Congressional Record

SEVENTY-THIRD CONGRESS, FIRST SESSION

SENATE

THURSDAY, JUNE 8, 1933

(Legislative day of Tuesday, June 6, 1933)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

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.

The VICE PRESIDENT. The question is on agreeing to the second amendment of the committee.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. 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	Coolidge	Harrison	McKellar
Bachman	Davis	Kendrick	Robinson, Ark.
Bankhead	Erickson	Keyes	Steiwer
Bratton	Fletcher	Logan	Thompson
Brown	George	Lonergan	Townsend
Clark	Hale	Long	

Mr. ROBINSON of Arkansas. 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.

Mr. KENDRICK. I desire to announce that the following Senators are necessarily detained from the Senate on official business:

The Senator from Indiana [Mr. VAN NUYS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Virginia [Mr. BYRD].

I desire also to announce that the following Senators are detained from the Senate on departmental matters:

The Senator from Arizona [Mr. ASHURST], the Senator from North Carolina [Mr. BAILEY], the junior Senator from Washington [Mr. BONE], the Senator from South Dakota [Mr. BULOW], the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Washington [Mr. DILL], the Senator from Wisconsin [Mr. DUFFY], the senior Senator from Illinois [Mr. LEWIS], the Senator from Iowa [Mr. MURPHY], and the Senator from Montana [Mr. WHEELER].

I wish further to announce that the following Senators are detained in committee meetings:

The junior Senator from Colorado [Mr. ADAMS], the Senator from Alabama [Mr. BLACK], the junior Senator from South Carolina [Mr. BYRNES], the senior Senator from Colorado [Mr. COSTIGAN], the Senator from Utah [Mr. KING], the Senator from California [Mr. MCADOO], the Senator from Virginia [Mr. GLASS], the Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. BARKLEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from North Carolina [Mr. REYNOLDS], the senior Senator from South Carolina [Mr. SMITH], and the Senator from Massachusetts [Mr. WALSH].

The VICE PRESIDENT. Twenty-three 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. MCCARRAN, Mr. MCGILL, and Mr. STEPHENS answered to their names when called.

Mr. CAPPER, Mr. FRAZIER, and Mr. POPE entered the Chamber and answered to their names.

The VICE PRESIDENT. Twenty-nine Senators have answered to their names. There is not a quorum present.

Mr. ROBINSON of Arkansas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the direction of the Senate.

Mr. BORAH, Mr. BULKLEY, Mr. CONNALLY, Mr. COPELAND, Mr. DICKINSON, Mr. FESS, Mr. HASTINGS, Mr. HATFIELD, Mr. HAYDEN, Mr. KEAN, Mr. MCNARY, Mr. NEELY, Mr. OVERTON, Mr. PATTERSON, Mr. RUSSELL, Mr. SHEPPARD, Mr. THOMAS of Utah, Mr. TRAMMELL, Mr. WAGNER, and Mr. WHITE entered the Chamber and answered to their names.

Mr. MCNARY. I wish to announce that the Senator from Michigan [Mr. COUZENS] is absent en route to the London Economic Conference.

I also wish to announce that the Senator from South Dakota [Mr. NORBECK] is unavoidably detained from the Senate.

Mr. FESS. I desire to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Wyoming [Mr. CAREY], the Senator from Rhode Island [Mr. METCALF], the Senator from Maryland [Mr. GOLDSBOROUGH], the Senator from Rhode Island [Mr. HEBERT], the Senator from Pennsylvania [Mr. REED], the Senator from Indiana [Mr. ROBINSON], the Senator from Connecticut [Mr. WALCOTT], and the Senator from Minnesota [Mr. SHIPSTEAD] are detained from the Senate in attendance on committee meetings.

The VICE PRESIDENT. Forty-nine Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Pennsylvania Commandery of the Military Order of the Loyal Legion of the United States, Philadelphia, Pa., favoring the building up and maintenance of the Navy to the full London Treaty specifications, and also favoring the adequate maintenance of both the Army and the Navy, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the Council of the City of Oakland, Calif., favoring the adoption of the manufacturers' sales tax in lieu of increased income taxes in pending tax legislation, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Pride of Washington Council, No. 6, Sons and Daughters of Liberty, of Washington, D.C., favoring the passage of the so-called "Dies bill", fixing a quota pertaining to the admission of alien immigrants to the United States, which was referred to the Committee on Immigration.

He also laid before the Senate a letter in the nature of a petition from Mrs. J. Louis Smith, of Covington, La., praying for a continuation of the senatorial investigation of the Louisiana senatorial election of 1932, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a petition of sundry citizens of Covington, La., praying for a senatorial investigation relative to alleged acts and conduct of Hon. HUEY P. LONG, a Senator from the State of Louisiana, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a memorial from G. W. Toler, of New Orleans, La., endorsing Hon. HUEY P. LONG, a Senator from the State of Louisiana, condemning attacks made upon him and remonstrating against a senatorial investigation of his alleged acts and conduct, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from C. R. Israel, of New Orleans, La., endorsing Hon. HUEY P. LONG, a Senator from the State of Louisiana, and condemning attacks made upon him, which was referred to the Committee on the Judiciary.

He also laid before the Senate a memorial of sundry citizens of Bayou Chene, St. Martin Parish, La., endorsing Hon. HUEY P. LONG, a Senator from the State of Louisiana, condemning attacks made upon him, and remonstrating against a senatorial investigation relative to his alleged acts and conduct, which was referred to the Committee on the Judiciary.

Mr. BARBOUR 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.Y., favoring the passage of 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 distribution of the products of industry, etc., which was referred to the Committee on Education and Labor.

Mr. TYDINGS presented a memorial of sundry citizens of Baltimore, Md., remonstrating against increase of income taxes on the smaller taxpayer in the lower brackets as a means of raising revenue in connection with the so-called "industrial control and public works bill", which was referred to the Committee on Finance.

Mr. SHIPSTEAD presented a resolution adopted by Halvorson-Bowers Post, No. 187, Veterans of Foreign Wars, of Minneapolis, Minn., favoring modification of the reductions made in war veterans' benefits under the so-called "Economy Act", which was referred to the Committee on Finance.

He also presented resolutions adopted by members of Freemond Madison Post, No. 447, Veterans of Foreign Wars, of Albert Lea, Minn., favoring postponement of the construction of new post-office buildings in cities of less than 100,000 population and the transfer of the duties of postmaster to the assistant postmaster in such cities as measures of economy, which were referred to the Committee on Post Offices and Post Roads.

Mr. DILL presented petitions transmitted by the Chicago Teachers' Federation, numerously signed by sundry citizens of Chicago and vicinity, in the State of Illinois, praying for the prompt passage of legislation extending the powers of the Postal Savings System by removing the $2,500 limitation on deposits and making it possible to deposit checks and also to withdraw money by check by a procedure similar to that in use in the ordinary bank, which were referred to the Committee on Post Offices and Post Roads.

WOMEN'S BUREAU OF THE METROPOLITAN POLICE DEPARTMENT

Mr. COPELAND presented a letter from John L. Haynes, secretary of the Kalorama Citizens Association of the District of Columbia, embodying a resolution adopted by that association, which was referred to the Committee on the District of Columbia and ordered to be printed in the RECORD, as follows:

KALORAMA CITIZENS ASSOCIATION,
DISTRICT OF COLUMBIA,
June 5, 1933.

Hon. ROYAL S. COPELAND,
United States Senate, Washington, D.C.

MY DEAR MR. COPELAND: I have been directed by the Kalorama Citizens Association to transmit to you the following resolution:

"Whereas the Women's Bureau of the Washington (D.C.) Police Department is not established by an organic act; and

"Whereas the Kalorama Citizens Association is acquainted with the good work of that bureau and desires its continuance; and

"Whereas the Kalorama Citizens Association understands that there is proposed legislation including clauses providing for:

"1. The continuation of the Women's Bureau of the District of Columbia Police Department (by law).

"2. The maintenance of the present Civil Service standards in the Women's Bureau.

"3. An increase in the personnel of the Women's Bureau.

"Be it therefore

"*Resolved*, That the Kalorama Citizens Association advocate the passage of the measures cited above."

