beg to enclose herewith the following suggestions and 14 reasons why, in our opinion, we should secure the list of individuals who are receiving monetary benefits from the Government as a result of honorable service during various wars and conflicts:

1. We should know definitely who the beneficiaries were and where they live.

2. Approximately 85 percent will be discontinued entirely.

3. The remaining 15 percent will be reduced from 30 to 60 percent.

4. I estimate that one third of the 85 percent are not physically able to work.

5. Relief agencies are not conscious of the situation ahead of them and are not preparing for this additional burden.

6. As these beneficiaries have not heretofore been supported by charity, they will be very hesitant in seeking assistance, thereby neglecting themselves and families, which will result in malnutrition, causing undue physical distress.

7. Relief agencies should be furnished a list of veterans and their dependents who may require assistance, so that undue suffering and sickness may be kept to the minimum, as this would be the most economical course to follow and would be a general humanitarian act.

8. Many widows and orphans and remarried widows will be discontinued from the rolls in the 85 percent above mentioned. In the majority of cases they have no one to assist them, and special attention should be given this class.

9. County commissioners should be advised, so that additional funds can be made available for the actual necessities, including medical treatment that will be required.

10. Sparsely settled communities have many homesteaders who are totally dependent upon the benefits they have been receiving.

11. Property and monetary losses to the veterans should be determined.

12. The definite information that we would secure from an accurate survey should be used for the foundation of a definite recommendation to effect the proper changes in the Economy Act.

13. Appeals can be made providing they are presented within 6 months from date of notice and under no circumstances after January 1, 1934; therefore, immediate action should be taken on claims where it is found that they have grounds for appeal under the new regulations, further considered that in the event the appeal is won they are reinstated, effective the date the appeal is received and not the date of discontinuance.

14. New evidence in any claim now pending cannot under the circumstances be submitted after January 1, 1934. It is, therefore, not to exceed 7 months in which to secure this evidence.

I think it would be rather unfair and unjust to have an ex parte hearing as only the Government side would be represented unless we can secure these lists and make contact with our people, some of whom would not be able to know what it is all about, and these are the ex-service men whom we would like to contact so that we can present their claims in a fair and intelligent way. In many cases our people have no one to assist them, and I believe that special attention should be given to these cases. I, therefore, strongly urge that you make every effort possible to see that we get the lists, as it is our desire only to be of help to those who are deserving, and I can see no reason why the Government would not like to receive the benefit of our willingness to help in seeing that those who are deserving will not be cut off from their compensation.

With kindest and best wishes and hoping this finds you enjoying the very best of health and happiness, I am, as always,

Sincerely yours,

ARTHUR SELIGMAN,
Governor.

Mr. CUTTING. Mr. President, pending an analysis of the Executive orders which have been issued, I shall comment no further on that matter. However, I do wish briefly to call the attention of the Senate to a statement issued in connection with this subject by the National Economy League.

First, let me remind the Senate for a moment how far we have gone in about 10 days in the Senate. On Monday last the Senator from Oregon [Mr. STEIWER], the Senator from Pennsylvania [Mr. REED], and several Members of the House of Representatives appealed to Congress to remain in session until the injustices which had been perpetrated by the Veterans' Administration could be modified. On Tuesday, in conjunction with the Senator from Missouri [Mr. CLARK], I introduced a motion to suspend the rules in the consideration of the independent offices appropriation bill, in order to save veterans suffering from combat-connected disabilities from being cut more than 25 percent. At that time there did not seem to be the slightest chance that even such a moderate motion as that would receive any consideraion from the Senate.

On the following day I know that prominent members of the administration were calling up Senators to try to get them to vote against the amendment which I had proposed.

On Thursday the spokesmen of the administration on this floor agreed to accept the amendment which I had proposed, provided the Senate would stop at that and go no farther.

On Friday the Senate went much farther than I had originally suggested, and agreed to a motion to suspend the rules in order to consider a motion to restrict the President's power to cut veterans' compensation more than 15 percent. The Senate adopted that motion by a vote of about 3 to 1, and thereafter modified the proposal only by making it 25 percent instead of 15 percent and by including both the so-called "presumptive" cases and the veterans of the Spanish-American War.

I think the action of the Senate on last Friday one of the most honorable in its history. I hope now, after gaining such a victory and after taking action, the validity of which and the righteousness of which have not been challenged by any Member of this body, that we may not reverse ourselves or allow ourselves to be diverted from the goal toward which we so honorably set our faces on last Friday.

Mr. President, the channels of publicity have been set in motion against us. On Sunday night we heard from the President's private secretary. We now have the National Economy League making a statement. I have nothing against the members of the National Economy League; they are no doubt acting in good faith. I know most of the prominent members of that organization personally. They are honorable gentlemen, and many of them consider themselves idealists. It is very easy, Mr. President, when one is well off to be idealistic at the expense of someone who is suffering.

I quote from this morning's Washington Post:

If the bill is passed with the Connally amendment, the National Economy League asked that it be vetoed. The request was made in a telegram addressed to President Roosevelt by Gilbert G. Browne, chairman of the managing committee of the league.

"The principle that our citizens fight for country and not for pensions must be established", Mr. Browne said. "This is the time to clinch this principle."

Think of it, Mr. President! Think of the noble "principle" which is hereby held before the President of the United States for his guidance. Every Senator knows there were hundreds of thousands of men who made profits out of the World War, who became millionaires and multimillionaires as the result of that war. I am not criticizing those men. They no doubt had a right to make what profits they could. They are the men, on the whole, who are guiding the policies of the National Economy League. The "principle" which is held before us is a principle that these men should not be taxed in order to take care of the men who lost limbs and who lost health in the service of their country.

Mr. Browne says:

The principle that our citizens fight for country and not for pensions must be established.

In other words, he makes it appear as though the pensions were pay for the services which our veterans rendered the country. Those men were paid a dollar a day, or whatever it may have been. That was their pay. Nobody contends that the payments were not made. A pension or a compensation is supposed to compensate for the loss of limb or health suffered by reason of these men having been drafted or having volunteered to enter the service of the United States. These men were not fighting for a pension. This is not the time to "clinch" any such "principle" as that. No such principle has ever before been suggested. The "principle" for which these gentlemen are fighting is a principle that they do not care to be taxed any further in order that justice may be done to the defenders of the country.

I said yesterday, in response to an inquiry from the Senator from Massachusetts [Mr. WALSH], that I had so far received no criticism whatever of the vote which was taken in the Senate on last Friday. This morning a large number of post cards began to come. I had expected them. None of them has come from my own State. Practically all of them have come from New York, at the Wall Street Station, or from Brooklyn or the nearby New Jersey suburbs. I read one which is interpretative and in character typical of the mass of them:

Your remarks regarding Howe's speech will cut your vote more than it will help. There are 10 times as many people who directly or indirectly pay taxes as there are veterans who demand your vote.

There is the principle. There is a great principle which is set before them: Let us stand by the taxpayers, 10 times as many in number, and let us desert these 250,000 or 300,000 veterans, whatever their number may be, who will soon be dead anyway, who are so weak and so helpless that they are not able to do very much for any Senator. Desert them and stand by the people who can deliver votes in 10 times the number.

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

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. CUTTING. I yield.

Mr. VANDENBERG. I am struck by a phrase on the post card from which the Senator read—that there are veterans in this connection who are "demanding" our votes. I have said before, and I want to say again, that I think the most striking thing about the reaction of the veterans of the country to the brutalities which were perpetrated in the rules and regulations under the Economy Act is the utter patience and tolerance with which they met the situation. I know of no organized propaganda which undertook to repeal the Economy Act or to amend it. I heard no political threats. I was not bombarded with organized demands from a selfish minority.

I have seen no evidence of anything of that nature. I heard only from individual veterans who asked for a review of their own individual cases in the belief that the Government order must have been a mistake. Yes; a tragic mistake. I am perfectly sure that the votes in the Senate which insisted upon partially retracing those steps were the result not of any demand of any nature except the sheer demand for simple justice as disclosed in case after case and in one legitimate battle casualty after another which no man could confront with a clear conscience and not undertake to cure. I think that was the only pressure put upon the Senate. We have not deserted economy. We have deserted ingratitude. We have not surrendered to a lobby. We have simply surendered to the proofs that the Economy Act has been administered contrary to every assurance given us when the Economy Act was passed, and with unconscionable results in tens of thousands of individual cases. I am firmly convinced that every American citizen in full possession of the full facts would agree to the justice of this action.

Mr. CUTTING. I agree entirely with the Senator from Michigan. I agree with every word he says. Yet the Senator knows that in every metropolitan newspaper the allegation is made that we have been overwhelmed by a vocal minority, by a so-called "veterans' lobby", by special interests who demand favors for themselves.

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

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

Mr. CUTTING. I yield.

Mr. BYRNES. A few moments ago the Senator referred to a statement inserted into the RECORD by request of the Senator from Arkansas [Mr. ROBINSON], the Senator stating that he had endeavored to secure a copy of the regulations and was unable to do so. I have taken the trouble to inquire why a Member of the Senate should not receive a copy of those regulations.

Mr. CUTTING. May I say before the Senator continues that within the last 30 seconds I have received a copy of the regulations?

Mr. BYRNES. May I say to the Senator, in fairness to the officials of the Veterans' Administration, that they advised me that the reason why they could not be made public yesterday is that the regulations in the afternoon went to the White House and from there had to go to the State Department, and were not received at the Veterans' Administration certified until after 7 o'clock last night, and before that time could not be given to the public?

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from New Mexico yield to me at that juncture?

Mr. CUTTING. Certainly.

Mr. ROBINSON of Arkansas. Let me add to what has been said by the Senator from South Carolina that copies of the regulations themselves have not yet reached me. I have not seen them. I merely placed in the RECORD a statement or an analysis in the nature of a press release that was issued yesterday. I assume that the regulations, if they have not been made available, will be supplied in the very early future.

Mr. CUTTING. I want to assure the Senator from Arkansas that I made no criticism whatever of him for putting in the RECORD the statement he did. I was merely anxious to get the actual regulations.

Mr. ROBINSON of Arkansas. I did not understand the Senator had made any criticism of my action in putting the regulations in the RECORD, but I was informed that while I was absent from the Chamber some mention had been made of the fact that I did not present the regulations and did not analyze the statement.

Mr. CUTTING. I was merely anxious to get the regulations; and as I have just received the copy for which I asked, I shall take time to consider them before I comment on them in detail.

The PRESIDING OFFICER. May the Chair state that a message from the President containing the Executive order has just come to the Senate and is now on the table?

Mr. ROBINSON of Indiana. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Indiana?

Mr. CUTTING. I yield.

Mr. ROBINSON of Indiana. The thing that to me seems amazing, I will say to the Senator, is that the President is quoted as saying that no injustice under his new regulations will be done to any deserving veterans. If he is correctly quoted, how he can make the statement with a clear conscience is beyond all understanding so far as I am able to see it. The Senator from New Mexico, interested deeply in this subject as I know him to be, knows full well that literally hundreds of disabled veterans have committed suicide and are dead and in their graves, while others have been thrown out of hospitals in the most ruthless manner, thrown out into the streets without being given even transportation to take them home. Talk about no injustice being done! The injustice that has been done is irreparable, and, of course, the Senator knows the only way justice can possibly be done to the disabled veterans who still remain alive is to repeal the whole indefensible so-called "Economy Act."

Mr. CUTTING. Mr. President, I am trying to get what action we can to rectify as many of these instances of brutality as is possible. I do not care to engage in the task of assigning blame to various people. I think no one, least of all the President of the United States, would attempt to justify all the individual instances of hardship which have been perpetrated by the Bureau of the Budget and by the Veterans' Administration. I hope that when we read the new regulations, we shall find that they are susceptible of a better interpretation than I should imagine by reading the preliminary notices concerning them.

Mr. President, I do at least want to call to the attention of the Senate again what was so finely emphasized by the Senator from Michigan [Mr. VANDENBERG], that thus far no veterans' organization and no individual veterans have asked

for anything but justice and decency and fair treatment, and that the only selfish appeals which have been made to us have come from the National Economy League and from people like Mr. Howe, secretary to the President.

Mr. ROBINSON of Indiana. Mr. President, if the Senator will yield, my attention has just been called to a statement made by Mr. KVALE in the House yesterday—a very brief statement which I desire to read in the Senator's time, if he does not object.

Mr. CUTTING. I yield.

Mr. ROBINSON of Indiana (reading):

> Regardless of where the responsibility may be placed and regardless of where the buck is passed, the statement that veterans will be taken care of does not apply to three veterans from my own State who have committed suicide and who are in their graves today as the result of the application of this Economy Act.

And may I state in my own language, Mr. President, that it should always be borne in mind that all of those affected, without a single exception, are disabled veterans.

Mr. CUTTING. Of course.

So far as I know, there has not even been any complaint about the so-called "disability allowance cases" which were cut off the rolls by the original act. Those were the cases against which the National Economy League was originally organized to protest. Some of them were in themselves deserving cases, but so far there has not come to my attention any effort on the part of anybody to restore those cases to the rolls. The only difference between the amendment as I originally drew it up and the amendment as it passed the Senate is the inclusion in it, first, of the Spanish-American veterans who cannot trace their disability to service connection on account of the lapse of time, and, second, the inclusion of the so-called "presumptive cases", which, in my judgment, include men who are suffering as deeply, and who deserve as much from their country as any other class of disabled veterans.

Insofar as those two classes are concerned, I sincerely hope that the Senate and the House will see that justice is done to them, and that justice is done not through regulation, whether regulation by the Bureau of the Budget or by the Veterans' Administration, but by action of the Congress of the United States.

Mr. VANDENBERG. Mr. President, will the Senator yield once more?

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

Mr. CUTTING. I yield to the Senator.

Mr. VANDENBERG. May I call the Senator's attention to this further fact?

The action of the Senate was pilloried by the Presidential secretariat on the theory that it would involve $170,000,000 of new taxes upon the American people.

Mr. CUTTING. Yes.

Mr. VANDENBERG. And the entire action of the Senate was criticized on the basis of that prospective assessment. There seems to be nothing said, however, about new taxes to meet the sixty or seventy five million dollars which is to be necessary to meet the Presidential Executive order. I submit that at least we must now be absolved from $75,000,000 worth of new taxes, which the President evidently expects to absorb in some other fashion as a result of his own Executive order; and I suggest that the next time Colonel Howe speaks on the radio, instead of telling the American people that the Senate is going to cost them $1.25 apiece for veterans' allowances in addition to existing situations, he acknowledge the fact that Executive orders are already responsible for 40 cents apiece, which is just the initial confession that the Senate was at least a third right.

Mr. CUTTING. I agree with the Senator from Michigan.

Mr. BORAH. Mr. President——

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

Mr. CUTTING. I yield to the Senator.

Mr. BORAH. I do not hold any brief for Secretary Howe; but I insist that when Senators refer to him they refer to him as "the secretary", not "the secretariat." [Laughter.]

Mr. CUTTING. Mr. President, I desire to express my approval of what the Senator from Michigan said, and, in addition, to call to the attention of the Senator the fact that practically every bill we have passed in a long time contains an appropriation, and that the argument never has been used with regard to any other piece of legislation that that particular thing, whether it be farm bill or home loan bill or whatever it may be, will add so and so much to the expense of every family, including the wife and the kiddies. Those arguments are used only when it is a question of doing justice to men who served their country. This argument which the National Economy League is trying to hold up as a "principle" is the most ignoble, the most disgraceful, that could be put before the people of this country. These men who are comfortable, who are living in luxury, have the effrontery to issue to the President of the United States a demand that he must establish the "principle" that men shall die in order that the members of this league may be saved a few taxes. It does not make any difference to them that the men who are to die are the men whom Congress picked to serve the country when it needed service. That does not concern these league members. We are confronted with a question of "principle", that service by itself is enough for those who serve, and that we must forever hereafter adopt the idea that men for whose injuries and for whose loss of health the United States is directly responsible should be left to take care of themselves on their beds of pain and anguish.

NATIONAL INDUSTRIAL RECOVERY

The Senate resumed the consideration of the bill (H.R. 5755) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes.

Mr. LONG and Mr. TRAMMELL addressed the Chair.

The VICE PRESIDENT. The Senator from Louisiana.

Mr. LONG. Does the Senator from Florida desire me to yield to him?

Mr. TRAMMELL. I wish to make a few remarks on the subject which has just been discussed by other Senators.

Mr. LONG. Will the Senator pardon me for a few minutes? I will yield the floor in a few minutes.

Mr. TRAMMELL. Certainly.

Mr. LONG addressed the Senate. After speaking for about 1 hour, he said:

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

The PRESIDING OFFICER (Mr. DUFFY in the chair). The clerk will call the roll.

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

Adams	Costigan	Kendrick	Robinson, Ind.
Ashurst	Cutting	Keyes	Russell
Austin	Dale	King	Schall
Bachman	Davis	La Follette	Sheppard
Bailey	Dickinson	Lewis	Shipstead
Bankhead	Dieterich	Logan	Smith
Barbour	Dill	Lonergan	Steiwer
Barkley	Duffy	Long	Stephens
Black	Erickson	McAdoo	Thomas, Okla.
Bone	Fess	McCarran	Thomas, Utah
Borah	Fletcher	McGill	Thompson
Bratton	Frazier	McKellar	Townsend
Brown	George	McNary	Trammell
Bulkley	Glass	Metcalf	Tydings
Bulow	Goldsborough	Murphy	Vandenberg
Byrd	Gore	Neely	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walcott
Caraway	Hastings	Overton	Walsh
Carey	Hatfield	Patterson	Wheeler
Clark	Hayden	Pope	White
Connally	Hebert	Reed	
Coolidge	Johnson	Reynolds	
Copeland	Kean	Robinson, Ark.	

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

Mr. LONG resumed his speech. After speaking for about 30 minutes, he said:

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Copeland	Johnson	Reed
Ashurst	Costigan	Kean	Reynolds
Austin	Cutting	Kendrick	Robinson, Ark.
Bachman	Dale	Keyes	Robinson, Ind.
Bailey	Davis	King	Russell
Bankhead	Dickinson	La Follette	Schall
Barbour	Dieterich	Lewis	Sheppard
Barkley	Dill	Logan	Shipstead
Black	Duffy	Lonergan	Smith
Bone	Erickson	Long	Steiwer
Borah	Fess	McAdoo	Stephens
Bratton	Fletcher	McCarran	Thomas, Okla.
Brown	Frazier	McGill	Thomas, Utah
Bulkley	George	McKellar	Townsend
Bulow	Glass	McNary	Trammell
Byrd	Goldsborough	Metcalf	Tydings
Byrnes	Gore	Murphy	Vandenberg
Capper	Hale	Neely	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatfield	Overton	Walsh
Connally	Hayden	Patterson	Wheeler
Coolidge	Hebert	Pope	White

Mr. NORRIS. I desire to announce the absence of my colleague [Mr. THOMPSON] on official business.

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

Mr. LONG resumed and concluded his speech, which is as follows:

AGAINST WRECKING A PARTY

Mr. LONG. Mr. President, in line with what the Senator from Idaho [Mr. BORAH] has been saying, and also with regard to what the Senator from New Mexico [Mr. CUTTING] has just said, I wish to say that I had no opportunity, not being a member of the Finance Committee, to attend the hearings on the bill now under consideration, House bill 5755. I did not attend the meetings and I did not keep up with what was really going to be done in anything like a specific way, because one day the newspapers would give the idea that one thing was going to be done and then the next day that something else was going to be done.

We started out with the Black bill, providing for a 30-hour week. I understand that this bill is to take the place of the Black bill, and to do more.

The Black bill passed the Senate providing for 5 days a week of work, 6 hours a day. I was for that and the platform of the Democratic Party was in favor of that law.

The party platform, as the Senator from Idaho charges, and as I, one who was in the convention that voted for it, happened to know to be true, pledged the party not only to a strict enforcement but, wherever necessary, correction of the antitrust laws of this country to make them more stringent. We came along with the Black bill, carrying out the Democratic platform by letter and by title and by figures.