Very truly yours,

JOHN L. HAYNES, *Secretary.*

REPORT OF THE COMMITTEE ON RULES

Mr. COPELAND, from the Committee on Rules, to which was referred the resolution (S.Res. 96) to increase the membership on the Special Committee for the Conservation of Wild Life Resources from 5 to 7 members, reported it without amendment.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 7, 1933, that committee presented to the President of the United States the following enrolled bills:

S. 604. An act amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes", approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454);

S. 687. An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.;

S. 1278. An act to amend an act (Public, No. 431, 72d Cong.) to identify The Dalles Bridge Co.; and

S. 1815. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.

BILLS INTRODUCED

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

By Mr. NEELY:

A bill (S. 1856) granting an increase of pension to Margaret E. Gorrell; to the Committee on Pensions.

By Mr. BAILEY:

A bill (S. 1857) for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes;

A bill (S. 1858) for the relief of the Washington Post Co. (with accompanying papers);

A bill (S. 1859) authorizing adjustment of the claim of the Rio Grande Southern Railroad Co. (with accompanying papers); and

A bill (S. 1860) authorizing adjustment of the claim of the Western Union Telegraph Co. (with accompanying papers); to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 1861) for the relief of John F. Considine; to the Committee on Claims.

A bill (S. 1862) for the relief of Edward C. Joslyn; to the Committee on Military Affairs.

A bill (S. 1863) granting a pension to Kate Thompson; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 1865) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

A bill (S. 1866) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. VAN NUYS:

A bill (S. 1867) authorizing an appropriation to provide for the completion of the George Rogers Clark Memorial at Vincennes, Ind.; to the Committee on the Library.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. ASHURST. I ask leave to introduce a bill which proposes to amend the present bankruptcy law as follows: To extend the operation of the bankruptcy law to any county, city, borough, village, town, parish, township, or any unincorporated tax, or special assessment district, any political subdivision of a State and any school, drainage, irrigation, levee, sewer, paving, sanitary, port, or other taxing district, and so forth. I ask that it be referred to the Judiciary Committee.

The VICE PRESIDENT. The bill will be received.

The bill (S. 1868) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto was read twice by its title.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Arizona if this is the same bill which has been reported favorably from the House Judiciary Committee?

Mr. ASHURST. No; that bill did not refer to municipal corporations. The bill which I have just introduced extends the operations of the bankruptcy law to municipal corporations like counties, towns, cities, districts, and so forth.

Mr. VANDENBERG. It includes municipalities?

Mr. ASHURST. Yes.

The VICE PRESIDENT. The bill will be referred to the Committee on the Judiciary.

NATIONAL INDUSTRIAL RECOVERY—AMENDMENT

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

LOANS TO HOME OWNERS—CONFERENCE REPORT

Mr. BULKLEY submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5240) to provide emergency relief with respect to home-mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this act may be cited as the 'Home Owners' Loan Act of 1933.'

"DEFINITIONS

"SEC. 2. As used in this act—

"(a) The term 'Board' means the Federal Home Loan Bank Board created under the Federal Home Loan Bank Act.

"(b) The term 'Corporation' means the Home Owners' Loan Corporation created under section 4 of this act.

"(c) The term 'home mortgage' means a first mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than 99 years, upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding $20,000; and the term 'first mortgage' includes such classes of first liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

"(d) The term 'association' means a Federal savings and loan association chartered by the Board as provided in section 5 of this act.

"REPEAL OF DIRECT LOAN PROVISION OF FEDERAL HOME LOAN BANK ACT

"SEC. 3. Subsection (d) of section 4 of the Federal Home Loan Bank Act (providing for direct loans to home owners) is hereby repealed.

"CREATION OF HOME OWNERS' LOAN CORPORATION

"SEC. 4. (a) The Board is hereby authorized and directed to create a corporation to be known as the 'Home Owners' Loan Corporation,' which shall be an instrumentality of the United States, which shall have authority to sue and to be sued in any court of competent jurisdiction, Federal or State, and which shall be under the direction of the Board and operated by it under such bylaws, rules, and regulations as it may prescribe for the accomplishment of the purposes and intent of this section. The members of the Board shall constitute the board of directors of the Corporation and shall serve as such directors without additional compensation.

"(b) The Board shall determine the minimum amount of capital stock of the Corporation and is authorized to increase such capital stock from time to time in such amounts as may be necessary, but not to exceed in the aggregate $200,000,000. Such stock shall be subscribed for by the Secretary of the Treasury on behalf of the United States, and payments for such subscriptions shall be subject to call in whole or in part by the Board and shall be made at such time or times as the Secretary of the Treasury deems advisable. The Corporation shall issue to the Secretary of the Treasury receipts for payments by him for or on account of such stock, and such receipts shall be evidence of the stock ownership of the United States. In order to enable the Secretary of the Treasury to make such payments when called, the Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Secretary of the Treasury the sum of $200,000,000, or so much thereof as may be necessary, and for such purpose the amount of the notes, bonds, debentures, or other obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time, is hereby increased by such amounts as may be necessary.

"(c) The Corporation is authorized to issue bonds in an aggregate amount not to exceed $2,000,000,000, which may be sold by the Corporation to obtain funds for carrying out the purposes of this section, or exchanged as hereinafter provided. Such bonds shall be issued in such denominations as the Board shall prescribe, shall mature within a period of not more than 18 years from the date of their issue, shall bear interest at a rate not to exceed 4 percent per annum, and shall be fully and unconditionally guaranteed as to interest only by the United States, and such guaranty shall be expressed on the face thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the interest on any such bonds, the Secretary of the Treasury shall pay to the Corporation the amount of such interest, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and the Corporation shall pay the amount of such interest to the holders of the bonds. Upon the payment of such interest by the Secretary of the Treasury the amount so paid shall become an obligation to the United States of the Corporation and shall bear interest at the same rate as that borne by the bonds upon which the interest has been so paid. The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves and surplus, and its loans and income, shall likewise be exempt from such taxation; except that any real property of the Corporation shall be subject to taxation to the same extent, according to its value, as other real property is taxed.

"(d) The Corporation is authorized, for a period of 3 years after the date of enactment of this act, (1) to acquire in exchange for bonds issued by it, home mortgages and other obligations and liens secured by real estate (including the interest of a vendor under a purchase-money mortgage or contract) recorded or filed in the proper office or executed prior to the date of the enactment of this act, and (2) in connection with any such exchange, to make advances in cash to pay the taxes and assessments on the real estate, to provide for necessary maintenance and make necessary repairs, to meet the incidental expenses of the transaction, and to pay such amounts, not exceeding $50, to the holder of the mortgage, obligation, or lien acquired as may be the difference between the face value of the bonds exchanged plus accrued interest thereon and the purchase price of the mortgage, obligation, or lien. The face value of the bonds so exchanged plus accrued interest thereon and the cash so advanced shall not exceed in any case $14,000, or 80 percent of the value of the real estate as determined by an appraisal made by the Corporation, whichever is the smaller. In any case in which the amount of the face value of the bonds exchanged plus accrued interest thereon and the cash advanced is less than the amount the home owner owes with respect to the home mortgage or other obligation or lien so acquired by the Corporation, the Corporation shall credit the difference between such amounts to the home owner and shall reduce the amount owed by the home owner to the Corporation to that extent. Each home mortgage or other obligation or lien so acquired shall be carried as a first lien or refinanced as a home mortgage by the Corporation on the basis of the price paid therefor by the Corporation, and shall be amortized by means of monthly payments sufficient to retire the interest and principal within a period of not to exceed 15 years; but the amortization payments of any home owner may be made quarterly, semiannually, or annually, if in the judgment of the Corporation the situation of the home owner requires it. Interest on the unpaid balance of the obligation of the home owner to the Corporation shall be at a rate not exceeding 5 percent per annum. The Corporation may at any time grant an extension of time to any home owner for the payment of any installment of principal or interest owed by him to the Corporation if, in the judgment of the Corporation, the circumstances of the home owner and the condition of the security justify such extension, and no payment of any installment of principal shall be required during the period of 3 years from the date this act takes effect if the home owner shall not be in default with respect to any other condition or covenant of his mortgage. As used in this subsection, the term 'real estate' includes only real estate held in fee simple or on a leasehold under a lease renewable for not less than 99 years, upon which there is located a dwelling for not more than four families used by the owner as a home or held by him as a homestead and having a value of not exceeding $20,000. No discrimination shall be made under this act against any home mortgage by reason of the fact that the real estate securing such mortgage is located in a municipality, county, or taxing district which is in default upon any of its obligations.

"(e) The Corporation is further authorized, for a period of 3 years from the date of enactment of this act, to make loans in cash subject to the same limitations and for the same purposes for which cash advances may be made under subsection (d) of this section, in cases where the property is not otherwise encumbered; but no such loan shall exceed 50 percent of the value of the property securing the same as determined upon an appraisal made by the Corporation. Each such loan shall be secured by a duly recorded home mortgage, and shall bear interest at the same rate and shall be subject to the same provisions with respect to amortization and extensions as are applicable in the case of obligations refinanced under subsection (d) of this section.