I was astounded because I never heard a word from the Democratic White House, as it is at this time, in favor of the Black bill, until one day we were told that the President of the United States had sent word down here to make that 36 hours instead of 30. Whether or not he sent that word I do not know, but that is what we were told around in the corridors. I do not remember anybody in particular who said it. But when the President of the United States sent word down here that he wanted that law lengthened by 6 hours a week, through a coalition of certain Republicans and those of us of the Democrats who felt that we ought to regard this party platform a little more sacredly, we voted down that suggestion, and kept the Black bill providing for 30 hours, as it was introduced.

The bill went out of this body in that way. The bill was opposed by some of the most prominent men on this side and on the other side of the Chamber, I admit. But it was the consensus of an overwhelming majority of the Democrats of this Chamber, and I believe of the Democrats of the United States, that such was a means of carrying out this party platform, and the promises of the President who ran on that platform and whom I heard promise to carry it out in a speech made at Boston, Mass., in the closing days of the campaign.

Mr. President, the Black bill went over to the House. We are told that it has been sidetracked. It is not going to come up. Instead of the Black bill they come in here with this composition as something to take the place of and do the same thing as the Black bill. As I said to the author of the Black bill in the Chamber this afternoon, you might as well have told a turkey to hatch out a turkey, and had it hatch out a rattlesnake, as to bring this thing in here and say that it is the same thing as the Black bill. [Laughter.]

Mr. President, if the only way we can get the promises of the Democratic Party carried out is to authorize the President of the United States to do such an infernal thing as he would be allowed to do in the first title of this bill, then, so far as I am concerned, we will wait for a performance of the Democratic Party platform until a more propitious time occurs.

Why, it has got to the point where we cannot pass a law. There is no longer any such thing as "Be it enacted by the Congress of the United States" that such-and-such a thing is the law. We have quit that. There is no such thing as that if a certain thing is declared by the Congress of the United States those letters and those figures and terms and words mean what they say. The only way we can do anything in this Congress is to authorize the President of the United States to suspend the Constitution of the United States and the antitrust laws and everything else that the people are living under and give him authority to do something.

I am about the last man on earth who would be willing to give anybody that kind of authority; but if I am going to give anybody that kind of authority, I am going first to inquire of him, "What did you do with the last trust that we imposed in you? What did you do with the bank law, in which we gave you dictatorial authority, except to freeze up $8,000,000,000 of bank deposits? What did you do with the reforestation sapling bill here except to purchase 200,000 sets of kits and pay, on a subordinate's order, $1.40 for something the Army refused to buy for 85 cents? What did you do with the veterans' compensation law that you told us was going to be administered in a nonpartisan, merciful manner, except to throw people out of the hospitals in their underclothes, men who had stood and served the purpose of stopping bullets across the seas and who had been afflicted with fatal diseases? What did you do with them, except to put them at the mercy of the world here, so that they are crying aloud now for a crust of bread or anything on God's earth?"

With that kind of examples of administration I would not vote to give these powers to anyone, and certainly will not vote to lodge them in the hands of anyone at this time until he has time to correct the maladjustments that already have prevailed under what we have already authorized here.

Evidently Senators have not read this bill. I had not read it until today, and that is not to be held against me. The bill was not printed until yesterday. I have been trying to read some of these Executive orders. They are laws, you know. Everyone is at least presumed to know the law. Even my friend from Oklahoma [Mr. GORE] is presumed to have read all the laws, or to have had them read to him, every day; and I here am under the same presumption. I am presumed, when I go home at night, to know what the law is; and under the varied authorities we have granted to the President, and to the Secretary to the President, and to the secretary to the Secretary, and to the supervisors, and to the assistant supervisors, and to the secretary to the supervisors, and to the supervisors of the secretaries [laughter], I am presumed to know what those things are, every morning and every night. Therefore I have tried to keep myself from violating any penal provision of the law. Up to this time I have reached page 49 of the second resolution. I will probably be all summer reading the balance of that, provided they do not issue any more, but at this time I have only been able to read these regulations containing penal provisions about one half as fast as they have been issued. Therefore this bill, which was printed yesterday morning, I had no opportunity to read until today, 24 hours later, and I venture the assertion that I am

one of the few Members of the Senate who has had an opportunity to read and to study some of the provisions of the bill.

I have probably paid more attention than some of my brothers of this senatorial organization because I had intended to offer an amendment to the bill at the proper place.

Let me read just a word. I have been in this business of making codes before in my lifetime. I remember the time when we went out to make a code for the oil business. I know how codes are made. Let me read a provision of this bill, starting on page 3:

The President may delegate any of his functions and powers under this title to such officers, agents, and employees as he may designate or appoint, and may establish an industrial planning and research agency to aid in carrying out his functions under this title.

The President of the United States not only can, but the chances are 999 to 1 that he will, have hundreds of thousands of agents, as this title says, combing literally the face of the earth, providing under just what kind of a condition corn can be sold on the market and at what price, and the same as to ground meat, figs, dried peaches, and everything else. Anything under the sun which may possibly be imagined as within the realm of manufacture or livelihood down to the lowest little thing will be placed under the tens and hundreds and thousands of agents, with the power to approve codes, with the power to promulgate those codes of one, two, two hundred, or a thousand pages, as laws, with the power to provide penal provisions to the effect that the failure of any man a thousand miles away to observe every part of the context will render him liable to be haled before a court and be sent to the penitentiary.

A code for what? The meat packers, we will say, have a code for sausage, just to take a little example. We buy link sausage from the meat packers. I use that just as an illustration. They prescribe that that sausage shall be manufactured with so much sage and so much cereal in it, with so many links, and weighing so many pounds, and then that it is to be sold at such and such a price. Some little old country woman grinding up hogs in the fall of the year who dares to use the ordinary process of making link sausage, and put a single pound of it on the market, or swap it with a neighbor for a sack of potatoes, would be violating the provisions of this proposed law, and be liable to arrest and imprisonment in the penitentiary.

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

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Louisiana yield to the Senator from Pennsylvania?

Mr. LONG. I yield.

Mr. REED. This measure is not limited to manufacture; it applies to every variety of trade.

Mr. LONG. I know that.

Mr. REED. Practically everything a human being can do to earn a living.

Mr. LONG. I understand that. I understand that it covers every phase of human endeavor. I do not often agree with the Senator from Pennsylvania, but at least most of us believed, when we went north and tried to free Pennsylvania about 55 or 60 or 70 years ago, and failed to do it, and had them free us, that when we freed the black man it meant that slavery was a finished subject. Never did we think that the entire course of human endeavor would be relegated and subjected to a more concentrated form of despotism, a million times worse than that under which the black slave ever lived before he was freed in the sixties. Nothing to compare with it has even been heard of, and yet we sit here and talk about it. I say that we sit here and talk about it; I have not talked to a single man on the floor of the Senate who gave me the impression that he was enthusiastic at this kind of an outrage being perpetuated upon the backs of the American people.

Where is South Carolina when this kind of thing is proposed? Where are the sons of Texas? Where are the peoples who have gone through wars and scourges of war, that they will come here and pass a measure that will authorize the President of the United States to designate his secretaries, when they are not engaged in radio announcements and newspaper feature writing, to prescribe rules of conduct for everyone engaged in producing anything—and when I spoke of the activities of the President's secretaries I should have excepted the times when they were attempting to buy kit sets—where is the man who will come here and propose to put such power in the hands of anybody?

They are going to meet and prescribe a code. What does it mean when they prescribe a code? I hope I will not drive the Senator from Pennsylvania away from me, because I want to tell him just how these things ought to be done.

Mr. REED. The Senator so seldom agrees with me that I am impressed with the fact that he is agreeing now. I am wondering wherein I am wrong. [Laughter.]

Mr: LONG. I rather think the story between the Senator from Pennsylvania and myself is that of two kittens. It seems that kittens are a popular subject to talk about—not kits, but kittens.

We are told that when two cats were rowing over a piece of cheese, a monkey came up and offered to decide the matter so as to end the row. He broke the cheese into two parts, and placed one part on one side of the scales and another part on the other side. One part was heavier than the other, so the monkey picked up the heavier piece and bit off a piece of it and put it back on the scale. Then the other part was a little bit the heavier, so he picked up that piece and bit a chunk out of it and put it back on the scale. Then he found that the first part was the heavier, and he raised that piece and bit a chunk out of it. One of the cats said, "Hold on; never mind your regulating this row any more. You give me the littlest piece that is left." [Laughter.] I think the Senator from Pennsylvania and myself have reached the point where we can say, "Never mind anybody settling this row between us any more. You give us just the littlest piece left, and we will take this thing and go along with it." [Laughter.] I hope that answers the Senator from Pennsylvania.

Let me read this code provision. The President may delegate any of his functions and powers to anybody he wants to, and pay him a good sum of money for handling it.

Let me read what we are asked to delegate to him:

Upon the application to the President by one or more trade or industrial associations or groups—

What kind of groups they are to be, I do not know; and how they are to form them into groups, I cannot tell—

the President may approve a code or codes—

In other words, the group can write out 14 codes and send them along. They ought to have plenty of codes, because they have lots of feature writers down there who have not contracts yet. They will need some more, and this will provide jobs for them all.

The President may approve a code or codes of fair competition for the trade or industry or subdivision thereof.

Mr. President, they will have more monarchs and submonarchs, more dictators, administrators, and supervisors, set up over the sundry and various industries, so that before we get through with the swine industry they will have a chief supervisor over it, and then they will have a man to regulate the ordinary side meat end of it, and one over the ham industry end of it, and then the mattress industry, which uses the hair end of it, and the glue industry end of it, and the sausage industry end of it. We will not be through with it then. We will have 25 different codes to be written up to regulate that kind of an industry and that kind of an occupation alone.

The President may approve a code or codes of fair competition for the trade or industry or subdivision thereof, represented by the applicant or applicants, if the President finds—

He is the man who is to find out. All these various and sundry things are put in, that the President is to find out whether no. 1 or no. 2 or no. 3 existed, and who is the man who decides whether or not he found that out or not? That is great protection to the American people! I therefore will

dispense with the reading of what the President has to find out, because he is the only man who knows anything about what he finds out.

Provided, That where such code or codes affect the services and welfare of persons engaged in other steps of the economic process, nothing in this section shall deprive such persons of the right to be heard prior to approval by the President of such code or codes.

That does not mean that he has to be heard by the President, gentlemen of the Senate. That means that he has a right to be heard by somebody whom the President designates, that the person whom the President designates, designates who shall hear him.

The President may, as a condition of his approval of any such code, impose such conditions (including requirements for the making of reports and the keeping of accounts) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and may provide such exceptions to and exemptions from the provisions of such code, as the President in his discretion deems necessary to effectuate the policy herein declared.

Under that the President may prescribe a code, and then, if he wants to except somebody or to exempt something, he can do it. If he wants to say that from the month of June to the month of August it shall not apply in the South, I suppose he can do that. If he wants to say that it shall apply only to the man who happens to live up above a certain latitude and east of a certain longitude, he can do that. If he wants to say that the price that is fixed shall apply to one man and not apply to another, he can do that. We are asked to empower him by this title and by this measure to perform monstrosities which would never come within hailing distance of being incorporated in a law passed through the Congress of the United States.

Mr. President, if there is a desire to do anything of this kind, why should not Congress do it? No; Congress cannot do it. Why cannot Congress do it? I will show why Congress cannot do it. It is because this is not what Congress promised to do through the Democratic platform, I say to those on this side. It is not what the Republican platform pledged the other side of this Chamber to do. I defy any man on the floor of the Senate or anywhere else to point out to me one letter, one word, one sentence, or one paragraph, which ever justified Congress in abdicating its functions and placing them in the hands of anyone else, instead of doing directly what the party had promised to do.

Mr. President, I defy any man on the floor of this House or the other one to show where we have ever justified our conduct so far as we have gone even up to this time in abdicating the functions of this Congress into the hands of someone else, as we did in the case of the veterans. We find distinguished Senators admitting to themselves and to others that they never would have voted for such measures as passed this Congress had they ever thought that those administering the laws were going to promulgate any such rules and regulations as came from their pens. I defy any man, I say, Mr. President, in the first place, to show where this Congress ever has been authorized to abdicate any such functions as that. That is not the only point I make.

Second, I call upon any Member of the Congress to show where there was ever a promise or a pronouncement made by the Democratic or by the Republican Party that they were going to do indirectly, directly, or otherwise, anything that in the remotest degree or to the least extent meant the waiving of the antitrust laws, the placing of industries under codes, directorships, administratorships, the subjection of 125,000,000 American citizens, white and black, to the ipsi dixit of secretaries and subsecretaries, negotiators and administrators in the conduct of affairs out of which they make a living.

I call upon anybody to show one single line, one single paragraph, one single sentence that ever justified or warned the people that they were voting to allow any such kind of thing to be done in this free country of America. Why is it here? Why am I faced with it? Why are such men as myself, who fought for a change in the administration of affairs in this country, having to fight here now, not for a change, Mr. President, but to keep from being done something that is twofold more obnoxious and destructive than anything which we fought to correct? We are not moving in the direction of the corrective that we fought for; we have gone the other course in empowering one man and his satelites and subordinates to do the thing which is here proposed. If it is going to be done, I would swap what we have got to get Herbert Hoover back tomorrow, and I would give some boot on the trade, if that is what is going to be done in America. Mr. President, before I would put that kind of thing on the American people I would vote tomorrow to get back what we had rather than pass an iniquitous thing of this kind and character.

I do not believe that the man whom we voted out of office would have had the power, if he had the effrontery, to have ever gotten this far with this kind of legislation. If the Congress is inspired from the White House, I do not believe he could ever have done it; I do not believe he would have had the courage to do it.

Here are 96 upstanding and distinguished Members of the United States Senate, presumed to know the law—and they do not. I say that with all charity [laughter], and I will take back everything I have said if a single Member of the Senate will hold up his hand and tell me he has read two thirds of the regulations that have been promulgated by the departments that carry with them penal provisions putting one in jail if he does not observe them. Let one man in the Senate hold up his hand and tell me he has read them! Yet we are voting to put everybody else in the penitentiary who has not read them. There are 96 upstanding Senators sent here from 48 southern, northern, eastern, and western States [laughter], and several of them have been sent here from the South.

Mr. President, what was the issue of the war of the sixties? One side was fighting for the freedom of humanity; the other side was fighting for State rights. We have had a new war since then, and we have lost both issues here in 1933. We have lost State rights. We not only have surrendered what the Union won in 1865, but we have, by such pernicious and abortive legislation as this, surrendered the freedom not only of the black but of the white people of the United States, and in a worse form than we ever heretofore thought would be possible.

I want to say, Mr. President, that I have tried hard to get along with this administration. [Laughter.]

Mr. REED. Can the Senator tell us what the trouble has been? [Laughter.]

Mr. LONG. One trouble has been that the administration has been for too many things that the Senator from Pennsylvania stood for. [Laughter.]

Mr. President, I have wanted to cooperate. I voted for the bank bill on the first day of the present session of Congress, after trying to amend it and hoping that the administration would do what we wanted; but it has done everything else. When they brought the economy bill in here I would have swallowed that if I could, but I could not swallow it. So when they came in here with the reforestation bill I should have liked to have been for that, but I saw that it was a fallacy to go out and cut the veterans' compensation $400,000,000 and then turn around and pass a "sapling" bill and pay out $500,000,000 more; and then we talk about economy. We talk about being on the right road somewhere; we talk about carrying out a consistent policy to restore the national credit, and yet in one day we take $400,000,000 away from the soldiers who fought the Nation's wars, put them out of the hospitals, put their wives out to begging alms in order that they may feed their husbands lying sick in bed from wounds received in the service of their country. When I saw we were taking $400,000,000 from that kind of men and that kind of women, men who had fought on the battlefields, some of whom had bled and suffered grievous injuries for the benefit of their country, and then turning around the next day after having done that, under the guise of restoring the national credit, and taking $500,000,000

and sending men off to plant saplings, I realize, Mr. President, as everyone else could realize, that we were not on any consistent road going anywhere with that kind of legislation.

Then we are confronted a little bit later with this kind of a bill. All of the proposals which were suggested that I could support I did support; but, Mr. President, after we were told that we could not pass sound laws, we decided to try one ourselves. I do not know whether I am doing the Senator from Montana [Mr. WHEELER] a wrong, but, whether I am or not, I am going to tell the story. We have been of great service to this administration. Some of my colleagues who have given me rather kindly, smiling glances at some of the few things I have said may not know it, but there are more ways of feeding people than through the mouth. Science has developed methods of feeding so that some people are fed through the nose and others are fed through the arteries. The President of the United States was not for inflation. We pressed the Wheeler bill here. I introduced the Cross bill, and my colleague from Montana introduced the silver 16-to-1 bill, and, by a vote of 28 to 24, the Wheeler bill was voted for by the Democratic side of the Chamber. It was the votes of our kind friends on the other side that kept the Wheeler bill from becoming the expressed will of the Senate.

A few days later, Mr. President, the President of the United States saw the light as we had pictured it rather than as the light as the Senator from Virginia [Mr. GLASS] had pictured it. There is such a thing as feeding policies into the national administration, as we did in that particular case. The best thing that has been done, if anything has been done, was the announcement from the White House that we were going to have a conservative expansion of the currency in some way. But what did we get?

Mr. President, you do not know what the money of the United States is today or what it is going to be tomorrow morning. It is liable to be wood; it is liable to be zinc; it is liable to be wild honey. [Laughter.] You do not know what kind of money is going to be used in the United States tomorrow morning. If we had adopted the Wheeler bill, we would have known that gold and silver were going to be the only commodities called money in the United States. We tried to get that done, but we could not get enough votes to do it.

Then, the President comes along and says that he wants an inflation bill, authorizing him to inflate, whether by cuting down the gold or whether by using silver or whether by printing or by something else, and in order to get the kind of legislation that might make inflation possible, we had to vote for that kind of a bill or get nothing. Therefore, we have voted to make the President the absolute arbitrator, dictator, monarch, and anything else he can be called, over the issuance of money in the United States and over the value of money. One night we see a little note in the press that the Government is going to issue $200,000,000 worth of currency, and, lo and behold, the market goes down on the particular commodity that is affected by it and perhaps up on another commodity. In other words, he announces that so much silver is going to be issued, and tomorrow morning when the newspapers publish the statement it will send certain metals up and others down. Certain individuals who guess right go in on the stock exchange on that rumor and take advantage of the market.

The next morning the President announces that he is not going to do any such thing, and the market rebounds the other way, and if they are "in the know" they have sold out in the meantime and taken their cleaning out of the particular picture. In other words, on these rumors circulated in the newspapers, if a man happens to guess right, that the President of the United States is going to put out a billion dollars' worth of paper, he is in a pretty good position to play the market; but if the President changes his mind in the meantime and decides he is not going to put out the billion dollars of paper, nobody knows what is going to happen to a man unless he can guess right; but it affords a chance for manipulation up and down, up and down, up and down, 400 times, for every kind of market rigging and market manipulation that is known on this earth, because the law is liable to be one thing on Monday at 10 o'clock and something else at 11 o'clock; it is liable to be one thing tonight and something else tomorrow morning. Instead of the Congress deciding to inflate and pass such legislation as would put a congressional valuation upon money and the amount of money that is going to be issued, in order to get any chance whatever to have inflation, we have adopted the very worst course we could adopt.

(At this point Mr. LONG suggested the absence of a quorum, and the roll was called.)

Mr. LONG. Mr. President, I have marked certain passages in the Democratic platform that I want to read. This document was adopted only a few months ago. I want to show just how the pending bill not only violates every constitutional spirit that we have in the Government, but I want to show wherein it is most specifically condemned by the party platform. It is said in the Democratic national platform of 1932:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of 25 percent.

We did not advocate a reduction of the veterans' compensation to save any money at all, but we did advocate doing away with numerous useless commissions. Have we abolished them? On the contrary, we are setting up by this bill alone many new commissions—there is no telling how many. I make the prediction that in this bill alone we are providing for setting up in the United States more commissions than we will ever abolish in the next 4 or 8 years, if we stay in office that long.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. I should like to suggest to the Senator, if he is entering into a discussion of ways in which the pending measure violates the Democratic Party platform, that he can find by an examination of every Democratic national platform for the last 40 years a specific declaration in favor of laws regulating trusts and monopolies in this country. The pending bill violates the provisions and declarations of every national platform adopted by the Democratic Party for the last 40 years.