"(f) The Corporation is further authorized, for a period of 3 years from the date of enactment of this act, in any case in which the holder of a home mortgage or other obligation or lien eligible for exchange under subsection (d) of this section does not accept the bonds of the Corporation in exchange as provided in such subsection and in which the Corporation finds that the home owner cannot obtain a loan from ordinary lending agencies, to make cash advances to such home owner in an amount not to exceed 40 percent of the value of the property for the purposes specified in such subsection (d). Each such loan shall be secured by a duly recorded home mortgage and shall bear interest at a rate of interest which shall be uniform throughout the United States, but which in no event shall exceed a rate of 6 percent per annum, and shall be subject to the same provisions with respect to amortization and extensions as are applicable in cases of obligations refinanced under subsection (d) of this section.

"(g) The Corporation is further authorized, for a period of 3 years from the date of the enactment of this act, to exchange bonds and to advance cash, subject to the limitations provided in subsection (d) of this section, to redeem or recover homes lost by the owners by foreclosure or forced sale by a trustee under a deed of trust or under power of attorney, or by voluntary surrender to the mortgagee within 2 years prior to such exchange or advance.

"(h) The Board shall make rules for the appraisal of the property on which loans are made under this section so as to accomplish the purposes of this act.

"(i) Any person indebted to the Corporation may make payment to it in part or in full by delivery to it of its bonds which shall be accepted for such purpose at face value.

"(j) The Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this act, without regard to the provisions of other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States. No such officer, employee, attorney, or agent shall be paid compensation at a rate in excess of the rate provided by law in the case of the members of the Board. The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this act and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds. The Corporation shall pay such proportion of the salary and expenses of the members of the Board and of its officers and employees as the Board may determine to be equitable, and may use the facilities of Federal home-loan banks, upon making reasonable compensation therefor as determined by the Board.

"(k) The Board is authorized to make such bylaws, rules, and regulations, not inconsistent with the provisions of this section, as may be necessary for the proper conduct of the affairs of the Corporation. The Corporation is further authorized and directed to retire and cancel the bonds and stock of the Corporation as rapidly as the resources of the Corporation will permit. Upon the retirement of such stock, the reasonable value thereof as determined by the Board shall be paid into the Treasury of the United States and the receipts issued therefor shall be canceled. The Board shall proceed to liquidate the Corporation when its purposes have been accomplished, and shall pay any surplus or accumulated funds into the Treasury of the United States. The Corporation may declare and pay such dividends to the United States as may be earned and as in the judgment of the Board it is proper for the Corporation to pay.

"FEDERAL SAVINGS AND LOAN ASSOCIATIONS

"SEC. 5. (a) In order to provide local mutual thrift institutions in which people may invest their funds and in order to provide for the financing of homes, the Board is authorized, under such rules and regulations as it may prescribe, to provide for the organization, incorporation, examination, operation, and regulation of associations to be known as 'Federal Savings and Loan Associations' and to issue char-

ters therefor, giving primary consideration to the best practices of local mutual thrift and home-financing institutions in the United States.

"(b) Such associations shall raise their capital only in the form of payments on such shares as are authorized in their charter, which shares may be retired as is therein provided. No deposits shall be accepted and no certificates of indebtedness shall be issued except for such borrowed money as may be authorized by regulations of the Board.

"(c) Such associations shall lend their funds only on the security of their shares or on the security of first liens upon homes or combination of homes and business property within 50 miles of their home office: *Provided*, That not more than $20,000 shall be loaned on the security of a first lien upon any one such property; except that not exceeding 15 percent of the assets of such association may be loaned on other improved real estate without regard to said $20,000 limitation, and without regard to said 50-mile limit, but secured by first lien thereon: *And provided further*, That any portion of the assets of such associations may be invested in obligations of the United States or the stock or bonds of a Federal home-loan bank.

"(d) The Board shall have full power to provide in the rules and regulations herein authorized for the reorganization, consolidation, merger, or liquidation of such associations, including the power to appoint a conservator or a receiver to take charge of the affairs of any such association, and to require an equitable readjustment of the capital structure of the same; and to release any such association from such control and permit its further operation.

"(e) No charter shall be granted except to persons of good character and responsibility, nor unless in the judgment of the Board a necessity exists for such an institution in the community to be served, nor unless there is a reasonable probability of its usefulness and success, nor unless the same can be established without undue injury to properly conducted existing local thrift and home-financing institutions.

"(f) Each such association, upon its incorporation, shall become automatically a member of the Federal home-loan bank of the district in which it is located, or if convenience shall require and the Board approve, shall become a member of a Federal home-loan bank of an adjoining district. Such associations shall qualify for such membership in the manner provided in the Federal Home Loan Bank Act with respect to other members.

"(g) The Secretary of the Treasury is authorized on behalf of the United States to subscribe for preferred shares in such associations which shall be preferred as to the assets of the association and which shall be entitled to a dividend, if earned, after payment of expenses and provision for reasonable reserves, to the same extent as other shareholders. It shall be the duty of the Secretary of the Treasury to subscribe for such preferred shares upon the request of the Board; but the subscription by him to the shares of any one association shall not exceed $100,000, and no such subscription shall be called for unless in the judgment of the Board the funds are necessary for the encouragement of local home financing in the community to be served and for the reasonable financing of homes in such community. Payment on such shares may be called from time to time by the association, subject to the approval of the Board and the Secretary of the Treasury; but the amount paid in by the Secretary of the Treasury shall at no time exceed the amount paid in by all other shareholders, and the aggregate amount of shares held by the Secretary of the Treasury shall not exceed at any time the aggregate amount of shares held by all other shareholders. To enable the Secretary of the Treasury to make such subscriptions when called there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000, to be immediately available and to remain available until expended. Each such association shall issue receipts for such payments by the Secretary of the Treasury in such form as may be approved by the Board, and such receipts shall be evidence of the interest of the United States in such preferred shares to the extent of the amount so paid. Each such association shall make provision for the retirement of its preferred shares held by the Secretary of the Treasury, and beginning at the expiration of 5 years from the time of the investment in such shares, the association shall set aside one third of the receipts from its investing and borrowing shareholders to be used for the purpose of such retirement. In case of the liquidation of any such association the shares held by the Secretary of the Treasury shall be retired at par before any payments are made to other shareholders.

"(h) Such associations, including their franchises, capital, reserves, and surplus, and their loans and income, shall be exempt from all taxation now or hereafter imposed by the United States, and all shares of such associations shall be exempt both as to their value and the income therefrom from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States; and no State, Territorial, county, municipal, or local taxing authority shall impose any tax on such associations or their franchise, capital, reserves, surplus, loans, or income greater than that imposed by such authority on other similar local mutual or cooperative thrift and home financing institutions.

"(i) Any member of a Federal home-loan bank may convert itself into a Federal savings and loan association under this act upon a vote of its stockholders as provided by the law under which it operates; but such conversion shall be subject to such rules and regulations as the Board may prescribe, and thereafter the converted association shall be entitled to all the benefits of this section and shall be subject to examination and regulation to the same extent as other associations incorporated pursuant to this act.

"ENCOURAGEMENT OF SAVING AND HOME FINANCING

"SEC. 6. To enable the Board to encourage local thrift and local home financing and to promote, organize, and develop the associations herein provided for or similar associations organized under local laws, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000, to be immediately available and remain available until expended, subject to the call of the Board, which sum, or so much thereof as may be necessary, the Board is authorized to use in its discretion for the accomplishment of the purposes of this section without regard to the provisions of any other law governing the expenditure of public funds.

"SEC. 7. The provisions of this act shall apply to the continental United States, to the Territories of Alaska and Hawaii, and to Puerto Rico and the Virgin Islands.

"PENALTIES

"SEC. 8. (a) Whoever makes any statement, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Home Owners' Loan Corporation or the Board or an association upon any application, advance, discount, purchase, or repurchase agreement, or loan, under this act, or any extension thereof by renewal deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 2 years, or both.

"(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, issued by the Home Owners' Loan Corporation or an association; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited note, debenture, bond, or other obligation, or coupon, purporting to have been issued by the Home Owners' Loan Corporation or an association, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any note, debenture, bond or other obligation, or coupon, issued or purporting to have been issued by the Home Owners' Loan Corporation or an association; or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Home Owners' Loan Corporation or an association, knowing the same to be falsely

altered or spurious, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than 5 years, or both.

"(c) Whoever, being connected in any capacity with the Board or the Home Owners' Loan Corporation or an association (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise intrusted to it; or (2) with intent to defraud the Board or the Home Owners' Loan Corporation or an association, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiners of the Board or the Home Owners' Loan Corporation or an association, makes any false entry in any book, report, or statement of or to the Board or the Home Owners' Loan Corporation or an association, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

"(d) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U.S.C., title 18, secs. 202 to 207, inclusive), insofar as applicable, are extended to apply to contracts or agreements of the Home Owners' Loan Corporation and an association under this act, which, for the purposes hereof, shall be held to include advances, loans, discounts, and purchase and repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"(e) No person, partnership, association, or corporation shall make any charge in connection with a loan by the Corporation or an exchange of bonds or cash advance under this act, except ordinary charges authorized and required by the Corporation for services actually rendered for examination and perfecting of title, appraisal, and like necessary services. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"SEPARABILITY PROVISION

"SEC. 9. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

And the Senate agree to the same.

ROBERT J. BULKLEY,
ROBERT F. WAGNER,
J. G. TOWNSEND, JR.,
Managers on the part of the Senate.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ROBERT LUCE,
Managers on the part of the House.

INVESTIGATION BY BANKING AND CURRENCY COMMITTEE—EXTENSION OF AUTHORITY

Mr. FLETCHER. Mr. President, may I interrupt the consideration of the pending bill for just a moment in order to secure the consideration of the resolution which was discussed last evening? It will take but a few moments to dispose of it. I ask unanimous consent for the present consideration of Senate Resolution 97.

Mr. HARRISON. I understand there will be no debate on the resolution?

Mr. FLETCHER. I think it will require no debate.

Mr. HARRISON. If there shall be debate, I hope the Senator will withdraw the request.

Mr. FLETCHER. Very well.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida for the consideration of the resolution indicated by him?

There being no objection, the Senate proceeded to consider the resolution (S.Res. 97) submitted on June 7, 1932, by Mr. FLETCHER on behalf of himself and Mr. STEIWER, and reported from the Committee to Audit and Control the Contingent Expenses of the Senate, 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 investigations 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 VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. CONNALLY. Mr. President, I understand that the resolution proposes to give the Committee on Banking and Currency some additional authority?

Mr. FLETCHER. The resolution proposes to give the committee authority which it is considered it should have.

Mr. CONNALLY. I also understand that an additional appropriation is to be made to enable the committee to conclude its investigations.

Mr. FLETCHER. One of the things accomplished by the resolution is to extend the powers of the committee, which otherwise perhaps would expire with the adjournment of Congress.

Mr. CONNALLY. I am sure that nobody would object to that.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. MCNARY. Mr. President, I objected to consideration of the resolution last evening because of the absence of a number of Senators from the Chamber. I stated to the Senator that after the resolution had gone over for the day and had been printed I would make no objection to its consideration today.

Mr. HATFIELD. Mr. President, I should like to ask the Senator if the committee requested the additional power?

Mr. FLETCHER. Yes.

Mr. HATFIELD. Is it for the purpose of investigating income taxes?

Mr. FLETCHER. It is for the purpose of getting the facts with reference to transactions in the case under investigation.

Mr. HATFIELD. Was the Senator's committee refused the privilege of investigating income taxes?

Mr. FLETCHER. Its authority was challenged.

Mr. HATFIELD. Was the power and privilege not later conceded to it?

Mr. FLETCHER. No.

Mr. HATFIELD. Not at all?

Mr. FLETCHER. No.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

ADDITIONAL FUNDS FOR INVESTIGATION BY BANKING AND CURRENCY COMMITTEE

Mr. FLETCHER. I now ask unanimous consent for the immediate consideration of Senate Resolution 93, providing additional funds for the investigation being conducted by the Committee on Banking and Currency.

The VICE PRESIDENT. The Senator from Florida asks unanimous consent for the immediate consideration of a resolution, which the clerk will read.

The legislative clerk read the resolution (S.Res. 93) submitted by Mr. COSTIGAN on June 6, 1933, and reported favorably from the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the limit of expenditures under Senate Resolution 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 Senate Resolution 239, Seventy-second Congress, agreed to June 21, 1932, and further continued in force by Senate Resolution 371, Seventy-second Congress, agreed to February 28, 1933, and as supplemented by Senate Resolution 56, Seventy-third Congress, agreed to April 4, 1933, is hereby increased by $100,000.

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

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

PAYMENT FOR SERVICES RENDERED TO DISTRICT ATTORNEY FOR NEBRASKA

Mr. BYRNES. Mr. President, on the desk there are 2 or 3 resolutions reported yesterday by the Committee to Audit and Control the Contingent Expenses of the Senate. I ask unanimous consent that they may be considered at this time.

The VICE PRESIDENT. The first resolution which the Senator from South Carolina asks unanimous consent to have considered will be read.

The legislative clerk read the resolution (S.Res. 87) submitted by Mr. NYE on May 25, 1933, and reported from the Committee to Audit and Control the Contingent Expenses of the Senate with amendments, on line 12, after the name "Andrews" to strike out "$200" and insert "$100", and on line 13, after the name "Healy", to strike out "$750" and insert "$250", so as to make the resolution read:

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 the following-named persons the amounts hereinafter mentioned for professional and other services rendered during the fiscal year 1932 in assisting the United States district attorney for Nebraska in the matter of the United States against Victor Seymour, arising from an indictment for perjury before the special committee of the Senate investigating contributions and expenditures of senatorial candidates, under authority of resolution of April 10, 1930, to wit: John Andrews, $100, William M. Day, $160; Frank Healy, $250.

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

There being no objection, the Senate proceeded to consider the resolution.

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

The amendments were agreed to.

The resolution, as amended, was agreed to.

AUTHORIZATION OF SURVEY OF INDIAN CONDITIONS

The VICE PRESIDENT. The clerk will state the next resolution, which the Senator from South Carolina asks to have considered.

The Senate proceeded to consider the resolution (S.Res. 79) submitted by Mr. KING on May 12, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment, in line 4, to strike out "$15,000" and insert "$10,000", so as to read:

Resolved, That the Committee on Indian Affairs, or any subcommittee thereof, authorized and directed by Senate resolution to make a general survey of Indian conditions in the United States, is hereby authorized to expend $10,000 from the contingent fund of the Senate in addition to the sums previously authorized for said purpose.

The amendment was agreed to.

The resolution as amended was agreed to.

HARRIMAN NATIONAL BANK INVESTIGATION

The VICE PRESIDENT. The next resolution for which the Senator from South Carolina asks consideration will be read.

The resolution (S.Res. 89) submitted by Mr. COSTIGAN on May 29, 1933, was read, considered, and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 55, Seventy-third Congress, agreed to April 18, 1933, to investigate the delay in prosecuting alleged law violations by the Harriman National Bank, New York City, is hereby increased by $500.

INVESTIGATION OF AIR MAIL AND OCEAN MAIL CONTRACTS

The VICE PRESIDENT. The clerk will read the next resolution which the Senator from South Carolina asks to have considered.

The legislative clerk read the resolution (S.Res. 94) submitted by Mr. BLACK on the 6th instant, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment, in line 5, to strike out "$75,000" and insert "$25,000", so as to make the resolution read:

Resolved, That the limit of expenditures under Senate Resolution 349, Seventy-second Congress, second session, agreed to February 25, 1933, creating a special committee of the Senate to investigate air mail and ocean mail contracts, is hereby increased by $25,000.

Mr. COPELAND. Mr. President, what is this particular proposal?

Mr. BYRNES. It is to carry out the purposes of a resolution heretofore adopted by the Senate authorizing the appointment of a committee to investigate the amounts paid to air mail contractors and to steamship contractors for the carrying of mails.

Mr. COPELAND. In the independent offices appropriation bill we have given the President authority to abrogate or modify contracts. These matters I understand are being studied in the Post Office Department and in the Shipping Board. This seems to me to be a duplication of effort. Certainly for the time being I ask that the resolution go over.

The VICE PRESIDENT. Objection is heard, and the resolution goes over.

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.

The VICE PRESIDENT. The question is on agreeing to the second amendment reported by the committee, which will be stated.