Mr. LONG. I was coming to that. I am going to read that too. That was the next thing I had marked.

> We advocate—

Says the 1932 platform, as my friend from Missouri has stated—

> We advocate strengthening and impartial enforcement of the antitrust law.

Let me read the modern philosophy as this bill tries to expound it, and then let me read what the Democratic national platform says. I want to read them side by side. By the way, there is a song with a title like that. I want to read them side by side. I read from the bill first. Let me ask my friend from Missouri what is the specific provision in the bill doing away with the antitrust law?

Mr. CLARK. Section 5 at the top of page 9.

Mr. LONG. Oh, I have the wrong print of the bill evidently. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair desires to admonish the occupants of the galleries that it is contrary to the rules of the Senate to make any expression of approval or disapproval. The rules will be enforced. The occupants of the galleries are here as guests of the Senate and must obey the rules. They must not make any expression of approval or disapproval.

Mr. LONG. Mr. President, section 5 on page 9 of the reprinted bill covers the matter which I was about to mention, and provides:

> While this title is in effect (or in the case of a license, while section 4 (a) is in effect) and for 60 days thereafter, any code, agreement, or license approved, prescribed, or issued and in effect

under this title, and any action complying with the provisions thereof taken during such period, shall be exempt from the provisions of the antitrust laws of the United States.

Anything that is prescribed in any of these codes or negotiations under one of these secretaries, subsecretaries, supervisors, or assistant supervisors, or subsupervisors, is exempt from the operation of the antitrust law, and yet the people of the United State saw us over in Chicago only a few months ago proclaim that "We advocate strengthening and impartial enforcement of the antitrust laws." Here we have gone before the people saying that we were not only going to enforce such antitrust laws as we have, but I, for one, introduced an amendment which was pending before the Judiciary Committee at the time, purporting to strengthen the antitrust laws. In line not only with what was the law, but in order to take care of such amendments as I and others at that time were advocating, the Democratic Party not only said we were not going to throw down the bars of the antitrust laws, but we were going to strengthen the antitrust laws of the United States and give them impartial enforcement. Here is what we said:

We advocate strengthening and impartial enforcement of the antitrust laws, to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor.

That is not all we said. Did we say we were going to put the Government in the field of making clothes, manufacturing cotton, and put the Government into every livelihood in existence? No indeed. On the contrary, here is what we said:

We advocate the removal of the Government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest.

We pledged ourselves to get out of these businesses of a private character. We were not going to be in the clothing business. We were not going to be in the grocery business. We were not going to be in the sawmill business. We were not going to have this Government engage in any of the 14 or more different kinds of agricultural pursuits and the thousands of kinds of manufacturing pursuits and as many other kinds of maritime pursuits. We had pledged ourselves to get out of what we were in then and to keep the Government out, but instead of doing that we come along and say, notwithstanding we pledged ourselves to the enforcement and strengthening of the antitrust laws, notwithstanding the fact we pledged ourselves to get the Government out of private business, notwithstanding all that pledge, we are going to tear down the walls of the antitrust laws and let these people under sanction of the laws of the United States get together and make everything into a monopoly and put the people into pools governing their own private business, all under the sanction of the benevolent institutions and laws of the United States Government.

Every fault of socialism is found in this bill, without one of its virtues. Every crime of a monarchy is in here, without one of the things that would give it credit. It is a combination of everything that is impracticable and impossible under the socialistic system, and everything that has robbed us in disasters under the monarchical system. It is a combination of every evil that can possibly be imagined, worse than anything proposed under the soviet, because in this thing we go into the realms of the imaginary and the unknown.

You do not know what you are voting for. You have no more idea what you are voting for under this bill than what you are going to meet in the nighttime a thousand miles from your own doorsteps.

Why, it reminds me of the time when we used to leave a boy in the woods to hold the sack. We had a game up in my country. Every now and then some young man from the city would come out there and we would take him out snipe hunting. We would give him a sack and stand him up in the dark, and he would stand there with the sack, waiting for us to drive the snipe in, and if he stood there long enough he would be there until morning holding the sack, waiting for us to drive in the snipe.

Mr. President, you are taking the American people out here with a bill like this; you are standing them up in the solitary nighttime, and you are telling them, "Wait and see what I am going to drive in there." You have not even told them in the realms of imagination what this bill means.

If you had a bill here saying that for men in the textile industry the hours of labor should be 8 hours, then you would know what you were voting for.

If you had a bill here saying that in interstate commerce the hours of labor were going to be 6 hours a day, and 5 days a week, whether you were for it or not, you would at least know what you were voting for.

If you had a bill here saying that women should not work longer than 6 hours a day, you might not be in favor of that, but you would know what you were voting for.

If you had a bill here saying that children should not be employed in industry, you might not be in favor of it, but you would at least know what you were voting for.

Yet every one of those things is within the contemplation of this bill; and that does not even start to cover it, topside nor bottom.

You are voting for a bill vesting someone, and the appointees of someone, and their appointees, with the right to prescribe laws, rules, and regulations. You are vesting not only in them but in the supposed-to-be rulers of the particular line of trade then under consideration the right to adopt a code for approval that may be 1 page, 100 pages, or a thousand pages, and that becomes as sacred a law as anything that goes through Congress; and yet no man here knows what he is voting for. No man here, however learned he may be, however scholarly he may have proved himself to be on the floor of the Senate, knows what he is voting for today.

I believe that if there is anyone on this floor who has proved that he knows what has happened in the past it probably is the distinguished senior Senator from North Carolina [Mr. BAILEY]; but when he reaches this bill, he has reached the point where, regardless of all he knows of what he has voted for in the past, he cannot begin to contemplate or to surmise, or to guess, or to imagine what he is voting for in the way of law for the future.

I am not going to indulge in any more blind voting. I have cast my last blind vote. I have been given eyes with which to see, and ears with which to hear; and I am not going to cast another infernal blind vote on the floor of the Senate. If the President of the United States has something that he wants to recommend for the good of the American people, let him tell us what it is, and we will pass on it. If he has anything that he thinks is going to be good for this country, then let him pull it out from under the barrel and let it out here, and let us see what it is, and we will pass on whether we will vote for it or not. But when he comes in here and says he thinks he may have something that he is going to discover that might be good for the American people, and says, "Now, vote for it, and see whether or not I can find it," I am going to wait until he finds out what it is before I am going to vote for it in this Congress.

I have had enough of that. A burnt child is afraid of the fire. I have had enough of that. If we have a Congress of the United States, let us have a Congress of the United States. If not, if you do not want a Congress, write out your resolution, and I will vote to adjourn it and abolish it, and go home with you. Let us quit. That is what we have done, anyway. Let us quit and get out of here. Let us not stay here and draw the people's money in order to legislate for them when we are not doing it. Let us get out of here. Let us be honest. Let us help to carry out the Democratic platform by abolishing all useless commissions. Here is one we can start with under this bill, Mr. President. We can start right here. If you are going to pass this law, the next thing to do, in order to carry out the pro-

visions of the Democratic Party about abolishing useless commissions, is to get rid of this one right here.

Here is the place to start. Whenever you are going to empower the President of the United States to appoint somebody to annul the antitrust laws, then South Carolina has got through needing to have anybody sit in the United States Senate. Mississippi does not need anybody here. Louisiana does not need anybody.

Yes; we had a little bit more in the party platform. I do not know why we wrote this document. I was there when we wrote it, and I was there when we adopted it; and we fought over every one of these provisions, backward and forward. We fought over these letters and over these terms. We had fights over where we were going to put the commas. We fought over the "ifs" and the "ands", and we carried the fight right down on the floor of the convention, and we fought over them as though we thought we were doing something.

The only thing we had a right to do was to vote for the preacher and receive sacrament, and it did not amount to anything at all. All we had a right to do was to vote. We had a committee on the platform, and a committee on rules, and a committee on something else, and a committee on nominations. I was sitting in on one committee, and contesting before another committee, and offering a resolution before another committee, and running around like everybody else around there, thinking that whatever came out of there was going to be almost like it had fallen from the lips of some immortal personage; and, lo and behold, we come in here, after we have won a political campaign in which we said we were going to strengthen the antitrust laws, and in this bill we say we are going to do away with the antitrust laws.

There never has been anything ever heard of on the topside living face of the earth, ever since we have had national conventions and party government, like the Democratic Party coming in here with this kind of a bill to annul the party platform, and to put not only agriculture, not only industry, not only manufacturing, not only maritime works, but everything on the living face of the earth that a person could be engaged in under one hammer, to be decided on this kind of a flimsy pretext.

Put somebody back to work? Yes; you will put somebody back to work. You will have them all ready to go in the penitentiary under this thing. [Laughter.] They need not work. They will all have a steady job. It reminds me of the fellow who wrote a letter to a man who wrote a book, and said, "After reading your book I have got a steady job—No. 6,218, Leavenworth, Kans." [Laughter.]

That is all they will have to do, Mr. President. You will have everybody employed under this thing. There will be no more unemployment, because there will not be a man on the living face of the earth that will not be subject to go to the penitentiary 24 hours after you get this thing enacted. That is all you will have to do. Codes and rules and petitions and memorials are to be prescribed by the President and the Secretaries and the Assistant Secretaries and the supervisors and the administrators and the negotiators and the custodians, and you will have to run to the dictionary to find titles to give before you get through the operation of this bill. [Laughter.]

Talk about adjourning Congress! Let us adjourn now and give the people a break. Let us get away from here right now. Let us adjourn now, while the people have a chance to save themselves somehow, maybe, somewhere; I do not know. Let us adjourn before we put them under any such kind of a proposition as this bill contemplates.

Let me read a little bit more from this bill. I have not read much from it yet.

We get down here to administrative agencies. This bill is couched in rather simple language, Mr. President. I want to say that the words of the bill are very simple. I read an article yesterday which said that these articles were being written in simple words, because they were being used by the various and sundry agencies that were writing these laws as column writers for the newspapers; and by breaking the words up they would naturally get that much more. In other words, if they wrote in one of these feature stories the word "circumlocution", they would get only 50 cents; but if they wrote in there "in a roundabout way", they would get over $2 for the same words. [Laughter.] So, therefore, this bill comes out in simple language if it does not come out in anything else. You can tell that a Senator did not have much to do with it.

Now, we read from this epistle:

After the President shall have approved any such code—

That is one of these codes they are going to get up. Who is going to write and prescribe this code?

Some morning some man will go out and tack up on the blackboard, or they will send to some newspaper, or they will put up on some bulletin board:

Notice: All people engaged in the synthetic manufacture of cream cheese shall meet at such and such a place on the 15th day of so-and-so.

All right. There is a notice that everybody who has anything to do with cream cheese shall come in here. That is a manufactured commodity.

Then, a little bit later, they will put up another notice that will be put on the blackboard:

Notice: Everybody engaged in the business of manufacturing link sausage will meet at such-and-such a place.

All right. That is Code No. 2.

Another notice will be put up on the blackboard the next morning:

Notice: Everybody engaged in the business of manufacturing grits, grit products, or rice products, will meet at so-and-so.

And, Mr. President, in 30 days' time the ordinary 2-by-4 little man who wants to do anything at all to make a living will have more than 40 meetings that he will have to go to, if he is going to participate in prescribing a code for the conduct of his industry.

Why, the little old man that hauls wood when it rains, and maybe cuts wood when it rains, plants potatoes, plants cotton, plants soybeans, plants a little rice, sows a few acres of peanuts, goes out and works at odd times in a sawmill, cuts crossties 30 or 40 days out of the year when he has not anything else to do—and I used to do that kind of thing—that man will have to attend at least 35 or 40 conferences to prescribe a code, and he will not be able to do anything else in the whole year except attend conferences to prescribe codes.

Of course nobody is going to go to those code conferences. You know that, and all of us know that. Nobody is going to go to those conferences; and if they did go they would not know anything about it. They would not know any more about prescribing one of these codes than a hog does about a sidesaddle. [Laughter.] A few men will go in there, and they will have a code written up, and they will adopt a code. That code probably will be about as big as this book here, and they will have at the foot of it, "Anybody violating any rule or regulation contained in this code shall be punished by a fine and imprisonment at the rate of $40", or "$200", or "sent to the penitentiary for 2 years"; and in the case of some man or set of men, it does not make any difference who they want to punish; they can come along and find out where they did not have the proper content of meat or the proper content of cereal in their sausage, or they can find out that they worked too long, maybe, and fine them or send them to the penitentiary on account of it.

Take, for instance, the agricultural industry: In the wintertime we used to go out and kill the hogs that we raised in the woods from the mast that grew there, beechnuts, acorns, and things of that kind. We let the hogs run wild during the summertime, and in the wintertime we would go out and kill them. We would kill the fat ones, and we would mark the pigs. We might work all night and all day there in that particular line of industry, putting up the meat, grinding the meat, salting it down for the

summertime, taking the bones out of the meat. Lo and behold, that is an industry that is going to be regulated by a code, the details of which will be 99 if not 100 percent written by the packing industry; and we will be in a condition, Mr. President, where not only will we fail to correct the conditions we are now suffering from, but they will be a million times worse.

At present we go and take a bushel of peanuts and swap it for a shoat, and the man who has no peanuts gets some peanuts, and the man needing meat gets some meat. We go out and take a bushel of peaches, and we go over across the lot, over to some neighbor a mile or so away, and he may not have any peaches, and we will swap those peaches in order to get something that he has.

We will take a horse and swap a horse, perhaps, for something else. As bad as conditions have been, the one thing that has made it possible for men in our section of the country to live has been that they can take a gallon of sirup over to their neighbor and swap it for a sack of rice.

Those are the ways in which we have to live down in my part of the country. We could not get any help from the Government, and we have lived from hand to mouth. But there is no man who ever passed through my part of the State of Louisiana who did not somehow or other find a place to sleep and something to eat. But all that is to be eliminated. A man has to get books and regulations from Washington. He will not be able to swap what he raises for something else. That will all be done away with. He will not be able to do anything except what is in accordance with the code approved here in Washington, and he dare not even go out the front door to take his breath for fear he will be likely to violate one of the many thousands of regulations contained in these codes which will be prescribed under the authority of law, the details and contents of which he is presumed to know at all hours of the day and night. I am not for that kind of a thing.

Mr. President, to show that I am not speaking out of turn and that I have not overpainted this picture one bit, I want to read just what the proposed law provides. I have not overpainted it—not a bit. I have not even let it approach the point where I could exaggerate what is being provided in this legislation. It is one time when a man could not exaggerate in specifying the possibilities of harm under a measure of this kind.

Listen to this:

> After the President shall have approved any such code, the provisions of such code shall be the standards of fair competition for such trade or industry or subdivision thereof. Any violation of such standards in any transaction in or affecting interstate or foreign commerce shall be deemed an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act, as amended.

A man will have to get hold of the Federal Trade Commission Act, and get that well in mind, though very few men in the Senate have a complete knowledge of it. But that is not half of it—that is only the smallest part. A man will have to take mandatory notice of the contents of these codes, and any violation of any one of these codes will be the same as though he had violated one of the provisions of the Federal Trade Commission Act.

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

Mr. LONG. I yield.

Mr. CLARK. I should like to call the attention of the Senator to the fact that it was admitted before the Finance Committee by the proponents of this measure, by the authors of it, in fact, that the term "interstate commerce" in this title practically means all commerce, because of the fact that intrastate commerce has no effect on interstate commerce, and therefore under the terms of the measure it would practically mean a dictatorship over intrastate commerce as well as interstate commerce.

Mr. LONG. Mr. President, I had understood that by the enlarged definition given to interstate commerce it practically included all human endeavor. As my friend from South Carolina used to say, that is the "genius behind this bill." The genius behind this bill is that everything we do in some way or other finds itself into the current of intrastate commerce; and if it ever reaches intrastate commerce, that is interstate commerce, and therefore everything one does is within the terms of this measure.

Mr. President, those who drew the bill did not stop with specifying just one little element for violation of which they could impose a fine. They went on and took another slap, by providing that anybody who violated the law should be punished. Let me read another provision:

> (f) When a code of fair competition has been approved or prescribed by the President under this title, any violation of any provision thereof in any transaction in or affecting interstate or foreign commerce shall be a misdemeanor and upon conviction thereof an offender shall be fined not more than $500 for each offense, and each day such violation continues shall be deemed a separate offense.

Mr. President, we produce sirup down in my section of the country. We plant cane down there. We manufacture sirup, and we sell that sirup all over the country, that is, all around the neighborhood. In the parish from which I come, by reason of a peculiar condition of the soil there, we produce a sirup the sweetness of which is equaled nowhere else in the whole world. [Laughter.] It bespeaks the spirit and disposition of the people coming from that climate. It is a peculiar thing that in the old parish of Winn, La., our sirup contains no impurity of any kind. There is no such thing as copper, or any corrosive content, in the sirup raised in that part of the country. It is such a good class of sirup that right on the ground the natives themselves pay as much as $2 a gallon for it.

Mr. TYDINGS. Mr. President, I should like to say that for the sirup we raise in Maryland the natives frequently pay $3 a gallon. [Laughter.]

Mr. LONG. Mr. President, I will not yield further. [Laughter.] I was attempting merely to illustrate my point. Let us take the Senator's State of Maryland or my State. We produce a sirup in Louisiana which we sell for $2 a gallon. Let us say that a man needs a sack of meal. There is not much money around that part of the country, maybe everybody is broke; but a man will go and buy a couple of bushels of meal for a bucket of sirup. The farmers will swap among themselves. Then the man who gets that meal will take it to the gin on Saturday. In connection with the gin there is in that part of the country a corn-grinding outfit, where they grind up corn and grits. We will take a bucket of sirup and swap the bucket of sirup for a couple of bushels of corn and take it to the gin and grind it up and come back with the meal. I wonder if the Senator from Tennessee, who is doing me the honor to listen to what I have to say, has ever gone to one of those gins?

Mr. McKELLAR. Many a time.

Mr. LONG. Then the Senator knows something I did not know he knew. We all go to these mills and grind up the corn. We swap the sirup.

According to this measure before us, we could not make that kind of a trade, because the sirup man would be under a code prescribed for sirup and the sugar man would be under a code prescribed for sugar. The sirup would have a price placed on it, and the sugar would have a price placed on it. The methods by which the sugar was made would have been prescribed by a code. There would be a fine if the product did not contain certain elements which the code found to be necessary in its manufacture, and a man would do well if he got his sirup made at all without having to go to jail. Then he could not market it, because the man who had corn would run into competition. He not only would have to comply with the regulations for the manufacture, but he would have to comply with the price-fixing regulations, and it would become a matter of almost impossible negotiation, under the varieties of codes we might reasonably anticipate would come through the enactment of this proposed measure.

> The President is authorized—

Mr. President, all these sections start off with the words, "The President is authorized." Hereafter I will eliminate the first 4 or 5 words when I read these sections. Just

for the sake of brevity, I will eliminate hereafter reading the useless term, "The President is authorized" to do something. I read it now for the last time:

The President is authorized to enter into agreements with, and to approve voluntary agreements between and among, persons engaged in a trade or industry, labor organizations, and trade or industrial organizations, associations, or groups, relating to any trade or industry, if in his judgment—

They need not put in the "in his judgment." Let us wipe that out, because the President is the judge whether "in his judgement" there is or not.

If in his judgment such agreements will aid in effectuating the policy of this title with respect to transactions in or affecting interstate or foreign commerce, and will be consistent with the requirements of clause (2) of subsection (a) of section 3 for a code of fair competition.

(At this point Mr. LONG suggested the absence of a quorum, and the roll was called, following which Mr. LONG yielded to Mr. FLETCHER and Mr. BYRNES for the consideration of Senate Resolutions 97 and 93, which appear under the appropriate headings.)

Mr. LONG. Mr. President, I have wanted to see some of the provisions of the pending bill enacted. I am anxious to see the public-works feature of the bill enacted, though I think some modifications ought to be made to it; but, in principle, I should like to see a public-works program adopted. Again, however, I remind the Senate that in order to carry out this first proposal we are once more departing from our platform. I want to say, Mr. President, I am trying to keep within the terms of the party platform. I have not heard anybody contending at all that in suspending the antitrust laws we are not anything like standing still; even at the best we are not standing as near the antitrust law as we were. I understand, from all the documents I have read and all the debates I have ever heard, that the purpose of the antitrust law was to prevent the concentration of wealth into a few hands. The Senator from Idaho [Mr. BORAH] has brought that out; the Senator from New York [Mr. WAGNER] has brought that out. The Senator from New York says to me that the law has not worked. No. Why? It has not worked because we made those whom the law was supposed to regulate the masters of the laws; because, Mr. President, everybody knows that we have been just as silent in the enforcement of that law as it is possible for a government to be. Not only that, but because when the Supreme Court of the United States put the rule of reason into the *Standard Oil case* we did not immediately call the Congress into session and provide by law that the rule of reason was not a part of the antitrust law.