The LEGISLATIVE CLERK. In section 1, page 2, line 2, after the word "interstate", it is proposed to insert the words "and foreign", so as to make the clause read:

It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The next amendment of the Committee on Finance was, on page 3, line 7, after the word "appointed", to insert:

Provided, That no officer or employee receiving a salary in excess of $5,000 shall be appointed or designated under this title except with the advice and consent of the Senate; but the provisions of section 1761 of the Revised Statutes shall not apply to any person so appointed or designated.

So as to make the subsection read:

SEC. 2. (a) To effectuate the policy of this title, the President is hereby authorized to establish such agencies, to accept and utilize such voluntary and uncompensated services, to appoint, without regard to the provisions of the Civil Service laws, such officers and employees, and to utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, as he may find necessary to pre-

scribe their authorities, duties, responsibilities, and tenure, and, without regard to the Classification Act of 1923, as amended, to fix the compensation of any officers and employees so appointed: *Provided*, That no officer or employee receiving a salary in excess of $5,000 per annum shall be appointed or designated under this title except with the advice and consent of the Senate; but the provisions of section 1761 of the Revised Statutes shall not apply to any person so appointed or designated.

Mr. KING. Mr. President, I ask the chairman of the committee if he would regard it as inappropriate to offer an amendment to the committee amendment providing the same limitation upon salaries as provided in the bill which was passed a short time ago conferring very great authority upon the Secretary of Agriculture? I am inclined to think perhaps I ought to offer the amendment as an independent amendment in some other part of the bill.

Mr. HARRISON. I hope the Senator will not offer such an amendment to this bill, because it would provoke quite a controversy.

Mr. KING. I think it an amendment which would be very willingly accepted by the Senate, but I have some doubt as to whether I ought to offer it as an amendment to this amendment or offer it perhaps at the close of the bill as a separate section.

Mr. TRAMMELL. Mr. President, I desire to propose an amendment to the committee amendment. On page 3, line 12, following the word "designated", I propose to add the following:

And the salaries of such officers or employees shall not be increased for a period of 90 days after confirmation.

Mr. HARRISON. What is the purpose of the Senator?

Mr. TRAMMELL. I think the 90 days, perhaps, would be better if changed to 6 months. If it is not the law, these salaries might be increased immediately after confirmation.

Mr. HARRISON. In order to conserve time I shall offer no objection if the Senator offers an amendment making it 6 months.

Mr. TRAMMELL. I will modify the amendment accordingly.

The VICE PRESIDENT. The amendment as modified will be stated.

The LEGISLATIVE CLERK. On page 3, line 12, after the word "designated", add the following words:

And the salaries of such officers or employees shall not be increased for a period of 6 months after compensation.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida to the amendment of the committee.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Mississippi why the amendment is limited to this title? I call his attention to the words "this title" in line 10, on page 3. Why should it not read "this act"?

Mr. HARRISON. There is a similar provision in the next title.

Mr. McKELLAR. It seems to me it ought to apply to the whole measure.

Mr. HARRISON. It applies to the public-construction program as well as to the program covered by this title.

Mr. McKELLAR. Very well.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The next amendment will be stated.

The next amendment of the Committee on Finance was, on page 4, line 13, after the word "title", to insert:

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.

So as to make the subsection read:

CODES OF FAIR COMPETITION

SEC. 3. (a) Upon the application to the President by one or more trade or industrial associations or groups, 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 (1) that such associations or groups impose no inequitable restrictions on admission to membership therein and are truly representative of such trades or industries or subdivisions thereof, and (2) 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, and will tend to effectuate the policy of this title: *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. 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.

The amendment was agreed to.

The next amendment was, on page 5, line 5, after the word "interstate", to insert the words "or foreign", and in lines 8, 9, and 10 to strike out "a violation of any provision of any such code shall be a misdemeanor, and upon conviction thereof an offender shall be fined not more than $500 for each offense", so as to make the subsection read:

(b) 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.

The amendment was agreed to.

The next amendment was, on page 6, after line 3, to insert subsections (e) and (f).

Mr. HARRISON. Mr. President, I ask that that amendment be passed over for the present.

The VICE PRESIDENT. Without objection, the amendment will be passed over for the present and the clerk will report the next amendment.

The next amendment of the Committee on Finance was, on page 7, line 18, after the word "interstate", to insert "or foreign",so as to make the subsection read:

AGREEMENTS AND LICENSES

SEC. 4. (a) 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 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.

The amendment was agreed to.

The next amendment was, on page 7, line 21, after the word "President", to insert "shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any geographical area or in any subdivision of any trade or industry, and", so as to make the subsection read:

(b) Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any geographical area or in any subdivision of any trade or industry, and, after such public notice and hearing as he shall specify, shall find it essential to license business enterprises in order to make effective a code of fair competition or an agreement under this title or otherwise to effectuate the policy of this title, and shall publicly so announce, etc.

Mr. BLACK. Mr. President, I desire to ask the chairman a question with reference to the pending amendment and the next amendment on page 8. The two amendments are linked together. As I read the amendment and as I understand it, it would authorize the President to adopt and issue rules and regulations governing a particular geographical area, and in addition to that fact it would authorize him to issue rules and regulations which would not apply uniformly throughout the country. I am wondering if the Senator from Mississippi [Mr. HARRISON] would not agree to strike out the words "in any geographical area" where they appear on page 7, and again on page 8.

Frankly, I do not believe that it is wise, if the bill is passed, to authorize powers which might affect one State or one section where they would not be applied uniformly throughout the country. It is with that idea in mind that I have prepared an amendment which I expect to offer at a later time.

Mr. HARRISON. The Senator wants to strike out the words "in any geographical area"?

Mr. BLACK. That is correct.

Mr. HARRISON. If the Senator offers the amendment I shall interpose no objection.

Mr. McNARY. Mr. President, there is so much confusion in the Chamber that I could not catch the nature of the conversation between the two Senators. What is happening over there?

Mr. HARRISON. The Senator from Alabama has suggested that in the committee amendment the words "in any geographical area" be eliminated. I told the Senator that so far as I am concerned, I would not interpose any objection to striking out those words and making the matter apply uniformly.

Mr. McNARY. I certainly would object to the Senator accepting an amendment of that importance. What reason has the Senator at this time to accept the suggestion of the Senator from Alabama over a proposal that has been inserted in the bill by his own committee?

Mr. HARRISON. May I say to the Senator from Oregon that it was acceptable to the junior Senator from New York [Mr. WAGNER] who was most instrumental in drafting the legislation. I prefer to hold the proposition, with some few exceptions perhaps, as the Senate committee recommended it. It would seem to me the committee's action was right in prescribing "in any geographical area"; but rather than precipitate long discussion over a question that might be rather immaterial, so far as I am concerned I am willing to accept the Senator's suggestion.

Mr. REED. Mr. President, it is not an immaterial matter at all. Let us imagine that in some rural county of Pennsylvania unfair practices are resorted to by some 2 or 3 small coal-mining companies. As a result, if the Senator from Alabama succeeds in his suggestion, it would be necessary for the President to impose this licensing system on every coal mine in America, and that would be preposterous. The amendment incorporated in the bill by the committee was brought to the committee, as I recall it, by General Johnson, he saying that he did it with the President's sanction in order to meet just that objection of penalizing thousands of innocent people in different parts of the country because some one man in a particular locality has indulged in unfair practices. I think it is highly important that the phrase should remain in the bill for the protection of innocent men. I hope very much the Senate will adopt the amendment as the President recommended it and as the Finance Committee reported it.

Mr. VANDENBERG. Mr. President, will the Senator from Pennsylvania yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. REED. Gladly.

Mr. VANDENBERG. I should like to ask for an interpretation of the general principle involved. Is it anticipated that the code in a given industry will be uniform throughout the country?

Mr. REED. No; it is not.

Mr. VANDENBERG. Is it contemplated that there can be a code for an industry, we will say, in Michigan and a different code for the same industry in North Carolina.

Mr. REED. Absolutely.

Mr. VANDENBERG. Does the Senator from New York [Mr. WAGNER] concur in that interpretation?

Mr. WAGNER. Yes; that is absolutely essential. Conditions may vary in different sections of the country. A wage scale fair in one locality may not be fair in another. The bill provides that codes and rules and regulations relating to various matters involved, such as unfair practices, undercutting, fraudulent advertising, and matters of that kind may be adopted as a general code for the entire industry, and as a matter of fact for all industries; but there will always be some local condition that will have to be provided for in the code to take care of the change or difference in conditions.