Why did not the antitrust law work? The Senator from New York [Mr. WAGNER] must evidently know. It is because the Supreme Court of the United States in five separate opinions had held that there was no such thing as a "rule of reason" under the common law written into the antitrust law, but that every restraint of trade was a violation of the antitrust law and punishable by fine and imprisonment.

But lo and behold, when that had been so interpreted time after time, there came along a national campaign and it was said that big, stalwart champions of the Republican Party had promised the financiers and industrial magnates of the East that they were going to modify the antitrust law. After the election had been held and Mr. Taft was elected President of the United States they came right here to the Congress and introduced a bill—when Mr. Taft was President, in 1910—and provided in that bill that there should be a common-law rule of reason in the antitrust law. The Judiciary Committee of the Senate in the year 1910 submitted a statement saying that in five decisions of the Supreme Court that Court had distinctly held that no such thing as a rule of reason should be in the law to weaken it, and the committee would not even report a bill out weakening the antitrust law by writing the rule of reason into it. But notwithstanding that decision, the Supreme Court of the United States was stacked and packed in order that a case might be taken before the United States Supreme Court to get it practically to nullify the best part of the antitrust law.

We had five decisions on the books rendered by the United States Supreme Court, each one of which had decided that there was no such thing as a rule of reason in the antitrust law; and yet with Congress refusing to amend the law on the ground that it would not write the rule of reason into the law in order to nullify the law, the Supreme Court of the United States in the *Standard Oil Co. case* wrote a little something to the effect that it had to be interpreted according to the rule of reason, and according to the rule of reason they held the United States Steel Corporation was not even a trust.

A few days after I became a Member of the Senate I introduced a bill providing that the Supreme-Court-made law on "the rule of reason" in the antitrust law should be wiped out, as it had been held by the United States Supreme Court theretofore that every restraint of trade would be prohibited by law of the United States. That bill has never come out of the committee up to this time. It died with the Seventy-second Congress. I had planned to introduce it again, but I saw it would be futile and that the best chance I would have would be to try to tack it on to some other measure that would come before the Senate, and to do that on the floor of the Senate. I have never yet found a propitious moment when I thought I would succeed, and that is why I have not introduced it in this session of the Congress.

That is what we ought to have done. The Democratic Party pledged itself to make the amendment that I proposed when it said it was in favor of strengthening the antitrust laws. But after all that we are told by my distinguished and learned colleague from New York [Mr. WAGNER], learned in the letter and learned in the spirit of the law, that the antitrust law has failed, and therefore we will take the bars down and we will have a soviet council prescribing the rules of conduct for the operation of each and every profession and trade, pursuit and livelihood that is known to any kind of region or section of the whole country. In doing that we will tear down the antitrust laws. We will permit the big man here to go into a combination with a big man over there, and they will decide how much they will pay for various commodities. They will not only decide how much they will pay for the raw materials, but they will decide how much they shall receive for them. The man at the bottom, who consumes, is entirely left out of the picture. He is subjected to codes, rules, and precepts, under which his business and livelihood are to be regulated. He cannot depart from any one of them which has Presidential approval, and therefore all such men are entirely lost sight of in this kind of legislation.

Somebody comes around here and says that this thing has the approval of certain people who are affiliated with the industry. I do not care if it has. It is said that it has the approval of some of the people who are working in the industry. This past Sunday, coming from New York, I was in conversation with certain men coming down here to advocate the passage of the bill. They told me of certain features they wanted to write into the measure, and I could see no reason why that should not be done. I had no idea that we were ever contemplating this kind of legislation. I had no idea in my mind that the Democratic administration was contempating anything of this kind.

This morning, when the junior Senator from Virginia [Mr. BYRD] walked over to me and asked me if I was in favor of the provisions of the bill, I told him I expected to support them, and upon his simply stating to me what the provisions of the bill were and of the title of which I am now speaking, I could not believe the Senator. I told him evidently he must be mistaken; that certainly there was no such legislation contemplated. I knew we had gone to awful lengths, but I had no idea the junior Senator from Virginia was correctly giving me the picture of what is contained in this title. But, lo and behold, when I read it I could not believe my eyes. I could not believe my eyes, that we would come here with such provisions as these writ-

ten into a bill that is supposed to be a public works bill. If Senators want to shift hours of labor and keep production up with consumption, there is a way to do it without enacting into law any such monstrosity as this.

Things have come down to the point that if a man wants to be fed he has to sell himself into slavery. In other words, in order to get any distribution of the blessings of the Lord in the way they are made here by humanity, a man has to sell himself into a governmental slavery and into such other forms of slavery as were never before contemplated at all. We have been offered a slavery as a means by which we can get meat and bread to eat, and we do not even have a guaranty of the meat and bread even though we do become slaves. There was one good thing about the old slave system before the sixties, and that was that a man owning a slave had to feed him. A man was under obligation to feed and clothe his slaves. Under the proposal contained in this bill it is pretended that this is something that is going to make it possible to feed the American people, but there is not anything under the living sun in the form of guaranties except that we are asked to authorize the President to annul the antitrust laws and have a system of codes running the country. No longer are we to be regulated by a system of law, the Constitution and laws of the United States, the constitution and laws of the States of the United States. That is all to be wiped out. What we are having now is ipse dixit, codes, rules, negotiations, approvals, orders, booklets, pamphlets, and a thousand and one various and sundry things that are to be promulgated throughout the country and which are to stand instead of and above all the laws of the country and of the States.

What is to become of my State? Why, Mr. President, this law has in it something that our State government by its constitution restricted and prohibited the Governor and the legislature of the State from doing. We have not only been asked in this bill to abolish State rights, but lo and behold, we have provided authority in boards and in commissions and in administrative agencies, we have given into the hands of custodians and negotiators, we have landed the people in the hands of appointees, and in the hands of appointees of appointees, giving them authorities that are denied even to Governors and legislatures of the States, even within the confines of a State.

In the State of Louisiana there is a constitutional provision that the legislature of the State cannot prescribe certain laws affecting labor. That is in the constitution of my State and was one of the things I had to meet when I was Governor of the State. I had to bear in mind that there was a constitutional limitation to that effect. Yet we have decided here in this bill that we are going to let someone go into the absolute provinces of the States themselves and promulgate rules and codes and articles—from what and for what? Who knows? Who knows whether the board to which a man must make his plea will be in Washington or will be in the principal city of the State or will be located in every county of the State? If we are going to have any such thing as this for the law, it is going to be necessary that the public be made aware of the law and be made cognizant of the terms and provisions of the law. It is not going to be possible to have a law of this kind that is going to regulate every phase of livelihood and industry and agriculture and commerce and everything else, and not bring it to the attention of the people.

Who is going to make it possible to understand all these provisions and codes under which they are going to be working? That is what I call upon the United States Senate to decide. If a thing like this had been proposed in ordinary days, we would have hesitated many hours and days and weeks. I feel confident a thing of this kind would not have reached the front door of the committee in many months, even for respectable hearing or consideration. It would have been so obnoxious to the ears of any talented lawmaker that he would not have made the suggestion of approval in private, let alone in public. Never would a man have thought that in this day of Democratic power we would take advantage of the power placed in our hands by the people to set at naught not only all we had promised them, but the rules of order and fundamental regulations we have been respecting and adhering to long even before we adopted the Constitution of the United States, long before we ever heard or anyone else ever heard of or saw the Declaration of Independence promulgated in 1776. Long before that men believed they had the right to hew their living out of the ground and out of the forests of the country, and not to be under some potentate who set himself up above all law to determine whether that man had complied with a code of a certain kind.

I read further from this document some of the many things that we promised:

> We advocate a firm foreign policy * * *;
> International agreements for reduction of armaments * * *;
> We oppose cancelation of the debts owing to the United States by foreign nations;
> We advocate independence for the Philippines * * *;
> Simplification of legal procedure.

Do you know what you have done by this bill, Mr. President? The ordinary little man does not know anything about any United States court. You have given the United States court here jurisdiction to try every case that has ever been heard of in the realm of human activity. The ordinary little man who comes before the Federal court is scared to death. You indict the ordinary little old man, and take him a few hundred miles away from home, or 50 miles away from home, and stand him up in a Federal court before judges and district attorneys and United States marshals that he has never seen before, and he is scared out of his wits. He is in position almost to surrender everything he has.

I remember when first I was a lawyer, and went to try my first case in a United States court. Why, I felt like I was on foreign soil. I shivered in my boots, even as a lawyer, to go into a United States court. Yet here we are proposing to enact a law that puts it in the power of these little 2-by-4 potentates that are to administer it to go out and have the United States attorney hale a whole community before the United States court, and take them a hundred miles away from the place where they were born and reared, to be tried on these little, insignificant charges that are going to be lodged against them by the administration of an act that wipes out the antitrust law.

Why, it is an outrage to do a thing like that. Instead of conferring more jurisdiction upon these United States courts, we ought to be taking away some of the jurisdiction they have. These United States courts have been allowed to reach out and take over jurisdiction to try people for the most trifling offenses; and now we propose under this bill to enlarge the jurisdiction of the Federal courts to a point where the man who is making sirup, or the woman who is packing a few little sausages, or the poor devil who is salting down a little meat, or the man who is starving and who takes a sack of rice and swaps it with somebody in order to get a few pounds of lard or a little meat—that kind of a man, Mr. President, who is not acquainted with all the pages and pamphlets and codes that are adopted by these monopolistic interests that come in under the approval of the Government to wipe out the antitrust laws, the man who does not offer his product for sale at the price at which they say it ought to be offered, the man who does not exchange it only for money, if they say so—that kind of a man, and his wife and his children, are to hold themselves every night and every day, without its being possible for them to know what is in the law, subject to arrest and to be tried before a Federal court hundreds of miles away from where they live!

Talk about tyranny! This is the most tyrannical law that I have ever seen proposed since I have been in the United States Congress. Talk about oligarchy or anarchy or monarchy or any other form of government! There has never been anything so detestable and so reprehensible as this measure that makes criminals out of practically the entire American people. Think of our standing here, on what is supposed to be a free day in the American Government, and voting for any such thing as this!

That is what we are complaining of here. I am trying to get up Democratic sentiment. I am trying to call back Democrats to the faith of the fathers and to our own promises.

INVESTIGATION BY BANKING AND CURRENCY COMMITTEE—EXTENSION OF AUTHORITY

During the delivery of Mr. LONG'S speech.

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

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. LONG. I yield.

Mr. FLETCHER. Mr. President, as is well known, the Committee on Banking and Currency is proceeding with the hearings being conducted, and the authority of the committee has been challenged in certain respects. A resolution has been prepared which I should like to have acted on now. I ask unanimous consent to submit the resolution at this time; and I further ask unanimous consent for its immediate consideration, in order that we may proceed with the hearings in proper order.

The PRESIDING OFFICER. The Senator from Florida asks unanimous consent for the immediate consideration of a resolution, which will be read.

Mr. McKELLAR. Mr. President, just a moment. May I ask the Senator if the resolution provides that the committee may go into the tax returns of the gentlemen, members of the firm of J. P. Morgan & Co., who have been before the committee?

Mr. FLETCHER. The resolution gives the committee ample power.

Mr. McKELLAR. Then, I think it ought to be adopted, and I have no objection to it.

Mr. FLETCHER. It gives the necessary power; but does not add very much to the authority we already have.

Mr. McNARY. Mr. President, I ask that the resolution may be read.

The Chief Clerk read the resolution (S.Res. 97) submitted by Mr. FLETCHER, on behalf of himself and Mr. STEIWER, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, in addition to and supplementing the authority granted under Senate Resolution 84, Seventy-second Congress, agreed to March 4, 1932, and continued and supplemented by Senate Resolution 239, Seventy-second Congress, agreed to June 21, 1932; Senate Resolution 371, Seventy-second Congress, agreed to February 28, 1933; and Senate Resolution 56, Seventy-third Congress, agreed to April 4, 1933, shall have authority to investigate any transactions or activities relating to any sale, exchange, purchase, acquisition, borrowing, lending, financing, issuing, distributing, or other disposition of, or dealing in, securities or credit by any person, firm, partnership, company, association, corporation, or other entity, and/or any other acts or operations of any one or more of them or of agents, affiliates, or subsidiaries of any one or more of them or of any entity (corporate or otherwise) directly or indirectly controlled or influenced by any one or more of them, which may affect or bear upon, either directly or indirectly, any of the foregoing transactions or activities. Such investigation shall be made with a view to recommending necessary legislation under the taxing power or other Federal powers.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the first session of the Seventy-third Congress or any recess thereof, and until the termination of the first regular session thereof, to employ such experts and clerical, stenographic, and other assistants, to require, by subpena or otherwise, the attendance of such witnesses and the production and impounding of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the investigation authorized by this resolution shall be paid out of the sums heretofore or hereafter made available for the investigation authorized under Senate Resolution 84, Seventy-second Congress, as continued by the resolutions above specified and by this resolution. The authority conferred by Senate Resolution 84, Seventy-second Congress, as continued by such resolutions, shall extend until the termination of the first regular session of the Seventy-third Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. DILL. Mr. President, do I understand that the wording of the resolution gives the committee full authority to go into income-tax returns of anybody who has been before the committee or who may be called before it in the future?

Mr. FLETCHER. This resolution, together with the resolutions heretofore adopted, gives such authority.

Mr. DILL. I heard no mention in the reading of the resolution of authority to go into income-tax matters.

Mr. FLETCHER. The resolution, including the authority which the committee now have, is broad enough to cover all that.

Mr. McKELLAR. Mr. President——

Mr. DILL. Just a moment. Do the resolutions already adopted give the committee authority to go into income-tax returns of any person or firm who may be called before the committee?

Mr. FLETCHER. There is a joint resolution, as the Senator will remember, giving the committee the power to go into income-tax matters.

Mr. DILL. But there is some question as to whether the committee have that authority, and I have heard nothing in the resolution that gives the committee any greater authority than it now possesses.

Mr. FLETCHER. I think there is no question that the committee have the authority; but in the joint resolution provision is made that hearings and examinations must be in executive session. That is one of the limitations of that resolution.

Mr. DILL. Does the pending resolution remove that limitation?

Mr. FLETCHER. It does not absolutely remove it, but we think we can get at the facts under the pending resolution which will lead to a thorough understanding of the situation.

Mr. DILL. Why should there be any doubt about it? There ought not to be any doubt under the pending resolution as to the authority.

Mr. FLETCHER. That is what we are trying to cover by the resolution.

Mr. BARKLEY. Mr. President, if the Senator from Florida will yield for a moment, it will be recalled that under the income tax law income-tax returns may not be made public except under certain circumstances and by certain agencies. The committees of the Congress have the power to examine into income-tax returns, but a resolution of the Senate cannot repeal the law with reference to them. All we seek in this resolution, is to get the authority to examine witnesses with respect to their income taxes, but it is not contemplated that the income-tax returns themselves shall be made public, because we cannot do that under the law by simply adopting a resolution of the Senate.

Mr. DILL. I heard no reference to the income-tax returns in the resolution as it was read, and that is why I asked the question.

Mr. FLETCHER. The reference in the resolution to the exercise of the taxing power, I think, covers it.

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

Mr. FLETCHER. I yield.

Mr. McKELLAR. It seems to me, from the proof that has already been adduced before the committee, that unless the committee shall have the right to force witnesses appearing before it who have not paid income taxes in the last 2 years to divulge the facts concerning those income taxes, the whole examination will be abortive and of no use to the American people.

Mr. FLETCHER. We will be able to develop the facts so that we will know exactly what the situation is. We cannot expose the income-tax return. Under the law that can only be done in executive session by special committees under a joint resolution known as No. 42, Seventy-second Congress, but we will be able to get at the facts; and those facts will enable the Department of Justice and Internal Revenue Bureau to proceed as may be required.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana has the floor. Does he yield to the Senator from Oregon?

Mr. LONG. I yield.

Mr. McNARY. Mr. President, it is now after 5 o'clock; a number of Senators have left the Chamber to care for correspondence in their offices and to attend to other public matters. This resolution has not been printed; no opportunity has been given to any Member of the Senate to read it. It has been my uniform practice, under such circumstances, to object to immediate consideration. That has no connection with any consideration of the merits of the resolution. Conformably, Mr. President, to my judgment and the practice which I think is a fair one, I shall have to object to the present consideration of the resolution.

The PRESIDING OFFICER. Objection is made.

Mr. FLETCHER. Mr. President, let me appeal to the Senator with this statement: We are now in the midst of this hearing and about to conclude a certain phase of it. We will meet tomorrow morning at 10 o'clock; probably tomorrow will be the only available day we will have ahead of us; and it is very important that we secure this authority.

Mr. McNARY. Mr. President, I should like to accommodate the Senator as well as my colleague from Oregon [Mr. STEIWER] in the matter. The resolution may be very important; but it is also important that Members of the Senate have an opportunity to study such resolutions as this and to be present when they are considered. I have told several Members of the Senate that in my judgment there would be no business transacted this afternoon; I feel the necessity of preserving the rights of those who are absent from the Chamber with that understanding; I cannot yield my view in the matter; and therefore I shall have to persist in my objection.

The PRESIDING OFFICER. Objection is made, and the resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BYRNES subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which Senate Resolution 97 was referred, reported it without amendment, and it was ordered to be placed on the calendar.

ADDITIONAL FUNDS FOR INVESTIGATION BY BANKING AND CURRENCY COMMITTEE

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, without amendment, Senate Resolution 93, providing funds for the continuance of the investigation being conducted by the Committee on Banking and Currency. I ask unanimous consent for its present consideration, if the Senator from Oregon does not object.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S.Res. 93) submitted by Mr. COSTIGAN June 6, 1933, was read, as follows:

Resolved, That the limit of expenditures under S.Res. 84, Seventy-second Congress, agreed to March 4, 1932, to investigate the practice of "short selling" of listed securities upon stock exchanges and its effect on actual values, as continued in force by S.Res. 239, Seventy-second Congress, agreed to June 21, 1932, and further continued in force by S.Res. 371, Seventy-second Congress, agreed to February 28, 1933, and as supplemented by S.Res. 56, Seventy-third Congress, agreed to April 4, 1933, is hereby increased by $100,000.

Mr. McNARY. Mr. President, I do not understand the nature of the request of the Senator from South Carolina.

Mr. BYRNES. I am asking unanimous consent for the immediate consideration of the resolution just reported by me, which provides funds for a continuance of the investigation now being conducted by the Committee on Banking and Currency.

Mr. McNARY. Can we not take up both resolutions in order tomorrow or next day?

Mr. BYRNES. Mr. President, the resolution does not involve the investigation that has been ordered, except insofar as it provides additional necessary funds.

Mr. McNARY. Mr. President, I am not speaking for myself personally in regard to this matter, but I think we owe something to those who have left the Chamber under the impression that no business of this kind would be transacted. We have the unfinished business before us, and no notice has been given of the transaction of any other kind of business. As I said a few moments ago, it is after 5 o'clock. A number of Senators are absent, and I do not think we should depart from the consideration of the unfinished business. Therefore I must object.

Mr. BYRNES. I made the request because it has been the custom to give notice about resolutions of this character.

The PRESIDING OFFICER. Objection is made, and the resolution will be placed on the calendar.

WORLD TRADE BARRIERS IN RELATION TO AMERICAN AGRICULTURE

The PRESIDING OFFICER laid before the Senate a letter from the Secretary of Agriculture, transmitting, pursuant to Senate Resolution 280, Seventy-second Congress, a report prepared by the Bureau of Agricultural Economics pertaining to restrictions upon international trade in major agricultural products throughout the world, the measures taken by various countries in aid of agriculture, and the effect of these restrictions and measures upon American farmers, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

NATIONAL INDUSTRIAL RECOVERY

The Senate resumed the consideration of the bill (H.R. 5755) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes.

Mr. LONG (at 5 o'clock and 35 minutes p.m.). Mr. President, I move that the Senate take a recess until tomorrow at 12 o'clock.

Mr. McNARY. Mr. President——

Mr. WAGNER. Mr. President, I hope the Senator will not do that. I think we ought to go on.

Mr. LONG. I think we ought to adjourn, then. I am going to call for a quorum a little later on. An adjournment is going to be necessary if we do not have a quorum. Senators will have to come in here and listen to me. I am not going to spend my time and my effort trying to tell the Members of the Senate what I know about this bill and not be listened to. If they go home, I am going to call for a quorum and have an adjournment.

I want to be listened to. I think what I am saying here is valuable. If Senators do not come in and stay around here, we are going to have to adjourn, and then I will come back here and tell them about this bill tomorrow.

I will proceed for a few minutes if the Senator from New York insists, but I want him to make Senators come in here and listen to me.

Mr. WAGNER. Mr. President, I should like to assist the Senator in any way I can.

Mr. LONG. All right. I will give the Senator a little time to make Senators stay around here.

Mr. WAGNER. The Senator from Louisiana has a very fair audience.

Mr. LONG. Mr. President, I think it is better that we knock off for the afternoon. [Laughter.] I am hoping that the Senator in charge of the bill will see fit to do that.

There is a part of this measure which I have not had the time to digest as thoroughly as I wanted to. I had hoped that we could get together and strike out this iniquitous part of the bill known as "title I." It is practically impossible, Mr. President, for me to get into my mind the impression that a serious effort will be made tomorrow, after Senators have had a night to sleep over this bill, to carry title I into the bill. I know that the committee itself did not want it in the bill, from what I have understood, to start with.

Mr. HARRISON. Mr. President, let me ask the Senator whether he will agree that we shall vote tomorrow at 11 o'clock on a motion which he may make to strike title I from the bill?

Mr. CLARK. Mr. President, I will say to the Senator from Mississippi that it is my intention, at the proper time, to make a motion to strike out title I, as I did in the committee; but it does seem to me that the perfecting amendments ought to be offered and acted on before the motion to strike out is made.

Mr. HARRISON. I think so, too. That is why I asked about a unanimous-consent agreement; but I wish we could get along on this measure in an orderly way. Of course, I do not want to restrict the Senator with his speech, and could not if I wanted to; but I wish he would proceed, so that we can get up these committee amendments and conclude the consideration of the bill.

Mr. CLARK. I will say to the Senator from Mississippi that I have no disposition to delay the consideration of the committee amendments.

Mr. HARRISON. I appreciate that.

Mr. CLARK. I do think, however, that the other amendments should be considered before the motion to strike out the title is considered.

Mr. HARRISON. I made that suggestion only in order to come to a vote on the proposition, and to let us travel along. I think it is more orderly. That is why I secured unanimous consent that the Senate committee amendments should be disposed of first, but I hope we can proceed.

Mr. LONG. After we get through with title I can we not then consider amendments to title I, and move to strike it out, and do the same thing with the rest of the bill, title by title?

Mr. HARRISON. Oh, yes; after the committee amendments are finished, then any other individual amendments will be in order.

Mr. LONG. Mr. President, that being the case, I think I have about concluded my remarks on this title at this stage of the game. I do not think I would have much more to say on it, because we can come back and take up this matter later; but I know that there are other Senators who want to be heard on this matter. Under those circumstances, does the Senator intend to suggest a recess at this time?

Mr. HARRISON. No; I should like to finish the committee amendments as far as possible, because I imagine the real fight on this bill will be on the motion to strike out title I, or on the motion to strike out the licensing features of title I. Those were the major questions that were before the committee. If we can dispose of some of the committee amendments, so that we will have done something today with the bill, then we can proceed along the line suggested by the Senator tomorrow morning.

Mr. LONG. I suggest that we wait and take up the bill tomorrow, because practically everyone has gone away from here this afternoon. Let us just pause where we are now. Tomorrow morning we can come back here and take up the committee amendments; and then, after we get through with that, we will go forward with our motion to strike out title I.

Mr. McNARY. Mr. President, let me suggest to the able Senator from Mississippi that I could not consent to any unanimous-consent agreement involving a set time for voting on any problem or any provision or any title of the bill, nor could I consent to a limitation of debate.

Mr. HARRISON. Mr. President, I have not made any motion. It was merely a suggestion that I hoped we might get together, so that we might get along with the bill.

Mr. McNARY. Let me suggest to the Senator that when the Senator from Louisiana has concluded his remarks we recess until 10 o'clock tomorrow.

Mr. REED. Could not that be made 11 o'clock, Mr. President?

Mr. HARRISON. I ask unanimous consent now that when the Senate concludes its session today it recess until 10 o'clock tomorrow morning.

Mr. REED. Mr. President, make it 11 o'clock. All of us are overwhelmed with mail.

Mr. HARRISON. I realize that all of us are overwhelmed with mail and that the Committee on Finance has been working night and day to try to expedite the consideration of the bill and get it before the Senate; but it is contemplated by the Senator from Arkansas—a contemplation that we think can be realized—that we can adjourn Saturday night, provided we can get through with the consideration of this bill by tomorrow night, because some other matters must be disposed of before we adjourn if we are going to adjourn Saturday night.

I know what a difficult task everyone has had. I know what a hard session of Congress we have had. I know that everybody is anxious for Congress to adjourn as soon as we can get through with the program, and this bill is a part of the program. We cannot adjourn until at least we have expressed ourselves on it.

Therefore I sincerely hope everyone will try to cooperate in the matter of bringing these difficult questions to a vote so that we will know what the expression of the Senate is, and get through with the bill by tomorrow night. Then, in all probability, we can adjourn by Saturday night.

Mr. LONG. Mr. President, I will say that I have wanted to vote on all these matters as quickly as we could; but one great trouble here is that we have given so little consideration to some of our votes, as was proved here the other day, when we passed, by almost a 2 to 1 vote, a measure to undo a good deal of the Economy Act. We have acted entirely too fast on the various measures; we have not given consideration to what we have done; and we are about to barter away the liberties of the American people in haste with this bill.

I am anxious to have the Senate thoroughly consider what they are doing here; and that is one of the reasons why I have spoken today at the length I have. I am willing for the Senate to vote any time they want to, provided I think the Senate understand what they are voting for. We all have our committee work to do. We have our correspondence to answer. We have many things to do. Realizing that, I am hoping the provisions of this bill will be known before we vote on it.

Many Senators have been to me today since this discussion started, particularly since the speech of the Senator from Idaho [Mr. BORAH], and told me they could not understand how we could keep title I in this bill. In view of that fact, I have strongly hoped that the Senators in charge of this legislation, after thinking over the matter tonight and seeing the shoals into which we are about to land, would come here with some kind of a proposition to take title I out of this bill.

Mr. HARRISON. May I say to the Senator that the gentlemen who are in charge of the bill have been working night and day considering the matter? We think we know what is in the bill. The House of Representatives considered this matter, and, by a vote of 5 to 1, kept title I in the bill. The President and his advisers have been considering the matter, not for weeks but for 2 months' time, and they know what is in the bill.

The representatives of labor who appeared before the committee know what is in the bill, and they have approved the bill. Representatives of the great industries of the country, and of the trade organizations, came before the committee, and they approved the bill. Of course, I have no fault to find with those who do not want to support this or that part of the bill; they have a perfect right to do as they please about that. But the Senate ought to express itself within a reasonable time, and we ought to assume that each Member of the Senate has given consideration to these propositions.

Mr. McNARY. Mr. President, let me suggest to the Senator from Mississippi that when the Senator from Louisiana shall have concluded his statement we take a recess until 11 o'clock tomorrow, and that at the same time the Senator give notice that if we do not make sufficient progress we will have a night session tomorrow, so that Senators will have notice.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Oregon suggested to me earlier in the day that we take a recess until 10 o'clock tomorrow.

Mr. McNARY. I did, but several Senators on this side thought that was a little bit early.

Mr. ROBINSON of Arkansas. Of course, if we are to get consideration of and action on the bill, if we are not to prolong this special session of Congress indefinitely, those who desire to see the legislation disposed of must pursue a course

that will bring about that result. Is it proposed that we recess now?

Mr. McNARY. At the conclusion of the remarks of the Senator from Louisiana.

Mr. ROBINSON of Arkansas. I suggest that the recess be until 10 o'clock tomorrow.

Mr. HARRISON. I hope that when we do recess we can recess until 10 o'clock tomorrow. Was not that the order, or was there objection made to that request?

Mr. McNARY. The Senator from Pennsylvania suggested 11 o'clock. I am willing, and I think the Senator from Pennsylvania is willing, to agree that we meet at 10 o'clock.

Mr. REED. I shall not object.

Mr. HARRISON. I renew the request that at the conclusion of the remarks of the Senator from Louisiana we take a recess until 10 o'clock. I understood that was the arrangement had with the Senator from Oregon, that we should meet at 10 o'clock.

Mr. McNARY. I agreed to that; but several Senators on this side thought that was a little too early.

The PRESIDING OFFICER (Mr. MURPHY in the chair). Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, I suggest to the Senator from Louisiana that there are a number of committee amendments which might be disposed of without prejudice to any important controversy, and I think we might proceed with the consideration of some of them this evening.

Mr. LONG. Mr. President, I understood we had entered into a unanimous-consent agreement to take a recess.

Mr. HARRISON. We have agreed that when we do take a recess we will recess until 10 o'clock tomorrow morning.

Mr. ROBINSON of Arkansas. There is no agreement to recess at this time.

Mr. HARRISON. Mr. President, may I suggest to the Senator from Louisiana and to Senators generally that there is one amendment about which there will be controversy; that is the one relating to the oil regulation. I would not want to have that taken up this evening. With that exception, however, I am sure there will be no controversy about the other committee amendments to title I; and if we could get those out of the way tonight, we would have made some progress.

Mr. CLARK. Mr. President, there is going to be a great deal of controversy about the amendment providing for an embargo.

Mr. HARRISON. I had forgotten that was in the first title. Of course, that ought to be passed over. If there should be controversy about any amendment as it was read, we could pass it over until tomorrow; but it would not take very much time to get action on most of them.

Mr. LONG. Mr. President, I shall be glad to facilitate the matter in any way I can. However, several Senators who have already left the Chamber apprised me of the fact that they expected to speak on some of these amendments. I assumed we were going to take a recess at 5 or 5:30, as we have been doing, and I should not like to have the Senate go ahead and consider any of the amendments in the absence of the Senators to whom I have referred. If we come back tomorrow at 10 o'clock, I think that will be as far as we ought to go. That will be 2 hours ahead of our regular meeting time. I was hoping that at that time we might take up the resolution of the Senator from Florida [Mr. FLETCHER] to appropriate money enough to enlarge the powers of the Senate Committee on Banking and Currency so that they could go on with the Morgan inquiry. Did I not understand the Senator from Oregon to ask unanimous consent that at the conclusion of my remarks we take a recess?

Mr. McNARY. I had in mind that at the conclusion of the remarks of the Senator from Louisiana we would recess until 10 o'clock tomorrow. At the same time I offered the suggestion to the Senator from Mississippi, having the bill in charge, that he notify Members of the Senate in advance that probably we would have a night session if we did not make sufficient progress.

Mr. HARRISON. I make the statement now that it is contemplated that if the consideration of the bill is not concluded by tomorrow evening, we will have a night session, and I hope that those Senators who have made other arrangements will rearrange their engagements so that they can be here tomorrow night.

Mr. LONG. Then if I care to conclude at this time, might we not recess, so that there would be no disappointment to Senators who have left?

Mr. HARRISON. The Senator has concluded his remarks, as I understand?

Mr. LONG. I have if we are to have a recess now. I thought we had that understanding, that if I concluded my remarks, we would take a recess. That is why I was willing to agree to a recess until 10 o'clock tomorrow.

Mr. HARRISON. The Senator does not contemplate going on tomorrow, as I understand, unless he might have something to say on some particular amendment?

Mr. LONG. No; I do not anticipate speaking again.

VETERANS' COMPENSATION—THE CONNALLY AMENDMENT

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from today's New York Journal of Commerce, expressing approval of what is known as "the Connally amendment" to the Economy Act.

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

[Editorial from the New York Journal of Commerce, June 7, 1933]

MAKING ECONOMY HATEFUL

The controversy over the action of the Senate in voting to limit pension cuts in case of veterans with service-connected injuries has given rise to a great deal of violent and misleading comment on this whole subject. A reading of the prolonged, able, and restrained debate that preceded enactment of the Connally amendment ought to set at rest alarmist predictions that the entire economy program of the administration is about to be sabotaged by Congress unless the President resists this unwarranted assault upon his authority. The fact is that the amendment which has passed the Senate was voted in response to protests that came from people with just grievances. Senators cited many attested cases in which helpless men, seriously disabled, had been made the victims of Executive orders administered in accordance with hard and fast rules. If the Senate had not acted, would the officials connected with the Veterans' Administration be as willing as they now are to admit that errors of judgment have been made? Would they show the same readiness to revise the harsh rulings that have resulted in passage of the Connally amendment?

If economy is to be effective and sustained, it is very important that it should not be made hateful to the average citizen. Senator VANDENBERG summed up the view of a large number of his colleagues when he said: "The worst service that could be rendered to permanent, sound, rational economy in behalf of the Treasury of the United States at this moment would be to allow contemporary outrages to stand without correction, because if we do not correct them, we will find an outraged public opinion which will sweep all the economy program off the statute books the next time the issue arises."

There is certainly nothing unreasonable in voting to limit to 25 percent the permissible pension cuts applicable to service-disabled veterans and Spanish War veterans (most of whom would be unable to establish the service origin of their disabilities). Senator CONNALLY asserts that under the regulations that have been issued, more than half the Spanish War veterans would go off the rolls entirely, and most of the others get only $6 per month. Does the country want to economize at the expense of this particular group of elderly men and their dependents by subjecting them to such drastic cuts?

Many of the World War service-connected cases, protected under the Senate amendment, are undoubtedly suffering from disabilities related remotely, or not at all, to active service. Nevertheless, a wrong done to the taxpayer in the past will not be righted by subjecting disabled men to the hazards of arbitrary Executive redetermination of their pensionable status. The taxpayer, furthermore, will not be relieved, if helpless pensioners are thrown upon the charity of local relief agencies. In the interests of a permanent economy program, such as Senator VANDENBERG emphasizes, to say nothing of human elements involved, it seems wise to give this special group of service-connected men the benefit of the doubt and not completely destroy expectations created by the ill-advised action of the Government itself.

The public needs to be reminded, too, that the economy bill did not specify any definite amount which was to be saved by reducing pensions; it was merely estimated that about $400,000,000 could be obtained by passage of the measure. Possibly Congressmen closed their eyes at the time to what that sum meant translated into actual cuts; but they are now filled with a realiz-

ing sense of what has been done, and have acted accordingly in view of the special circumstances. The greatest evil of the veterans' legislation lay in the constant increase in non-service-connected beneficiaries and the certainty that the numbers of pensioners would be constantly augmented for years to come. That danger has been met by the vigorous action taken by the President, and the veteran groups that thought they could control Congress have been given a salutary lesson.

In view of the major long-time gains to which we can look forward, an increase in current appropriations for pensions should be accepted philosophically, given reasonable restrictions. Either the Connally amendment, which still leaves a large amount of discretion to the Executive, or some alternative compromise proposal acceptable both to the President and to Congress would provide a proper solution of the present conflict. An additional expenditure of $170,000,000, more or less, is unfortunate, but it is absurd to talk as if it would jeopardize the financial stability of a Government that is preparing to expend several billions on nonproductive public works and hundreds of millions more on direct relief.

IRRATIONAL BUDGET MAKING

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the RECORD certain excerpts from an address by the noted educator, Glenn Frank, president of the University of Wisconsin, before the Department of Superintendence of the National Education Association, entitled "'Irrational Budget Making' Scored"

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

The sword that hangs over education and the other social enterprises of government is the sword of imperative retrenchment forged in the fires of an irrational depression. The peril lies not so much in the existence of the sword as in the way we wield it.

That economy, drastic beyond anything we have been accustomed to think of, is imperative in the conduct of local, State, and National affairs no intelligent man will question. Since 1929 our income has gone steadily down, and outgo has gone steadily up in its relation to income. The expenditures of local, State, and National Government, when related to the toboggan slide, down which the national income has raced, have bent the back of the American people. Either the back must be strengthened or the burden must be lightened, for a nation cannot long endure a consistently falling income and a consistently rising outgo.

It is confessedly a critical situation that confronts us. In 1931 Americans were putting slightly less than one out of every four dollars of the national income into the enterprise and obligations of local, State, and National Government. When the books of 1932 are fully balanced, we shall probably find that at least one out of every three dollars of the national income went into the enterprises and obligations of government. According to the analysis of the National Industrial Conference Board, in 1928 approximately 11 percent of the national income went into taxes, whereas in 1932, it was estimated some months ago, some 33 percent of the national income went into taxes to carry the enterprise and obligations of government.

There are those who would have us believe that this dramatic rise of the tax draft on national income from 11 to 33 percent in 4 years is due solely to an unintelligent and unjustified, a wasteful and worthless development of the public services of organized Government. That lie must be nailed at the outset unless public thinking on the scientific, social, and educational enterprises of government is to be gravely muddled and grossly misled.

The man in the street, hearing of this rise in the tax rate on national income from 11 to 33 percent in 4 years, is all too likely to think that the cost of the public services of Government has trebled in that time. Obviously this is not true. Had the national income remained steady at the 1928 level, the tax draft on national income for last year would probably have stood at not more than 18 percent instead of 33 percent, even if all the extraordinary expenditures incurred by depression had been in the picture. The factor that lifted the tax draft on the national income to 33 percent was the dramatic drop in the national income owing to the economic muddling that landed us in depression.

I am quite aware that this does not remove the stubborn fact that a 33-percent tax draft on national income is a serious matter with which political, social, and economic leadership must wrestle. It does suggest, however, that the blame for the large proportion of the national income now going into taxes cannot justly be placed upon the shoulders of social and educational leadership, but must, to a very material degree, be placed squarely upon the shoulders of the economic leadership that proved incapable of steering our economic ship past the shoals of depression.

And now this very leadership that has done most to unbalance the Nation's life is insisting that we shall balance the Nation's Budget by plunging a sword to the heart of all those scientific, social, and educational enterprises to which alone we can look to produce a leadership for the future that will be less inept, a leadership that might conceivably use this magnificent machine economy of ours to free the race from drudgery, poverty, and insecurity instead of letting it starve like Midas in the midst of plenty. I, for one, protest the current attempt to make educational leadership the scapegoat for the sins of economic leadership.

Unless this fact is kept clear we shall see an uninterrupted increase in a propaganda that will, with insulting scorn, brand even the most self-sacrificing public servants as greedy and grasping pay rollers. This now popular propaganda, if persisted in, will divert men of capacity and self-respect from public service for a generation to come. And it will be our children who will pay the price of this diversion.

* * * * * * *

Now, there are three popular assumptions respecting Federal finances being sedulously cultivated by certain groups: First, the assumption that the present Federal deficit threatens the Federal credit; second, that the Federal Budget must be balanced at once; and third, that new taxes must be levied and drastic retrenchment effected in order to save the Federal credit.

I think there is a good deal of hokum in all three of these assumptions. I hesitate to run counter to the counsel of the Baruchs and the Traylors and like business leaders who, in testimony before the Senate's clinic on economic dislocation, have contended that the road to recovery can be charted on a calling card with the succinct sentence: "Balance the Budget." But I ask very modestly, is the counsel as realistic as it sounds?

* * * * * * *

How do those who insist that the Federal deficit today threatens the Federal credit and that drastic alterations in tax policy and social expenditures must be made in order to preserve the Federal credit compute the deficit they are talking about, and what does the deficit they talk about really represent?

As anyone who has made even the most elementary studies of the financial situation knows, there are two popular methods of arriving at the Federal deficit, used by many of those acting upon the three assumptions I have just listed.

One method is by noting the rise or fall of the gross Federal debt from year to year. Another method is by noting the cash condition of the Federal Government on a given date by the simple grocery-store daybook method of checking expenditures against receipts.