Mr. REED. Now, let me answer the question further. The object of the scheme begins to appear when we consider the results of just such differing regulations. It is stated in many places in the bill that it shall be considered an unfair practice to pay less wages than those fixed in the code. It has been stated by the sponsor of the bill over and over again that the wage scale that prevails in North Carolina or Georgia will not be the same as the wage scale that prevails in Michigan or Massachusetts, let us say. Another unfair practice is to sell at less than cost of production. The result will be that we will have lower wages fixed in North Carolina than in Michigan, and there will be a lower cost of production in North Carolina than in Michigan. That is self-evident. If, then, the Michigan factory sells below its cost of production, it is guilty of unfair practices; but if it does not, it cannot compete with the man in North Carolina, whose cost of production is officially fixed at a lower figure.

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

Mr. REED. Gladly.

Mr. VANDENBERG. That bears on the precise point upon which I am seeking information, and I should like to be very sure about it. Will the Senator permit me to submit a question to the Senator from New York?

Mr. REED. Certainly.

Mr. VANDENBERG. We will take, for the sake of the argument, the furniture industry in Michigan, which finds its chief competition with the furniture industry in North Carolina. We will say, for the sake of the argument, that the cost of production in North Carolina is substantially lower than it is in Michigan—first, because of lower wages; second, because of longer hours; third, because of release from various factors in cost of production, like coal, for instance. Now, how can the furniture industry in Michigan raise its wage scales and shorten its hours, and thus further increase its cost of production, unless its chief competitor in North Carolina is required to live under precisely the same code?

Mr. WAGNER. Does the Senator mean as to wages?

Mr. VANDENBERG. Precisely.

Mr. WAGNER. There is no attempt here to remove fair competition between industries as it exists today, providing we put that competition on a basis of efficiency rather than a basis of exploitation of labor. I have been trying to emphasize that; and there are some competitive advantages that the industries in one locality will have over those in another. Those advantages cannot be removed, and they ought to remain. What we are trying to do here, which does not seem to be understood, is to lift the standard so that those working may have a living wage and may have some leisure through reasonable hours of labor; and, of course, an additional advantage of cutting down the hours of labor, which I thought was universally accepted, is that it will absorb a good deal of our unemployment.

One of the things we will have to do, if we are going to put people back to work, is to reduce the hours of labor. That sort of thing ought to be as nearly uniform as possible. A minimum wage cannot be made uniform, of course, in different localities. Where they may have one advantage, they may also have certain disadvantages. I mean, if geographical location is an advantage to an industry, it ought to be retained as an advantage; but certainly we want to lift the industry up so that we shall have a living wage and decent hours of labor.

Mr. VANDENBERG. I cordially agree with the Senator's objective; but I ask him how we can lift wages in the same industry in one section of the country, and have any trade out of which to get the money to pay the increased wages or the shorter hours, if the competitor in the same industry has lower wages and longer hours somewhere else in the

country and therefore undersells the commodity? Why cannot those factors, at least, be uniform?

Mr. WAGNER. The factors of hours of labor I think will be uniform. The wages may not be. I mean, there may be some local conditions which we cannot foresee now which may make it unfair to require in one locality a minimum wage as high as in some other localities; but undoubtedly the policy will be as nearly as possible to make those conditions uniform.

Mr. VANDENBERG. And yet we are to have different codes.

Mr. WAGNER. Otherwise we may talk as we like, but what has dragged industry down more than anything else is the exploitation of labor, cutthroat competition. If you inquire of business men all through the country, the thing they will tell you is, that particularly during these days of unemployment they have suffered because their competitors were able to secure people to work for them for long hours and starvation wages.

Mr. VANDENBERG. Exactly; and it is not proposed here to correct that.

Mr. WAGNER. That is the thing we want to prevent.

Mr. VANDENBERG. But you do not correct it if you have one code for the low-wage area and another code for the high-wage area.

Mr. WAGNER. If the Senator pins me down as to whether or not the wage will be exactly the same in every locality in the country, I cannot tell him that it will be until we know all the conditions surrounding the matter; but certainly we are going to lift it up to a wage level of comfort and decency. That is the objective here.

Mr. VANDENBERG. You are not going to lift it up unless it is uniform.

Mr. BORAH. Mr. President——

Mr. WAGNER. Mr. President——

Mr. REED. Mr. President, nobody would guess it, but I believe I have the floor. [Laughter.]

Mr. VANDENBERG. I apologize to the Senator for taking so much of his time.

The VICE PRESIDENT. The Senator from Pennsylvania has the floor. To whom does he yield?

Mr. WAGNER. Will the Senator yield to me for just one more remark?

Mr. REED. I yield.

Mr. WAGNER. After all, what the Senator speaks of is a matter of administration; and if, in order to have the competition fair, a uniform wage level is required, undoubtedly it will be imposed. I mean that is something that we cannot foretell in absolute detail now; but our objective is very clear, notwithstanding that there were some attempts yesterday to divert us from our course.

Mr. REED. Mr. President, I am nearly bursting with some thoughts on this subject that I should like to utter. [Laughter.] I desire, first, to make a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. REED. Will the adoption of the pending amendment interfere with my subsequent motion to strike out the entire paragraph (b) of section 4?

The VICE PRESIDENT. It will not?

Mr. REED. Mr. President, this is as good a time as any to call the attention of the Senate to the real purpose of paragraph (b) of section 4. In all of the debate that took place yesterday I did not notice any reference to that section, although it is probably the most revolutionary part of the entire bill.

Bear in mind that paragraph (b) of this licensing section is put in as an additional threat to compel the performance of the terms of these codes of fair competition.

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. Just what are we considering now, may I ask?

The VICE PRESIDENT. The Senate is considering an amendment of the Committee on Finance to the bill under consideration.

Mr. LONG. Which one?

The VICE PRESIDENT. The amendment on page 7, line 21.

Mr. REED. The amendment we are considering is part of this licensing paragraph.

I think Senators ought to understand that before we go further in voting on it.

Bear in mind that these codes of fair competition, once agreed upon and approved by the President, have the force of law. Bear in mind then that a violation of those codes is punishable criminally by fine and imprisonment. In other words, the wrongdoer is punishable by criminal process.

Now the administration insists upon adding to that, over and above the criminal liability, this licensing system, so that by the refusal of a license the wrongdoer may be punished further. His whole right to engage in his vocation is to be taken from him by Presidential order as a further penalty for the violation of these Presidential codes—either agreements made by the industry itself and approved by the President, or, in case of failure to make an agreement as to the terms of competition, the President alone is given power to establish the code. The violation of the code that the President establishes is made a crime; and, in addition to the criminal penalties, the President is empowered to subject that industry to license, and refuse a license to the wrongdoer.

In other words, as the sponsors of the bill explain, the ordinary processes of the criminal law are too slow and not sufficiently emphatic to enable the President to secure the prompt punishment of the person whom he decides to be a criminal in violating the regulations that he, the President, has put forth; and he is given this rather unusual power of denying to the citizen the right to earn his living at his ordinary lawful business if he, the President, alone and unaided, finds this person to be a wrongdoer.

Mr. LONG. Mr. President, I think the Senator is stressing the President too much there, because this finding will be made by whatever appointee or other man may be in charge of the work, away down the line.

Mr. REED. Why, of course.

Mr. LONG. I mean, if a little administrator in a county finds that a tie hacker made a tie 6 inches too short, he can stop that man from making ties; or, in the case of a woodcutter, he can stop that man from chopping wood, as I read the bill.

Mr. REED. Absolutely.

We have been talking about great industries, such as the textile industry and coal; but we must remember that this licensing power and this code of fair competition extend throughout trade and commerce and industry, from the great motor-car industry and the great steel industry right down to the business of running a pushcart; and the President, under this bill, can establish a code of fair competition for pushcarts if he pleases.

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

Mr. REED. I yield.

Mr. FESS. There is another element that is more distracting yet to me.

The Senator speaks of codes. Under the provision on page 4 the President can impose any condition that he may see fit; and not only that, but he can modify the code, or he can entirely abolish it. Here is a case of fixing a penalty for the violation of a code that has become a standard, when nobody, not even the President, knows what it will be.

Mr. REED. Of course. The doges used to make their laws in secret. They used to find men guilty because a complaint had been dropped in the lion's mouth. This goes further than that.

Mr. BORAH. Mr. President——

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

Mr. BORAH. By way of illustration, suppose the case of an industry having its seat of operation in a particular part of the country. There is another industry of the same kind having its seat of operation in another part of the country. Now, suppose the wage conditions and the conditions of production are such in one part of the country that a cer-

tain rule is established with reference to fair competition; and in the other part of the country, where the other branch of the industry exists, taking into consideration wages and coal and such matters as that, another rule is established: Can the first industry compete with the second industry without being guilty of violation of the law, and therefore being punishable as guilty of a crime?