Now, granting the technical accuracy of the figures used in statements resting on these two notations, I submit that they do not necessarily give a true picture of the financial status of the Government, and let me indicate why such figures standing alone do not.

First, take the matter of the gross Federal debt: The cold figures on the gross Federal debt for the 2¼-year period ending last fall were as follows: On June 30, 1930, the gross Federal debt stood at $16,185,000,000. Two and one-quarter years later, on September 30, 1932, the gross Federal debt stood at $20,611,000,000. These figures indicated a deficiency of $4,426,000,000 or about 4.4 billions. But this cannot be taken as an accurate index of the situation unless we examine two related sets of facts. First, what were the purposes for which this debt increase was incurred? Were they purposes that should logically be financed out of current income? What were the number and nature of Federal assets that might offset that deficiency?

Let me mention only one offsetting asset to those figures that many of the budgetary Jeremiahs ignore. When the gross Federal debt, in the summer of 1930, was some $16,000,000,000, the net balance in the general fund was only $319,000,000. But when the gross Federal debt in the fall of 1932 was some $20,000,000,000, the net balance in the general fund had risen to $862,000,000. In other words, with the offset of the balance in the general fund alone, the asserted deficiency of $4,426,000,000 drops to $3,883,000,000, or a drop from 4.4 billions to 3.8 billions, a difference of $543,000,000, more than one half billion.

It is by ignoring such factors (and I use only this one by way of illustration) that an apparent deficit which is far beyond a true deficit can be put up by certain business men to scare legislatures and congresses.

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But these variations, due to obscure or obsolete Federal bookkeeping, are not the important considerations. The important consideration is whether or not there are included in an asserted deficit, expenditures for purposes which a far-sighted government should not, in a period of depression, seek to finance by current taxation, by bleeding white the basic services of government, or by withholding valid public works that might at least soften the tragic impact of unemployment.

The deficit that is said by some to be threatening the Government credit and shaking business confidence does include several such expenditures, expenditures that in my judgment should not be covered now either by a serious rise in taxes or by a serious retrenchment in productive Government expenditures.

Some of such expenditures that enter into the existing deficit are as follows: (1) Public debt retirements of the last 2 or 3 years; (2) Federal loans and investments, such as the half-billion-dollar purchase of Reconstruction Finance Corporation stock in 1932; (3) capital outlays, such as the approximately one third billion dollars of public construction in 1931 and in 1932. We shall, in my judgment, deepen the depression if, following the lead of those who think all our ills begin and end in the Federal Budget, we insist that all expenditures of this sort be lumped with the ordinary expenditures of the current services of government and the total impact be absorbed by a serious rise in taxes and a serious retrenchment in those basic services which alone have made government a stabilizing and creative force.

It is my sober judgment, ladies and gentlemen, that the Federal credit can be kept sound if as a people we keep our heads and refuse to be rushed by a budgetary hysteria into a wrecking

of the scientific, social, and economic services that are the very beating heart of constructive government.

It is the part of political wisdom, it seems to me, to spread the load of depressions out over a more prosperous period. Otherwise, relatively speaking, whenever a serious retardation hits us, we must wreck, in a few years of depression, values and services that will take us a generation to recreate.

Balance the Budget out of current revenues with respect to ordinary expenses? Yes. With respect to extraordinary expenditures, loans, investments, capital outlay, emergency relief, and the like? No. They should be financed out of borrowings and met out of the revenues of a more prosperous time.

If now we stop extraordinary expenditures for public work and go recreant to our relief responsibilities, or if we insist upon paying for them out of seriously increased taxes, we shall surely deepen and prolong this depression. And if now we cut the heart out of the basic services of government, we shall in preventing a financial deficit, produce a social deficit for which our children and our grandchildren will damn us.

Do not misunderstand me. Upon the imperative necessity for economy in public expenditures there can be no disagreement. I insist only that the situation challenges us to effect that economy with statesmanlike foresight for the future of community, State, and Nation. It is possible to be quite as short-sighted in administering economy as in allowing extravagance. And just because there is this possibility of short-sightedness in the administration of necessary economy, a grave national danger lurks in our current concern with economy. We can so easily economize blindly or let limited interests dictate the schedules of retrenchment. We dare not be gullible. Alongside the foresight, intelligence, and sincerity behind the insistence that we establish a sounder relation between our income and our outgo, there is much blindness, blundering, self-interest, and sheer insincerity in the almost hysterical campaign against public expenditures now sweeping the Nation. By all means, let us give prudence a permanent seat in our public counsels. By all means, let us stop waste. But let us be sure that it is real waste that we are stopping. Real economy may mean national salvation. Bogus economy may mean national suicide.

I ask you to remember that we could dismantle every Federal bureau and stop every civil function of the National Government—with the four exceptions of construction, relief, loans for shipbuilding, and the Federal Farm Board—and still reduce the Federal Budget by only 8 percent. The complete cost of the legislative, executive, and judicial activities of the Federal Government absorbs less than two thirds of 1 percent of the total Federal outlay. Where, then, you may ask, does all the money go? Well, for one thing, almost three fourths of the total expenditures of the Federal Government goes to pay the costs of our current Military Establishment and to carry the obligations incurred in past wars. That is to say, of every dollar we pay in taxes to the Federal Government about 75 cents go into payments for past wars and preparation against future wars. Think of that the next time you are tempted to applaud the blatherskite or jingo who denounces as pulling pacificism every intelligent attempt to outlaw war.

The more deeply we analyze the problem of public expenditures, the clearer it becomes that it simply is not the scientific, social, and educational services of the Nation that are bending the American back. And yet, throughout the Nation we are trying to balance budgets by cutting the very heart out of the only things that make government a creative social agency. We slash scientific bureaus. We drastically shrink our support of social services. We hamstring our regulatory agencies. We fire visiting nurses. We starve libraries. We reduce hospital staffs. We squeeze education. And we call this economy. And actually think we are intelligent in calling it that. How the gods must be laughing at us! And how our grandchildren will damn us!

* * * * * * *

The real issue confronting us is not economy versus extravagance. That question is well on its way to settlement. Leaders who foster extravagance will be broken. The issue is real economy versus bogus economy. The sword that hangs over education and over all the other social and cultural enterprises of government is the danger of bogus economy.

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The real results of a bogus economy will not show up in 1933. But if now we hijack the fundamental scientific, social, and educational services of government, it will be a generation or more before we shall be able to climb back even to the efficiency these services now display. If now we beat down the salary scales of public servants, we shall but succeed in further diverting superior capacity from public service. Business and the professions have long drained off from public service the very sort of men and women public service most needs. We dare not intensify this diversion of exceptional ability from public service. I am quite aware that salaries and wages outside public service have had to take drastic cuts in these trying days, but, once the economic curve turns upward, it will be but a question of months until the salary and wage curve in business and the professions will follow the economic curve in its upward sweep, but this will not be true of the salary and wage scales of public servants. And in the meantime, with the memory of the almost insulting scorn to which disinterested public servants are all too often subjected in the midst of an economy campaign, in the years immediately ahead fewer men and women of outstanding ability will be inclined to give their lives to public service. All of which means that it will be our children rather than ourselves who will pay the price of our short-sighted economy.

THE SALES TAX

Mr. BLACK. Mr. President, in view of the fact that I understand the question of the sales tax is going to be raised, and an amendment is going to be offered providing for a sales tax, I desire to ask unanimous consent to have printed in the RECORD pages 137 to 150, inclusive, of the book entitled "Taxation and the Distribution of Wealth", by Mr. Frederic Mathews, beginning on page 137 with the words "Article 2—Luxuries."

I invite the attention of Senators who are interested in the sales tax to what I consider to be one of the best discussions that has ever been given on this subject.

The PRESIDING OFFICER. Without objection, the matter indicated by the Senator from Alabama will be printed in the RECORD.

The matter referred to is as follows:

ARTICLE 2. LUXURIES

Taxes levied upon luxuries present, to a certain extent, the advantages mentioned with reference to indirect methods. On the other hand, as Adam Smith[1] says, "Such taxes, in proportion to what they bring into the public treasury of the State, always take out and keep out of the pockets of the people more than almost any other taxes. They seem to do this in all the four different ways in which it is possible to do it." The four ways are: (1) The great expense in elaborate customs and revenue administration required; (2) the discouragement to industry when voluntary consumption is concerned; (3) corrupting practices; (4) the necessary annoyance and complicated supervision. As taxes of this kind are practically voluntary, they are subject to much variation, both in the amount of revenue produced and in the proportion of total revenue created. They are thus open to two objections from the administrative point of view, the most serious found in a tax, those of variation in amount and uncertainty in produce. Expensive, variable, and uncertain, such taxes offer a correspondingly unsatisfactory basis for revenue.

ARTICLE 3. NECESSARIES

Taxes on necessaries, from an administrative attitude, are greatly preferable to those upon luxuries. The necessaries of existence, vital and industrial, must be consumed by the entire people. Such commodities will, therefore, form a vastly greater bulk than luxuries. In price, also, necessaries present important advantages. As they are cheaper, they support a higher rate of taxation and thus produce, actually and relatively, a larger revenue than taxes upon higher-priced goods. This revenue, again, will be more constant, as the consumption of necessaries varies within narrow limits, and can never cease altogether. The taxation of the staples of life and industry thus becomes the most constant source of revenue derived from indirect methods, and as such, the most important of modern fiscal systems.

The foregoing considerations are advanced from an administrative point of view. There is another point of view, however, from which a fiscal system may be studied; that which regards a society as a whole. Looked at in this light, the indirect taxation of necessaries presents a different field for analysis and different considerations. The first of these is the fact that such taxes must bear much more heavily upon the poor than upon the rich and thus form a proportionately unjust and unsatisfactory source of revenue, irrespective of temporary advantages. The taxation of vital needs places a sure and easy method of raising revenue in the hands of an administration, independent of the suffrage of the mass of the population, and may thus seem to lend permanence and stability to the society. On the other hand, a fiscal system bearing more heavily upon one class than upon another, and that class always the more numerous, must lay the foundation for political disturbance, revolt, and final revolution. The very ease with which an administration may support itself through indirect channels increases the ultimate difficulties of the social organization. The following considerations serve as illustration:

It is evident that a much greater proportion of the revenue of the poor is spent on the actual requirements of life and industry than of the incomes of the well-to-do. Three fourths, or all the income of the very poor man, may be spent upon the essential needs of existence, and all the income so spent falls under the influence of taxes on necessaries. On the other hand, such taxes will absorb a much smaller proportion of the income of the richer classes. A man with £50 a year in wages will be forced to spend nearly 100 percent of his total revenue upon necessaries. If these necessaries are taxed, 100 percent of his income falls under contribution. If the increased prices caused by taxation amount to £5, he will pay that amount or 10 percent of his income in taxes. On the other hand, it is possible that a man in receipt of £50,000 income might not expend £5,000 a year in the purchase of the commoner needs of the people; in which case, instead of 100 percent of his income being taxed, only one-tenth part of it would contribute to the public treasury, and thus in-

[1] The Wealth of Nations. Book V, ch. II, p. 494.

stead of paying 10 percent of his income to the state, but one tenth of his income would be taxed and he would contribute but one tenth of 10 percent, or one one hundredth of his greater resources. The poor man will thus be taxed 10 times as heavily, proportionately, as the rich man.

This form of taxation, in which contribution is levied upon the necessaries of life, is universal today, and forms what might be called, approximately, an inversely progressive income tax; that is, a tax increasing as a man's poverty, and decreasing relatively to his wealth. The smaller the income, the greater the proportion of taxation it is forced to pay; the larger the income, the greater the proportion it may escape. If indirect taxes on necessaries were assessed directly, their effects upon the two incomes considered would be as follows: On assessment day the poor man, in all probability, would be compelled to produce his entire £50 of income, 10 percent of which would be taken in taxes. The rich man, on the contrary, would be required to produce that portion alone of his resources spent upon necessaries; in the case supposed, he would be taxed but on £5,000, leaving £45,000, or 90 percent of his income untouched. The disproportion of the burden thus placed upon the two incomes is evident; yet this disproportion seems to be the least important of the results produced in any society supported by the indirect taxation of necessary living expenses.

Where 100 percent of one income is taxed, and but 10 percent of another, the larger, or least taxed income, possesses an untaxed reserve, or saving capacity, of which the smaller, or most taxed incomes, are deprived. Thus, an income of £50,000, taxed upon £5,000 alone, might easily save £10,000 a year out of the total income; while an income of £50, taxed on 100 percent of its amount, could save nothing or a disproportionate percentage. In the second year of the action of such taxes, the first income will have added 10 percent to its capital, that is, the income, increased by 10 percent, will be taxed upon a smaller scale and possess a greater power of accumulation; the smaller income, saving nothing and still taxed upon 100 percent of its amount. Where a society raises its revenue, wholly or in part, therefore, by means of the indirect taxation of necessaries, a process of accumulation sets in toward the larger or least taxed incomes. In other words, the larger incomes will possess a progressively increasing and untaxed accumulating power in proportion to the wealth represented, while smaller incomes will be denied such an untaxed reserve in proportion to the poverty involved. The greater the income, therefore, the greater will be its power of accumulation in reference to taxation; the smaller the income, the less the possibility of creating a reserve untaxed through living expenses. This process carried on generation after generation, throughout the entire series of the incomes of a society, can produce but one result: The distortion of the distribution of the annual wealth of the society in such a way that the larger incomes will absorb a constantly increasing proportion, while the smaller incomes will be brought under an increasing process of taxation. When it is realized, in addition, that the action of taxation enforced through living expenses may be greatly modified under specific conditions, the effects of the disparity of burden become more marked.

The forced action of such taxes, with reference to the two incomes considered, would be as follows: The man with £50 a year is forced to pay £5 in taxes, the man with £50,000, however, is not forced to pay any more; thus the forced burden upon the smaller income is one-tenth part of its total, while the forced burden upon the larger income is one ten-thousandth part of its greater amount. The forced effects of such methods, however, do not end here; for by means of the protective theory, the "balance of trade", "infant industries", the "pauper-labor", the "attraction of capital", "weapon-taxes", and so on, an increased burden of taxation may be piled cumulatively upon the smaller incomes, producing little or no revenue—producing nothing, apparently—other than the indefinite swelling of the larger incomes.

SECTION IV.—CONVENIENCE AND SECURITY OF INDIRECT TAXATION

ARTICLE 1. CONVENIENCE

It may be urged in favor of indirect fiscal methods, in which the tax becomes an indistinguishable part of price, that the contributor pays the tax at the most convenient time or escapes it altogether. As Prince Bismarck has been quoted in support of this position, the words of another German may be cited in the same connection.

"On penalty of death", says a writer,[2] dealing with taxes on necessaries, "nature compels us to eat, and so on penalty of death we are compelled to pay the bread and meat taxes. The man who fails to pay his direct taxes may have his goods distrained, but he cannot be punished. But the man who is unwilling to pay the taxes on bread and meat must die of hunger. It is a truly diabolical system. For by increasing burdens on the food of the people civilization in general is deteriorated, the masses are placed in the unworthy position that they can only satisfy their most urgent needs, while the resources of culture which they create are monopolized by those who have no right to them save the fact of possession. The system of indirect taxation is in direct antagonism to civilization."

Taxes of this kind, pressing upon wages everywhere, deteriorate the whole food supply of the masses. The German Labor Market Correspondence for December 1901 reported[3] that the average price of provisions had increased 7½ percent at Leipzig, and at Chemnitz and at other Saxon towns 12¼ percent. So, too, Dr. G. Creuzbacher, in his inquiry into the food consumption of the town of Munich, shows that the consumption of meat has decreased, even in that well-to-do city, during recent years. While the population of Munich increased between 1881 and 1900, 109.75 percent, the consumption of meat only increased 81.33 percent, the decrease per head being from 94.8 to 81.8 kilograms. * * * Meanwhile the consumption of horseflesh has increased—a sinister fact whose significance cannot be misunderstood. * * * In his report for 1902 the factory inspector for Leipzig said: "The economic conditions of the workers have not improved during the past year, since the incomes of many work people have undergone a further diminution, partly owing to a reduction of wages and partly owing to a curtailment of the hours of work, and since the prices of the most important articles of food have increased. The endeavor to economize shows itself in the diminution of the consumption of meat and the larger demand for horseflesh." The same thing was reported from Berlin, Hamburg, Halle, Altona, Bochum, Dortmund, Horde, Schwerte, and other industrial towns.

M. Yves Guyot[4] gives a like account of the taxation of food products in France. "In Paris", he says, "while taxes have increased, the consumption of fresh meat has decreased relatively to the population. * * * The annual ration of the adult Parisian is only 87 kilos of meat, instead of the 108 kilos of the soldiers. There has been a decrease instead of increase." An analogous condition is shown in the reports from Amiens, Bordeaux, Bourges, Grenoble, Lille, Limoges, Lyon, Marseilles, Nantes, Nimes, Rennes, Roubaix.[5] "The conclusion is that the relative decrease of the consumption of meat in the majority of large towns of France proves the injury resulting from the taxes which increase the price 0.35 cents per kilogram."[6]

Thus the convenience of indirect taxation of vital needs seems chiefly the convenience of relative degrees of starvation, for the payment of such taxes can never be long deferred, or they will indeed be escaped in this world at least.

ARTICLE 2. SECURITY

Another advantage urged in favor of indirect fiscal methods is that they permit the taxing of a people without their knowing how much they pay or having any control over the process. A people which would not tolerate a certain amount of taxation, if levied directly, may with ease be forced to pay a much greater amount without being conscious of the fact. As has been well said, when a direct tax would cause a revolution, indirect methods permit the taxation of the bread out of the mouths of a population with no results other than complaints of hard times. Indirect methods thus render the administration largely independent of popular suffrage. Where an administration controls a few distributive centers it may live with ease upon the resources of a population, even though it may be in a state of revolution. "When in Ireland, during the height of the Land League agitation", says Henry George,[7] "I was much struck with the ease and certainty with which an unpopular government can collect indirect taxes. At the beginning of the century the Irish people, without any assistance from America, proved in the famous Tithe war that the whole power of the English Government could not collect direct taxes they had resolved not to pay; and the strike against rent, which so long as persisted in proved so effective, could readily have been made a strike against direct taxation. Had the government, which was enforcing the claims of the landlords, depended on direct taxation, its resources could thus have been seriously diminished by the same blow which crippled the landlords; but during all the time of this strike the force used to put down the popular movement was being supported by indirect taxation on the people who were in passive rebellion. The people who struck against rent could not strike against taxes paid in buying the commodities they used. Even had rebellion been active and general, the British Government could have collected the bulk of its revenue from indirect taxation, so long as it retained command of the principal towns."

This passage shows the distinction between direct and indirect fiscal methods, in relation to popular political movements. With control of a few ports and industrial centers, an administration may support itself indefinitely from the resources of a population, which, under a direct system, would be in active revolution. This is not always a disadvantage to the people so governed. Such a possibility may tide them over ignorant and aimless popular agitations which, if successful, would work wreck and ruin. But, when the necessary action of the indirect taxation of necessaries is understood in relation to the distribution of the wealth of a society, such security seems but the crust over a volcano, whose certain eruption is but rendered more dangerous.

SECTION V. EXPENSE OF INDIRECT TAXATION

Great expense is involved in all indirect forms of taxation, in comparison to the amount realized by the State. By indirect means of raising social revenue the people are forced not only to pay the tax in increased prices but in addition all profits and interest charged by traders on capital advanced in the payment of excise and customs, together with a host of other augmentations, varying with conditions and articles. The following calculation serves as illustration: It was estimated at one time in England that an extra tax of 2s. per gallon imposed by Parliament upon

[2] Die Lebensmittlezölle und die indirecten Steurer, cited by Dawson. Protection in Germany, p. 193.
[3] Ibid., p. 197.
[4] Le Pain et la Viande dans le Monde, pp. 27–29.
[5] Ibid., p. 30.
[6] Ibid., p. 49.
[7] Protection and Free Trade, p. 81.

ardent spirits would produce £1,000,000. Based on the conditions in Scotland, the following estimates may be made: When the act imposing the 2s. tax came into operation, meetings were held by spirit dealers in Edinburgh and Glasgow; the resolution adopted was that the price of whisky should be increased by 1 penny per gill. There being 32 gills in the imperial gallon, the increased price was at the rate of 2s. 8d. per gallon, one third more than the increased tax imposed by Parliament. The duty on all spirits was, however, charged per gallon on what was technically called "proof strength." The spirits were sold to consumers at about the proportion of 1 gallon of water to 4 gallons of proof spirits.

"Starting, then, from this point", says a writer,[8] treating the subject in this connection, "with a new calculation respecting the total burden imposed on the public, these are the results: On 4 gallons of proof spirits, Parliament has imposed an additional duty of 2s. per gallon, or 8s. in all. The publicans and retail spirit dealers, by the addition of 1 gallon of water, convert these 4 gallons into 5 of the strength which is desired by the purchasers; and, in accordance with the resolutions already referred to, they charged an increased rate of 2s. 8d. on each of these 5 gallons, or 13s. 4d. in all. Thus while the Chancellor of the Exchequer receives 8s., the public pays 13s. 4d., to enable him to collect the smaller sum. To obtain £1,000,000, then, from these parties, it is necessary to impose an additional burden of 66⅔ percent, or £666,666 in all."

It is estimated that equitably devised direct taxes cost on the average 2½ percent in the collection, on which basis the cost of the revenue derived would have been but £25,000.

"It is, therefore, the same", says Mr. M'Laren, "as if a landowner should prefer to borrow £10,000 at an expense of 66⅔ percent, or £6,666, to obtaining it at the rate of 2½ percent, or for £250 in all by mortgaging his estate."

The above estimates refer to excise taxation. The import duty is more extravagant for the reason that it raises the price of the home product while not bringing a shilling of revenue into the treasury. Two sources of supply are taxed, while one alone produces income. This is shown by a study of the following estimates, based upon the supposition that England some day decides to tax her grain supply, as has been suggested, both for revenue and preferential objects:

With a duty of 2s per quarter, or about 6d per hundredweight (1 hundredweight=112 pounds, 1 quarter=480 pounds). Mr. Chiozza-Money[9] gives the following figures, representing the total grain consumption of the United Kingdom for 1902:

	Hundredweights
From foreign countries	176,000,000
From British possessions	35,000,000
Home grown	160,000,000
	371,000,000

"At 6d per hundredweight", he continues, "the extra cost to the consumer would be £9,275,000, but the revenue would gain only 6d per hundredweight on the foreign supply, viz, £4,400,000."

Thus revenue raised through import taxation swells the price of all goods affected directly or indirectly, while only a part of these produce revenue for the state.

A striking instance of the waste of wealth due to taxation of this kind is reported from Australia: "Meat in Victoria", says Mr. Chomley[10] "has been raised to great prices by the stock tax on sheep and cattle coming into the southern colony from the pastures of New South Wales and Queensland. * * * Another effect of the stock tax, entirely logical, yet so grotesque and tyrannous as to shock even convinced protectionists, arose through the admission of sheep in bond to be slaughtered in Melbourne and exported as frozen mutton to England. The sheep's heads were not exported, and during the time of severe distress in Melbourne poor women and children visiting the slaughter yards obtained there a nutritious article of food which was a blessing in many households. But on these heads no duty had been paid, and therefore a paternal protectionist government had to devise means to prevent them from going into consumption and afflicting the people with the curse of cheap food. Accordingly they sent to the abattoirs customs officers and barrels of kerosene oil. The heads were piled in great heaps, soaked with oil, and burned before the eyes of hungry women and children."

INDIRECT TAXATION

Under ordinary conditions such demonstration of the destructive nature of indirect taxes would never appear; the consumer, instead of having his food and the necessaries of his trade burned before his eyes, is compelled to work longer to obtain the same goods. The destruction of his wages and the return for his labor is, however, no less real in one instance than in the other; his strength and wages are burned instead of the things they buy.

Indirect taxation of consumption redounds to the disadvantage of the people supporting such measures in many other ways. Taxes on consumption diminish the quantity consumed; where the actual amount is not checked the possible gain is restricted. All industries not supported by indirect taxation will find their markets suppressed by such methods. An instance may be presented in which an indirect tax levied by England upon a foreign population suppresses English industry. Among the most effectually indirect taxes in existence is the Indian salt tax. Here, the English people lift the burden from their own shoulders and place it upon those of their fellow subjects in India. Such methods at first sight seem the height of political wisdom; the English consumer at home is unaffected, and the Indian administration obtains the entire revenue. The average annual consumption of salt in England is 62 pounds; 25 pounds are considered essential; the average consumption in India is about half that amount, while the consumption of the upper classes will reduce the average still lower for a large portion of the Hindu millions.[11]

The medical profession traces the prevalence of leprosy and other diseases to the lack of sufficient salt,[12] and the cattle and agriculture of the country seem vitally affected by the same cause.[13] What are the effects of such restricted consumption on English trade?

"It is also very curious", says Mr. Pennington,[14] "to see what the merchants and others concerned in the British salt trade have to say about this question of the consumption of salt in India when the falling off begins to touch their pockets. 'To the population of India', says an advocate of more English salt for Indian consumption, 'the complete abolition of the salt tax would be a reform beneficent beyond conception. The consumption of salt would probably be trebled within 3 years—' and yet no one would eat more salt than was good for them. 'Finally, the salt producers and shippers have worked themselves into the belief that the salt tax ought to be abolished. On this point they say: The question of the complete abolition of the salt tax—not inaptly termed the "bread tax of the Hindu"— is probably the most important question that can receive the attention of members of the English salt trade as a united body at the present time, and so on.'" The following[15] is an extract from a letter to Mr. Pennington in this connection:

LONDON, *July 23, 1904.*

DEAR SIR: I have read with great pleasure the report you have been good enough to send me of your paper on the salt tax in India, a subject which much interests me, as 50 years' experience in the salt trade of this country has often brought it directly to my notice. * * *

From this point of view the Indian salt tax is not exclusively an Indian question, but one which also materially affects many interests in England itself; and now that we are invited to "think imperially", it cannot be inappropriate to deal with the matter on the broader basis, and consider it in its relation to British imperial interests. It is computed that the consumption of salt in India, with its population of 240,000,000, would soon be trebled were the duty abolished, and this calculation is to some extent supported by the fact that since the reduction of the duty on March 31 of last year the consumption has greatly increased, so that, besides the larger demand for salt manufactured in India itself, the exports from Liverpool to Calcutta, etc., for the 6 months to the end of June last amount to 140,000 tons, against 88,000 tons in the same period of 1903, and 82,000 in the same period of 1902. This extra trade benefits not only the English salt makers, both employers and employed, and the English railways and canals engaged in transporting it to the coast, but is also a boon to the British shipowner and sailor, giving them better employment outward to the Indian ports. Nor does the advantage end there, for the larger supply of tonnage thus available to the Indian producer for the export of his rice, wheat, jute, cotton, linseed, etc., is an item of great importance to the development of the Indian export trade with other countries.

Besides this, it is obvious that the large increase in the consumption of salt in India, which it is expected would result from the abolition of the tax, would give employment to an enormous number of hands required for its distribution throughout the country, would add to the revenue of the railways and canals of India, and increase the profits derived from the salt trade by those engaged in its manufacture. When all this is taken into account, I believe the advantages accruing to the various interests enumerated above, added to the direct benefits derived by the Indian natives from the freer use of salt in their food, in the curing of fish, the preservation of meat and vegetables, the feeding of cattle, the cultivation of land, and in many other ways, would, if it were possible to express them in figures, be found to far outweigh the amount (some £6,000,000, I believe) of the revenue derived by the Indian Government from the tax. * * * I remain, dear sir,

Yours truly,

J. W. FOX,
Late Managing Director Weston & Westall, Ltd.,
London Agents to the Salt Union.

J. B. PENNINGTON, Esq.,
Yarmouth, Isle of Wight.

This most indirect of indirect taxes thus suppresses a great English industry, with all its ramification of transportation and distribution, and must, consequently, check English production and the demand for English labor. Cicero[16] says that the Romans used to

[8] Indirect Taxation, Duncan M'Laren. Read at a meeting of the Social Science Association, Edinburgh, 1860.

[9] Through Preference to Protection, p. 35.

[10] Protection in Canada and Australasia. C. H. Chomley, p. 168. Additional instances of the waste in indirect methods will be found on p. 240.

[11] Mr. J. B. Pennington, B. L. (Cantab.). The Imperial and Asiatic Quarterly Review, October 1904, p. 207.

[12] Ibid., Proceedings of the East India Association, pp. 382–3.

[13] Ibid., p. 303.

[14] Ibid., p. 297.

[15] Ibid., pp. 307–8.

[16] Commonwealth, III, ix.

protect their growers of grapes and olives by forbidding the people beyond the Alps to raise these articles of food. This destroyed not only the vineyards and orchards of others but the labor of the Roman people, required to pay the increased price. The modern duty has the same effect; it stifles productive industry at home and abroad, and destroys the labor necessary to pay taxed prices.

The continental system of Napoleon was one of the most elaborate networks of indirect taxation ever woven, and the amount of wealth it destroyed in France must have been enormous. A striking example of such destruction is found in the pages of Thiers.[17] Speaking of Marseille, formerly the queen of the Mediterranean, and since become its queen again, he says: "For 25 years she saw more than 300 vessels of commerce rotting at her quays without moving. * * * The only distraction in her distress was when some captured English merchandise was abandoned to the flames under the eyes of a people dying of hunger, watching the destruction in a few hours of riches upon which they might have lived.

"Born and brought up at Marseille", he adds, "I still recall this spectacle and seem to see the rank of motionless vessels ranged in lines from the Place de la Cannebière as far as the Fort St. Jean. A child at the time, and often on the quays, I used to study these vessels; I knew their names and appearance as one knows the houses in a familiar street, and I never saw one move during the last years of the Empire. Its fall", he says, "was the occasion of a joy such as I have never seen in any other time or circumstances."

In this way it is seen at a glance how the taxes imposed by Napoleon in support of his continental system destroyed all the wealth represented in these vessels; all the wealth their natural occupations might have created; all the wealth which might have been enjoyed and consumed by the men employed in working, loading and unloading them, during that period both at home and abroad; all the wealth burned in Marseille and at other places, together with all the wealth wasted throughout the country on account of the artificial scarcity due to such methods. Direct destruction due to taxation of this kind, such as the burning of food products or the locking up of shipping, is rarely seen in its crude forms. During the Napoleonic regime the people of central France did not see a portion of their crops and vineyards burning or rotting before their eyes, but their produce and labor were destroyed, however, exactly as in a fire by means of forced prices on one side and the strangling of the consuming powers of the people on another. And as the Indian salt tax starves the cattle and population of India, does it force English labor out of employment, reduce the returns to English shipping, force up the price of foodstuffs in the English market through the checking of tonnage in foreign ports, and react adversely upon the population of England in direct proportion to the consuming powers suppressed. Permanent and profitable commerce cannot be forced; commerce must be profitable to all concerned or cease; and where ports or markets are forced or protected by artificial fiscal methods, the nation imposing the taxes congests its wealth and checks its industrial development through the stifling of consumption.

The advantages of indirect systems have been summarized under four headings: (1) taxing the foreigner, (2) the best source of revenue, (3) convenience and security, (4) expense. Counter considerations may be presented:

1. There seems reason to believe that no nation can ever tax foreign sources in reality. Where such results are temporarily apparent, the nation burdens the unrealized possibilities of its own commerce. It is, moreover, always possible for foreign nations to retaliate in kind, so that no even apparent advantage could be gained for any length of time.

2. Indirect taxes, in order to produce important or constant revenue, must be laid upon the necessaries of life and industry. The taxation of such necessaries is, in consequence, the same thing as the direct assessment of living expenses. As the necessary living expenses of the poor form a relatively larger part of income than the necessary living expenses of the rich, the forced effects of such taxation will be the same thing as an inversely proportionate income tax; levying increasing tribute upon poverty, and exempting wealth in proportion to its amount.

3. The convenience created by indirect methods seems largely measured by the convenience of different forms of starvation, and their security dependent upon ignorance and the time necessary to bring about the inevitable political upheaval due to disproportionately placed burdens.

4. The expense of such taxation is in two ways greater than necessary: First, in order to raise revenue from consumption, it is essential to raise the price of all sources of supply, although but few of these produce revenue. Again, checks on consumption, at home or abroad, destroy the industries which might supply the suppressed demand, resulting in the loss of the wealth such markets might create.

The subject may be left with the following passages from Adam Smith and Mill. "A tax upon the necessaries of life", says the former,[18] "operates exactly in the same manner as a direct tax upon the wages of labor." To the extent in which wages are influenced by the price of provisions, wages will rise with such taxes, but, as wages are controlled chiefly by the supply and demand in the labor market, and not by the price of provisions, such taxes act as a direct burden upon wages which can apparently never raise the return to labor beyond mere subsistence as long as an unemployed supply exists.

"There are some forms of indirect taxation", says Mill,[19] "which must be peremptorily excluded. Taxes on commodities, for revenue purposes, must not operate as protecting duties, but must be levied impartially on every mode in which the articles can be obtained, whether produced in the country itself, or imported. An exclusion must also be put upon all taxes on the necessaries of life, or on the materials or instruments employed in producing these necessaries. Such taxes are always liable to encroach on what should be left untaxed, the incomes barely sufficient for healthful existence.

Taxes on consumption in the light of the foregoing considertions, are at variance with the principles laid down by Adam Smith.

[17] Histoire de l'Empire, Tome IV, Livre XXXVII, p. 243.
[18] The Wealth of Nations. Bk. V., ch. ii., p. 467.
[19] Principles of Political Economy. Bk. V., ch. vi., § 2, p. 523.

LAKE CHAMPLAIN BRIDGE

Mr. DALE. Mr. President, a bridge bill has been favorably reported by the Commerce Committee today. The Senate passed a similar bill at the last session, but too late for the House to pass it. The bill, which now comes from the House, is one on which immediate action is needed by the men who are asking for the construction of the bridge. I ask that the Senate may consider the bill now.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Is the bill on the calendar, Mr. President?

Mr. DALE. The bill is not on the calendar, but it was considered by the Commerce Committee and favorably reported this morning by the Senator from Texas [Mr. SHEPPARD].

Mr. McNARY. Is it an ordinary bridge bill, in the usual form prescribed for such measures?

Mr. DALE. Yes, sir. The Senator from Michigan [Mr. VANDENBERG] knows what the bill is.

Mr. VANDENBERG. The Senator from Vermont is entirely correct.

Mr. McNARY. I have no objection, then.

The PRESIDING OFFICER. The bill will be read.

The bill (H.R. 5793) to revive and reenact the act entitled "An act authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.", approved March 2, 1929, was read, considered by unanimous consent, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of Congress approved March 2, 1929, authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct a bridge across Lake Champlain, between a point at or near East Alburg, Vt., and a point at or near Swanton, Vt., be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

EXECUTIVE REPORT OF THE FINANCE COMMITTEE

As in executive session,

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of E. Barrett Prettyman, of Maryland, to be general counsel for the Bureau of Internal Revenue, in place of Clarence M. Charest, resigned, which was ordered to be placed on the Executive Calendar.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MURPHY in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

RECESS

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until tomorrow at 10 o'clock a.m., pursuant to the order heretofore entered.

The motion was agreed to; and (at 5 o'clock and 50 minutes p.m.), under the order previously entered, the Senate, as in legislative session, took a recess until tomorrow, Thursday, June 8, 1933, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 7 (legislative day of June 6), 1933

APPOINTMENTS IN THE REGULAR ARMY

The following-named cadets, United States Military Academy, who are scheduled for graduation on June 13, 1933:

To be second lieutenants, with rank from June 13, 1933

CORPS OF ENGINEERS

1. Cadet Kenneth E. Fields.
2. Cadet George Wood Beeler.
3. Cadet John Joseph Danis.
4. Cadet Duncan Hallock.
5. Cadet Alfred Dodd Starbird.
6. Cadet John Douglas Matheson.
7. Cadet Richard Davis Meyer.
8. Cadet Alden Kingsland Sibley.
9. Cadet Paul R. Gowen.
11. Cadet Marshall Bonner.
12. Cadet Lawrence Joseph Lincoln.
13. Cadet Clayton Samuel Gates.
14. Cadet James Vance Hagan.
16. Cadet Robert Campbell Tripp.
17. Cadet Edward George Herb.
18. Cadet Jonas Arthur Ely.
21. Cadet Charles Russell Broshous.
22. Cadet Percival Ernest Gabel.
24. Cadet Bernard Card.
25. Cadet Rodney Cleveland Gott.
26. Cadet Hoy D. Davis, Jr.
27. Cadet Alvin Charles Welling.
29. Cadet Douglas Charles Davis.
30. Cadet Ellsworth Barricklow Downing.

SIGNAL CORPS

38. Cadet John Edward Watters.
234. Cadet David Parker Gibbs.

CAVALRY

10. Cadet Charles Wheeler Thayer.
33. Cadet Frank Sherman Henry.
48. Cadet Howard Elwyn Webster.
72. Cadet James Hilliard Polk.
76. Cadet Donald Gordon McGrew.
91. Cadet William Gordon Bartlett.
105. Cadet Joseph Henry O'Malley.
115. Cadet Jack Wellington Turner.
136. Cadet Edward Deane Marshall.
140. Cadet David Virgil Adamson.
144. Cadet James Leo Dalton, 2d.
147. Cadet Marshall Woodruff Frame.
167. Cadet Robert Allen Brunt.
174. Cadet Sherburne Whipple, Jr.
185. Cadet Edwin Martin Cahill.
189. Cadet Anthony Frank Kleitz, Jr.
206. Cadet Joseph Edward Bastion, Jr.
213. Cadet Franklin Stone Henley.
216. Cadet Harold Lindsay Richey.
217. Cadet Charles Fauntleroy Harrison.
222. Cadet William Howard Thompson.
223. Cadet William Fant Damon, Jr.
225. Cadet Robert Evans Arnette, Jr.
226. Cadet Francis Clay Bridgewater.
229. Cadet Victor Haller King.
237. Cadet Randall Elwood Cashman.
249. Cadet Donald Cameron Cubbison, Jr.
252. Cadet Robert Harold Beans.
253. Cadet Bruce von Gerichten Scott.
263. Cadet Matthew William Kane.
265. Cadet Richard Ensign Myers.
266. Cadet Jules Verne Richardson.
268. Cadet Norman Kemp Markle, Jr.
269. Cadet Charles Edmund Voorhees.
270. Cadet Jesse Martin Hawkins, Jr.
272. Cadet Charles Ellsworth Leydecker.

FIELD ARTILLERY

19. Cadet John Thomas Honeycutt.
20. Cadet William Allen Harris.
23. Cadet John Gardner Shinkle.
35. Cadet Walter Adonis Downing, Jr.
36. Cadet Guy Cecil Lothrop.
42. Cadet Thomas Samuel Moorman, Jr.
47. Cadet Herbert George Sparrow.
49. Cadet Robert Wolcott Meals.
51. Cadet Winton Summers Graham.
53. Cadet William Livingston Travis.
54. Cadet Thomas Burns Hall.
55. Cadet Chalmer Kirk McClelland, Jr.
57. Cadet David Nicholas Crickette.
58. Cadet John Denton Armitage.
61. Cadet Paul Elton LaDue.
62. Cadet Edward Joseph Hale.
63. Cadet William Joseph Daniel.
67. Cadet Tayloe Stephen Pollock.
70. Cadet William York Frentzel.
74. Cadet Samuel Edward Otto.
79. Cadet Gerald Chapman.
82. Cadet Daniel Parker, Jr.
90. Cadet Robert Beall Franklin.
94. Cadet Paul Rudolf Walters.
95. Cadet Vernon Cleveland Smith.
102. Cadet Francis Hill.
103. Cadet Herbert Charles Plapp.
104. Cadet Lassiter Albert Mason.
109. Cadet Francis Iden Pohl.
122. Cadet Harrison King.
124. Cadet Richard Park, Jr.
125. Cadet Beverly DeWitt Jones.
126. Cadet William Hadley Richardson, Jr.
127. Cadet Frank Patterson Hunter, Jr.
128. Cadet Richard Channing Moore.
131. Cadet John Roosevelt Brindley.
134. Cadet Marcus Tague.
135. Cadet Joseph Leonard Cowhey.
138. Cadet Newell Charles James.
141. Cadet John William Ferris.
142. Cadet Robert Penn Thompson.
145. Cadet Neil Merton Wallace.
146. Cadet William Paul Whelihan.
148. Cadet Robin George Speiser.
149. Cadet William James Given, Jr.
151. Cadet Avery John Cooper, Jr.
152. Cadet Lawrence Browning Kelley.
156. Cadet Cam Longley, Jr.
157. Cadet Carlyle Walton Phillips.
158. Cadet Robert Benton Neely.
159. Cadet Phillip Henshaw Pope.
160. Cadet William John Ledward.
166. Cadet George Allen Carver.
171. Cadet James Monroe Royal, Jr.
172. Cadet Robert Totten.
173. Cadet Douglas Moore Cairns.
177. Cadet William Orlando Darby.
178. Cadet Daniel Light Hine.
181. Cadet George Thomas Powers, 3d.
182. Cadet Frank James Carson, Jr.
183. Cadet Joshua Robert Messersmith.
186. Cadet William Francis Ryan.
188. Cadet James Henry Skinner.
191. Cadet Richard John Meyer.
192. Cadet Randolph Whiting Fletter.
194. Cadet Horace Benjamin Thompson, Jr.
196. Cadet Humbert Joseph Versace.
197. Cadet Milton Fredrick Summerfelt.
198. Cadet Franklin Guest Smith.
200. Cadet Gabriel Poillon Disosway.