Mr. REED. Presumably that will depend upon the text of the regulations. The Senator from New York had his attention called to such disparities a little while ago; and he said he expected that the President would begin by recognizing the existing fact that wages are lower in the South than they are in the North, and he would allow lower wages to be paid in the South than in the North.

Mr. WAGNER. Mr. President, I do not think the Senator ought to misstate what I said. I did not say anything of the kind. I said there may be local conditions which may affect the fixation of wages. I do not know; but certainly the wages will be put on such a level as to provide fair competition in the industry, and it may be, as I tried to make clear, that in order to provide fair competition the wage scale ought to be the same all over, universally. That, however, is a matter of administration; and we cannot foretell every little detail in this legislation or in any other legislation.

Mr. REED. No; I know you cannot foretell it, and you leave us in a beautiful haze. If you are going to fix wages at their present level and with their present disparity between sections, and then forbid each of those competitors to sell below his cost, you have fixed by law two unequal costs, and made it a crime for either of them to sell below his own cost. Under such conditions the high-cost man is going out of business. The low-cost man is going to get everything.

Mr. WAGNER. May I interrupt the Senator?

Mr. REED. Just a moment. When that is called to the Senator's attention, and when it is called to General Johnson's attention in the committee, the answer is, "Well, if that does not work, we will try the other way and make wages uniform all over the country." That is a wild way for Congress to legislate. We ought at least to know what is expected to be done.

Mr. BORAH. In the first place, wages cannot be made uniform throughout the country. That is an impossibility. We could not make wages uniform throughout the United States. An attempt to do so would put certain industries out of business, the same as would the other plan.

Mr. REED. Of course, it would.

Mr. WAGNER. If we do not make them uniform, we could at least provide a living wage for all. I wanted to ask the Senator this: Does he favor long hours, and does he favor starvation wages? I know the Senator does not believe in those things, but they seem to be the only alternative.

Mr. REED. That is like asking me, when I oppose some of these wild relief appropriations, whether I favor starving people. Of course, I do not favor sweatships.

Mr. WAGNER. Then how else, under present conditions, can we provide a living wage?

Mr. REED. Give industry a chance. You are choking it to death.

Mr. WAGNER. Industry?

Mr. REED. Yes.

Mr. WAGNER. We are trying to take care of only 10 or 15 percent of industry. The majority of industrialists and business men want to do the right thing. They want to pay a decent wage. They want to employ people a reasonable number of hours per day. But they are dragged down by the recalcitrant 10 or 15 percent of the industry, as they will all testify, who, with the cutthroat wages and the long hours, are dragging the industry down. Those trying to do the right thing are unable to compete with the others unless they go into a race with them in wage cutting and in the employment of long hours of labor. We have been talking about international shocks and all that sort of thing. One of the reasons why we have been dragged down to where we are is just that type of cutthroat competition, sweatshop labor, and things like that, which we are trying to eliminate.

Mr. REED. If the Senator will allow me to answer him, I should say that I am quite as much opposed to sweatshops, and quite as much opposed to cutthroat competition, as is the Senator from New York, and I do not think it necessarily follows, because I think his plan is an insane one, and is going to destroy industry more than it is going to help, that I am not animated by the same lofty motives that animate the Senator from New York. I am willing to concede to him the utmost of charity in his views toward long hours, low wages, sweatshops, and all that sort of thing; I concede the Senator has the loftiest ambition to better conditions. All I ask of him is that he be as charitable to me.

To come back to the argument, a moment's reflection on the power attempted to be given to the President here, must shock any reflective person. Remember, please, that under a lot of beautiful phrases are couched the most tremendous powers. We speak of codes of fair competition. It is only by indirection, and by admission of the sponsors of the bill, that we realize that that means not merely planting roses around the factory so that the conditions of employment will be pleasant, but it means fixing prices, it means apportioning output, it means creating, by the sanction of law, the same kind of pools and price-fixing conspiracies within an industry that we have been fighting for so long, for so many decades.

The steel business 25 years ago was tightly regulated by pools secretly made, which fixed the price of every product in every town in the United States, and fixed the proportion of business each factory might enjoy. We drove those things out of existence by a firm application of the antitrust laws, and a healthier condition resulted immediately. Now we are asked to restore that condition with the Presidential blessing; and that the intent is to make it possible to fix prices in that fashion is shown in the amendment we are considering at this moment, which provides that "whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced", then he may put on this licensing system.

Mr. SHIPSTEAD. Mr. President, does the Senator find anything to the effect that prices shall be fixed in relation to wages?

Mr. REED. No; but presumably there will be some such consideration. This benevolent dictator who will control our destinies must fix prices in regard to the new wage scale he is going to fix. He must fix prices so high that those wages can be paid. Otherwise the whole industry affected will dry up. Wages have to be paid out of the prices received, and the prices will have to be advanced according to the wages paid.

Mr. LONG. Mr. President, I do not want to interrupt the Senator any more, but if he will pardon me just one moment——

Mr. REED. Certainly.

Mr. LONG. I know the Senator has gone into this proposed law much deeper than I have. This is a point I thought of last night: We make lard in the country. That is a packing-house business. In the wintertime, when we are salting away the meat, this is the common course for millions of people in this country. There are possibly many here who know very little about it. We take what is refused from the meat, what we cannot pack down after we have salted it down, throw it into the washpot, and make lard. We take that lard out in liquid form. We may trade it around in the neighborhood, at 6 cents a pound, at 8 cents a pound, at 10 cents a pound, for just whatever we can get in trade, for sirup, potatoes, turnips, or anything else.

If the packing-house code or the meat-packing code prescribes a rule, every little woman in the South on a farm will either have an injunction over her head or be facing a criminal prosecution or find her license revoked, so that she will be practically forbidden from feeding her

own children. That is the way I view this measure. I can see no other way in which to look at it. They cannot conform to a code.

Mr. REED. Of course, in actual practice such absurdities will not occur, probably——

Mr. LONG. Why will they not?

Mr. REED. But it would be a preposterous thing to pass a law which would make it possible for them to occur.

Mr. LONG. I do not see how they are to be avoided. Let us say that the packing industry is going to be one to be regulated. The dictator, whoever is appointed, comes along and puts 14 cents or 10 cents a pound on lard. In the country, in the seasonal time, when we are gathering up lard, he certainly could not get business out of our community, with us selling at 8 cents a pound, and with him selling at 14 cents. We could make it in that particular season to which I have referred for one third of what he could make it for.

Mr. REED. The Senator understands, of course, that all manufacturers of lard will be compelled to adopt the same system of accounting, so that this housewife to whom he refers will have to keep books and adopt the same method of accounting followed by Swift & Co.

Mr. LONG. Yes; she will have to keep records.

Mr. REED. And those books and those methods of accounting will all be prescribed by the President here in Washington.

Mr. WAGNER. Mr. President, the Senator does not believe that any such program as is suggested will be put into effect?

Mr. REED. No; of course not.

Mr. WAGNER. Let us not get into the realm of amusement, because, after all, the Senator knows that will not be proposed.

Mr. REED. Just a moment. I have the floor. I want to answer that question, and then I will yield for another.

I do not think it will be applied in the case of the Louisiana housewife, but I do believe that it will be applied to many a little Louisiana concern in small country towns, which will not have any more idea of what is in these regulations which bind them than the man in the moon will have. The example of the housewife is perhaps an absurd illustration, but the little corner grocer in some Louisiana town of 500 people will find himself clearly within the code of fair competition that is put on to regulate the A. & P. Co.

Mr. WAGNER. It will be to his advantage; not to his disadvantage.

Mr. REED. That remains to be seen.

Mr. WAGNER. It is the small business man who has been seeking for a number of years in Congress just this type of legislation to protect him against the chain-store system.

Mr. REED. The effect of it remains to be seen.

Mr. WAGNER. Let me make just one suggestion, so that we may not go too far afield.

A suggestion was made that the price at which a particular commodity may be sold in the market would be fixed. The Senator was present during our discussions in the committee. No such thing is contemplated as the fixation of prices. All that will be provided is that there shall not be any sale at a price below the cost of production, and that may differ in different industries in different sections of the country.

That, everyone admits, is an unhealthy situation, where industries are permitted to indulge in rebates, discriminations, and selling below the cost of production in order to destroy some little business man in the community and, when he is wiped out, to restore the old price. It is that type of practice we are seeking to eliminate.