201. Cadet James Pugh Pearson, Jr.
204. Cadet Emile Jeantet Greco.

COAST ARTILLERY CORPS

28. Cadet William Harris Ball.
31. Cadet Robert Amrine Turner.
37. Cadet Robert Crain Leslie.
39. Cadet Francis Joseph McMorrow.
40. Cadet Charles Golding Dunn.
41. Cadet Thomas Allen Glass.
43. Cadet Harry Julian.
44. Cadet William Cunningham Reeves.
45. Cadet Dabney Ray Corum.
52. Cadet Edward Bodeau.
56. Cadet Ferdinand Marion Humphries.
65. Cadet John Joseph Lane.
66. Cadet Travis Monroe Hetherington.
68. Cadet Edgar O. Taylor.
69. Cadet Ira Whitehead Cory.
71. Cadet Thomas Kocher MacNair.
73. Cadet John Glenn Armstrong.
75. Cadet Robert Richard Lutz.
77. Cadet Harry Winfield Schenck.
78. Cadet Lamar Cecil Ratcliffe.
80. Cadet Robert John Lawlor.
81. Cadet Arthur Alfred McCrary.
83. Cadet Edgar Haskell Kibler, Jr.
84. Cadet Harold Cooper Donnelly.
86. Cadet William Oscar Senter.
87. Cadet Frank Joseph Zeller.
88. Cadet Richard Louis Matteson.
89. Cadet Sidney Francis Giffin.
92. Cadet Paul Nelson Gillon.
93. Cadet John Hardy Lewis.
96. Cadet Edward Thorndike Ashworth.
97. Cadet William Bruce Logan.
98. Cadet Lafar Lipscomb, Jr.
99. Cadet Harry Stephen Bishop.
100. Cadet Harry Sheldon Tubbs.
106. Cadet Frederic Henry Fairchild.
107. Cadet Emory Edwin Hackman.
110. Cadet Patrick William Guiney, Jr.
111. Cadet John Frederick Thorlin.
112. Cadet Frank Harris Shepardson.
113. Cadet William George Fritz.
116. Cadet Robert Worman Hain.
117. Cadet Charles Goyer Patterson.
120. Cadet Ethan Allen Chapman.
129. Cadet George Harold Crawford.
133. Cadet Samuel McFarland McReynolds, Jr.

INFANTRY

15. Cadet John Steven Conner.
32. Cadet David Warren Gray.
34. Cadet William Orin Blandford.
46. Cadet Lauren Whitford Merriam.
50. Cadet Walter August Jensen.
59. Cadet Theodore John Conway.
60. Cadet Clayton Earl Mullins.
64. Cadet Chester Arthur Dahlen.
85. Cadet Morris Oswald Edwards.
101. Cadet Herman Henry Kaesser, Jr.
108. Cadet George Hobart Chapman, Jr.
114. Cadet Henry Taylor Henry.
118. Cadet Clyde Lucken Jones.
119. Cadet Victor Edward Maston.
121. Cadet Oren Eugene Hurlbut.
123. Cadet George Warren White.
130. Cadet Harold Roth Maddux.
132. Cadet Dwight Divine, 2d.
137. Cadet George Leon Van Way.
139. Cadet Charles Henry Chase.
143. Cadet Russell Roland Klanderman.
150. Cadet Harry Nelson Burkhalter, Jr.
153. Cadet Stephen Ogden Fuqua, Jr.
154. Cadet Hardin Leonard Olson.
155. Cadet Benedict Ray.
161. Cadet Joseph Warren Stilwell, Jr.
162. Cadet Peter Paul Bernd.
163. Cadet Arthur Robert Cyr.
164. Cadet Arthur Wilson Tyson.
165. Cadet Joseph Menzie Pittman.
168. Cadet Gordon Pendleton Larson.
169. Cadet Thomas Joseph O'Connor.
170. Cadet George Rushmore Gretser.
175. Cadet Edgar Collins Doleman.
176. Cadet Cyril Joseph Letzelter.
179. Cadet Jack Wallace Rudolph.
180. Cadet John Abell Cleveland, Jr.
184. Cadet Roy Tripp Evans, Jr.
187. Cadet Raymond Emerson Kendall.
190. Cadet Paul Thomas Carroll.
193. Cadet Joseph Lockwood MacWilliam.
195. Cadet Charles Harlow Miles, Jr.
199. Cadet William Henry Baumer, Jr.
202. Cadet Earl Jacob Macherey.
203. Cadet Ralph Alspaugh.
205. Cadet Gerald Lorenzo Roberson.
207. Cadet Jewell Burch Shields.
208. Cadet Thomas Herbert Beck.
209. Cadet Maurice Evans Kaiser.
210. Cadet Benjamin Thomas Harris.
211. Cadet Gardner Wellington Porter.
212. Cadet Harry William Sweeting, Jr.
214. Cadet Cyrus Abda Dolph, 3d.
215. Cadet John Martin Breit.
218. Cadet Thomas Bowes Evans.
219. Cadet Walter Andrew Valerious Fleckenstein.
220. Cadet Franklin Gibney Rothwell.
221. Cadet Leo Harold Heintz.
224. Cadet William Gray Sills.
228. Cadet Ernest Mikell Clarke.
230. Cadet Daniel W. Smith.
231. Cadet Thomas de Nyse Flynn.
232. Cadet Harold Keith Johnson.
233. Cadet James Orr Boswell.
235. Cadet William Howard Garrett Fuller.
236. Cadet Gordon Milo Eyler.
238. Cadet Cordes Frederich Tiemann.
239. Cadet Maddrey Allen Solomon.
240. Cadet Lyle William Bernard.
241. Cadet Shelby Francis Williams.
242. Cadet Richard Glatfelter.
243. Cadet Jean Evans Engler.
244. Cadet Corwin Paul Vansant, Jr.
245. Cadet Walter Abner Huntsberry.
246. Cadet Andrew Donald Stephenson.
247. Cadet Douglas Graver Gilbert.
248. Cadet Frank Laurence Elder.
250. Cadet Amaury Manuel Gandia.
251. Cadet Samuel Abner Mundell.
254. Cadet Felix Louis Vidal, Jr.
255. Cadet Gwinn Ulm Porter.
256. Cadet Frederick Robert Zierath.
257. Cadet Robert Hulburt Douglas.
258. Cadet Carl Darnell, Jr.
259. Cadet Ira Bashein.
260. Cadet Joseph Brice Crawford.
261. Cadet Frederick William Coleman, 3d.
262. Cadet Raymond Wiltse Sellers.
264. Cadet Alton Alexander Denton.
267. Cadet Frederick William Gibb.
271. Cadet Ralph Talbot, 3d.
273. Cadet Austin Andrew Miller.
274. Cadet Henry Walter Herlong.
275. Cadet Morris King Henderson.
276. Cadet Earl Francis Signer.
277. Cadet Richard Thomas King, Jr.
278. Cadet John Daniel O'Reilly.
279. Cadet Roland Arthur Elliott, Jr.
281. Cadet Lloyd Ralston Fredendall, Jr.

282. Cadet Edson Schull.
283. Cadet Joel Lyen Mathews.
284. Cadet Royal Reynolds, Jr.
285. Cadet George Hollie Bishop, Jr.
286. Cadet Stephen B. Mack.
287. Cadet Lawrence Kermit White.
288. Cadet Graydon Casper Essman.
289. Cadet Russell Franklin Akers, Jr.
290. Cadet Claude Leslie Bowen, Jr.
291. Cadet Duff Walker Sudduth.
293. Cadet David Wagstaff, Jr.
294. Cadet Clyde Jarecki Hibler.
295. Cadet James Rhoden Pritchard.
296. Cadet James Dennis Underhill.
297. Cadet Robert Emmett Gallagher.
298. Cadet Samuel Edward Gee.
299. Cadet Alston Grimes.
300. Cadet Nelson Parkyn Jackson.
301. Cadet Frederick Otto Hartel.
302. Cadet Ivan Walter Parr, Jr.
303. Cadet William Roberts Calhoun.
304. Cadet Roy Dunscomb Gregory.
305. Cadet Karl Truesdell, Jr.
306. Cadet William Anderson Hunt, Jr.
307. Cadet Glenn Howbert Garrison.
308. Cadet Edson Duncan Raff.
309. Cadet Chester Braddock Degavre.
310. Cadet Erdmann Jellison Lowell.
311. Cadet William Agin Bailey.
312. Cadet Seymour Eldred Madison.
313. Cadet Robin Bruce Epler.
314. Cadet John Newman Scoville.
315. Cadet William Field Due.
316. Cadet Peter Demosthenes Clainos.
317. Cadet John Frederick Schmelzer.
318. Cadet Sydney Dwight Grubbs, Jr.
319. Cadet John Caldwell Price, Jr.
320. Cadet David Thomas Jellett.
321. Cadet Millard Loren Haskin.
322. Cadet Joseph Anthony Remus.
323. Cadet Ben Harrell.
324. Cadet Richard Churchfield Blatt.
325. Cadet Richard Allen Risden.
326. Cadet Joseph Ermine Williams.
327. Cadet Miller Payne Warren, Jr.
328. Cadet Stanley Nelson Lonning.
329. Cadet Robert Moore Blanchard, Jr.
330. Cadet William Wilson Quinn.
331. Cadet Charner Weaver Powell.
332. Cadet Charles Pearce Bellican.
333. Cadet Edward Spalding Ehlen.
334. Cadet Travis Albert Beck.
335. Cadet Thomas Tallant Kilday.
336. Cadet Richard Mattern Montgomery.
338. Cadet Charles Hoffman Pottenger.
339. Cadet John Roberts Kimmell, Jr.
340. Cadet William Vernard Thompson.
341. Cadet Paul Douglas Wood.
343. Cadet Gerald Carrington Simpson.
344. Cadet Robert Wilkinson Rayburn.
345. Cadet John Baird Shinberger.

APPOINTMENT IN THE PHILIPPINE SCOUTS

The following-named cadet, United States Military Academy, who is scheduled for graduation on June 13, 1933:

To be second lieutenant with rank from June 13, 1933

346. Cadet Emmanuel Cepeda y Salvador.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lt. William John Crowe, Cavalry (detailed in Ordnance Department), with rank from November 27, 1923.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lt. Col. Edmund Anthony Buchanan, Cavalry, from May 24, 1933.

Lt. Col. Benjamin Delahauf Foulois, Air Corps (major general, Chief of the Air Corps), from May 24, 1933.

Lt. Col. Ralph Hill Leavitt, Infantry, from May 24, 1933.

Lt. Col. Goodwin Compton, Signal Corps, from May 24, 1933.

Lt. Col. Sam Pruitt Herren, Infantry, from May 24, 1933.

Lt. Col. Fay Warrington Brabson, Infantry, from June 1, 1933.

To be lieutenant colonels

Maj. Robert Goolrick, Air Corps, from May 24, 1933.

Maj. Marshall Magruder, Field Artillery, from May 24, 1933.

Maj. Walter Putney Boatwright, Ordnance Department, from May 24, 1933.

Maj. John Piper Smith, Coast Artillery Corps, from May 24, 1933.

Maj. George Richard Koehler, Infantry, from May 24, 1933.

Maj. Oliver Seth Wood, Infantry, from June 1, 1933.

Maj. Allen Mitchell Burdett, Judge Advocate General's Department, from June 1, 1933.

Maj. Edwin Kennedy Smith, Coast Artillery Corps, from June 1, 1933.

To be majors

Capt. Joshua Dever Powers, Coast Artillery Corps, from May 24, 1933.

Capt. William Thomas Connatser, Quartermaster Corps, from May 24, 1933.

Capt. Frank Augustus Keating, Infantry, from May 24, 1933.

Capt. Richard David Daugherity, Infantry, from May 24, 1933.

To be captains

First Lt. Thomas Francis Kern, Corps of Engineers, from May 24, 1933.

First Lt. Ralph Edward Cruse, Corps of Engineers, from May 24, 1933.

First Lt. Lewis Tenney Ross, Corps of Engineers, from May 24, 1933.

First Lt. Charles Francis Baish, Corps of Engineers, from May 24, 1933.

To be first lieutenants

Second Lt. Lewis Hinchman Ham, Field Artillery, from May 24, 1933.

Second Lt. Virgil Miles Kimm, Coast Artillery Corps, from May 24, 1933.

Second Lt. Milton Merrill Towner, Air Corps, from May 24, 1933.

Second Lt. Robert Curtis White, Field Artillery, from May 24, 1933.

MEDICAL CORPS

To be lieutenant colonels

Maj. Clarence Ralph Bell, Medical Corps, from May 25, 1933.

Maj. Robert Henry Duenner, Medical Corps, from May 26, 1933.

To be captain

First Lt. Frederic Ballard Westervelt, Medical Corps, from June 3, 1933.

PROMOTIONS IN THE NAVY

Lt. Comdr. William S. Hogg, Jr., to be a commander in the Navy from the 5th day of April 1933.

Lt. William D. Sample to be a lieutenant commander in the Navy from the 14th day of January 1933.

Lt. Alfred P. Moran, Jr., to be a lieutenant commander in the Navy from the 1st day of March 1933.

The following-named lieutenants to be lieutenant commanders in the Navy from the 5th day of April 1933:

Richard B. Tuggle
Henry R. Herbst

Lt. (Jr. Gr.) William D. Brown to be a lieutenant in the Navy from the 1st day of March 1933.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 5th day of June 1933:

Andrew M. Jackson, Jr.
Philip C. Evans
Richard T. Spofford
Charles B. Martell
James H. Howard.
Frederick V. H. Hilles
Richard R. Briner
Harry B. Dodge
Kleber S. Masterson
Claud W. Huges
Wilfred A. Walter
Frank E. Highley, Jr.
William A. Burgett
Peter R. Lackner
Nicholas Lucker, Jr.
Herman A. Pieczentkowski
Mell A. Peterson
Burrell C. Allen, Jr.
John O. Kinert
Denys W. Knoll
Martin C. Burns
Edward S. Carmick
John R. McKnight, Jr.
Jefferson R. Dennis
John E. Lee
Henry O. Hansen
Christian L. Engleman
Robert S. Trower, 3d
Gifford Scull
Alfred E. Grove
Cyrus G. Hilton
James W. Davis
Clyde B. Stevens, Jr.
Harvey P. Burden
George M. Holley, Jr.
Robert J. Esslinger
Albert P. Kohlhas, Jr.
James D. L. Grant
Edgar J. MacGregor, 3d
Parke H. Brady
Charles W. Lord
James E. Stevens
Rowland C. Lawver
Ray E. Malpass
Roy A. Newton
Theodore T. Miller
Horatio A. Lincoln
Paul W. Hanlin
George K. Brodie
George Cook
Mervin Halstead
Mack E. Vorhees
Samuel P. Weller, Jr.
Frederick W. Laing
Hiram W. Spence
Edward Brumby
David A. Harris
Leo G. May
Nathan S. Haines
Walter W. Strohbehn
Elonzo B. Grantham, Jr.
Charles E. Earl
Montgomery L. McCullough, Jr.
Frederic C. Lucas, Jr.
Walter G. Ebert
Kyran E. Curley
Dana B. Cushing
Herbert H. Marable
Everett M. Block
Bowen F. McLeod
Josephus A. Robbins
John B. Azer
Oliver D. T. Lynch
Edson H. Whitehurst
William H. Sanders, Jr.
Walter C. Wingard, Jr.
Elias B. Mott, 2d
William L. Harmon
Ned Harrell
Burton S. Hanson, Jr.
Kelvin L. Nutting
Davis W. Olney
Oakleigh W. Robinson
George W. Foott, Jr.
Royal A. Wolverton

The following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 1st day of June 1933:

Harold E. Ruble
Howard C. Duff
Charles W. Travis

Asst. Dental Surg. Richard H. Barrett, Jr. (temporary), to be an assistant dental surgeon in the Navy, with the rank of lieutenant (junior grade), from the 1st day of June 1933.

Pay Insp. John H. Knapp to be a pay director in the Navy, with the rank of captain, from the 1st day of February 1932.

The following-named midshipmen to be assistant paymasters in the Navy, with the rank of ensign, revocable for 2 years, from the 1st day of July 1933:

Howard T. Bierer
Francis L. Blakelock
Hugie L. Foote, Jr.
Herbert S. Fulmer
Donald O. Lacy
Alfred T. Magnell

Pharmacist John O. LaBrie to be a chief pharmacist in the Navy, to rank with but after ensign, from the 23d day of February 1933.

MARINE CORPS

Midshipman Gerald Roland Wright to be a second lieutenant in the Marine Corps, revocable for 2 years, from the 1st day of June 1933.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 7, 1933

The House met at 12 o'clock noon.

Rev. Forney Hutchinson, pastor of Mount Vernon Place Methodist Episcopal Church South, Washington, D.C., offered the following prayer:

Our Heavenly Father, we are glad we can call Thee Father and feel that Thou art interested in us and concerned about us. We would begin, continue, and end everything we do with Thy blessing and favor. We come to Thee for help and strength today. We need Thee every hour.

Command Thy blessings to rest upon this assembly of Thy servants. Give them clear heads, discerning minds, and understanding hearts. Make their work here a benediction to this Nation and our sister nations throughout the earth.

Remember also the President and his Cabinet and all who have any part in the leadership of this Thy so great a people. Bless the States of this Union and all those charged with the responsibilities of leadership therein.

Remember each of us personally today. Forgive our sins. Strengthen our faith. Bless our families and our interests. Hasten the coming of Thy kingdom and help us to have some little part in it. For Christ's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On May 27, 1933:

H.R. 5152. An act granting the consent of Congress to the State Highway Commission of Virginia to replace and maintain a bridge across Northwest River in Norfolk County, Va., on State highway route no. 27;

H.R. 5173. An act granting the consent of Congress to the State Highway Commission of Virginia to maintain a bridge already constructed to replace a weak structure in the same location, across the Staunton and Dan Rivers, in Mecklenburg County, Va., on United States Route No. 15;

H.R. 5476. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H.R. 5480. An act to provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent frauds in the sale thereof, and for other purposes; and

H.R. 5390. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

On May 29, 1933:

H.J.Res. 159. Joint resolution granting the consent of Congress to a compact or agreement between the State of Kansas and the State of Missouri authorizing the acceptance for and on behalf of the States of Kansas and Missouri of title to a toll bridge across the Missouri River from a point in Platte County, Mo., to a point at or near Kansas City, in Wyandotte County, Kans., and specifying the conditions thereof.

On May 31, 1933:

H.R. 4014. An act to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and the liability of the United States to non-Indian claimants on Indian pueblo grants whose claims, extinguished under the act of June 7, 1924, have been found by the Pueblo Lands Board to have been claims in good faith; to authorize the expenditure by the Secretary of the Interior of the sums herein authorized and of sums heretofore appropriated, in