Mr. REED. I have admitted many times that the Senator's motives and purposes are highly commendable, but his methods are awful, and I am trying to point out just why they are.

Mr. LONG. Mr. President——

Mr. REED. Let me answer the price-cutting point first. In this first amendment, brought by General Johnson from President Roosevelt, is found the statement that when the President finds destructive price cutting—in other words, when the President finds that prices are being cut below the point below which he thinks they ought not to go—then he claps on the licensing system. At the point which the President finds is a proper price point the industry must sell or else be refused a license. Is not that price fixation?

Mr. WAGNER. Price fixation? No. It is simply providing that the article shall not be sold at a price below the cost of production, which everybody concedes is what ought to be the rule.

Mr. REED. That is price fixing, is it not?

Mr. WAGNER. The ruthless and predatory practices of large business to destroy small business are the things we want to guard against now. Sooner or later it will be understood by Senators that this is a bill to protect the small business man against the predatory practices of large business.

Mr. REED. This is a bill to protect the small business man, but it is the big business man who has been urging me to support it, and I know why he does——

Mr. WAGNER. And so have the labor organizations.

Mr. REED. Will not the Senator permit me to finish the sentence?

Mr. WAGNER. They have asked us to support it.

Mr. REED. It is quite impossible to debate with the Senator if he is going to interrupt me in the midst of every sentence.

Mr. WAGNER. I beg the Senator's pardon. I shall not interrupt the Senator again.

Mr. REED. I am quite willing to yield to the Senator, but I would like to be able to complete the statement of a thought occasionally.

Mr. LONG. Mr. President——

Mr. REED. Just a moment. I have been approached by such concerns as big steel manufacturing companies, saying that they have thought it over, and, in spite of all the theoretical disadvantages which I have been urging, they think it is going to be a good thing for the industry. They have just one thing in mind, and that is what Mr. Harriman said when he let the cat out of the bag, that this is a repeal of the antitrust laws, and when a man comes and asks my support of this bill with no more creditable motive than that, I am not going to follow his advice.

Mr. BYRNES. Mr. President, has the Senator been requested by labor organizations to support the bill?

Mr. REED. Yes, indeed.

Mr. BLACK. Mr. President, I am very much interested in the Senator's statement that, in his judgment, this bill provides for price fixing.

Mr. REED. Clearly it does.

Mr. BLACK. I am very much interested in that, for this reason. Frankly, it is my judgment that if we take control of an industry and do not at the same time place a reasonable limitation upon profits, so that the unfair proportion which has been going to capital cannot be further diverted from labor, we are going to accomplish very little. My own idea is that if we simply raise wages, and at the same time permit a corresponding rise in the prices of commodities, then the public will have the disadvantage, the consumer will be the one who will be hurt. I am therefore interested to know whether the Senator is of the opinion, not perhaps for the reason which the Senator is discussing, that under this measure somebody will have the right to see that, when the wages of labor are raised so that labor will get a reasonable proportion of its own products, unfair profits shall not be tolerated?

Mr. REED. Clearly I think that is true.

Mr. BLACK. The Senator thinks that is in the bill?

Mr. REED. Prices can be fixed up or they can be fixed down.

Mr. CLARK. As a matter of fact, the whole theory of the bill is based on price fixing to the extent where the committee, by an overwhelming vote, inserted a provision enabling the administrator, or the President, when prices are

jacked up by this artificial system, to impose embargoes absolutely closing the American market to any foreign product.

Mr. REED. That is true.

Mr. CLARK. And that falls under the price-fixing feature of the bill.

Mr. REED. Yes. The whole intent of the bill is to raise the cost of production in the United States. When that happens, we have absolutely handed the market to the foreigner, because we cannot compel him to raise his costs in the same way. Consequently, it is only logical that the embargo power is proposed to be given to the President.

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

Mr. REED. I yield.

Mr. BLACK. The Senator, then, is of the opinion if this bill shall pass—and I am very much interested in his opinion, having studied the bill—that those who are intrusted with this power will have the authority to protect the public from unfair profits, if there are unfair profits; and the Senator is of the opinion that it would not necessarily follow if all the powers under this bill were used that the price of labor would be raised and that the price of the commodity would be raised in proportion, so that the balance between the two would not be disturbed at all.

Mr. REED. I have not one particle of doubt but that the price will be raised at the same time that wages are raised.

Mr. BLACK. Did I make my question clear?

Mr. REED. The Senator is concerned about prices being held down; he wants them to be held down to prevent undue profits.

Mr. BLACK. In other words, if we are going to protect the whole public, I think the Senator will agree, if we take complete charge and protect the whole public, that it would be absolutely essential and necessary that the public be protected from unfair prices if we do away with the competitive system of regulating prices.

Mr. REED. Quite so. Now let us see how it will work in actual practice. The President, with all these powers loaded onto him, and all these additional duties put upon him, will be the busiest man in the world; it will be humanly impossible for him or for General Johnson or for the higher officials who will manage the machinery we are setting up, to have any personal acquaintance whatsoever with the vast majority of questions that will come up. The President may perfunctorily sign papers from time to time, but the actual decision must necessarily be made by people to whom the power has been deputed by the officials to whom the President has first deputed it. I think that is self-evident. The actual working of such dictatorial powers appears to be pretty well illustrated by the purchase of the camp kits about which we have heard a good deal of late. The President's signature is on the letter suggesting that the kits be bought, but nobody thinks that the President had any interest in that matter or exercised any discretion or judgment about it. He merely relied upon his subordinates, who said, "This is the thing to do." So, in the very simple matter of purchasing camp kits, the United States Government appears to have paid nearly twice as much as they could have been bought for in the open market. No effort whatever was made to protect the public by obtaining a reasonable price. A slick salesman found his price accepted as soon as he quoted it, with no effort to contrast it with the prices of anybody else, and no effort made to beat him down. If the Government cannot buy camp kits without "putting its foot in it" like that, how is it going to administer all the industry of the United States, as it will have to do under this bill?

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

Mr. REED. Let me finish this thought, and then I will be glad to yield. When the administration comes to pick the man who is going to regulate the textile industry, let us say, it will either have to select a greenhorn who knows nothing about it or it will have to pick a man out of that industry. It is probable it will not pick the greenhorn; it will take too long to educate him. So the administration will get a man out of the textile industry; and he will be the man who, in the last analysis, will decide what is a fair price. I do not believe that I want to give dictatorial power to a man in any industry to decide what is a fair price for the product of that industry.

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

Mr. REED. Yes.

Mr. CLARK. The Senator will recall that before the Finance Committee the proposed administrator of this act mentioned several of the prospective members of his industrial board. I do not desire in any way to reflect upon any of them, because they are all eminent industrialists, but he mentioned, among others, the head of the General Motors Corporation, the head of the International Harvester Co., the heads of the largest companies in several different industries, as the men upon whom he proposed to rely in administering this act. In other words, it seems to me to be absolutely foolish to talk about protecting the little fellow when we are turning him over by this very act, by the express prediction of the administrator of the act, to the head of the largest concern in each industry.

Mr. REED. Precisely. Take the prices for oil products. I understand from the newspapers that Mr. Teagle, the president of the Standard Oil Co. of New Jersey, is expected to come down here and administer the oil industry. I do not believe I want to pay for gasoline the price which Mr. Teagle says he thinks is a fair price, all things considered. He would probably attempt honestly to fix a fair price; but his education, his experience, his self-interest, everything, would lead him to err on the high side when it comes to fixing the price of gasoline.

Mr. WAGNER. Mr. President——

Mr. REED. I yield to the Senator from New York.

Mr. WAGNER. I do not suppose the Senator overlooks the fact that when we passed the so-called "farm bill" we placed therein a license provision which covers today about 40 percent of the industries of the country. Therefore, so far as 40 percent of the industries are concerned, they are already under a licensing provision which may or may not be imposed, just as this bill imposes it.

Mr. REED. I fought that just as hard as I could; it was just as wrong to put it there as it is wrong to put it here.

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

Mr. REED. Yes.

Mr. BYRNES. The Senator does not want to create the impression that the prospective administrator of this act stated to the committee that the administration of the oil industry would be turned entirely over to Mr. Teagle?

Mr. REED. No; I saw that in the newspapers; I am not ascribing that statement to General Johnson. Whether it is a correct statement or not, I do not know, and I do not care; but it illustrates the point that you cannot take a man whose life has been spent in a particular business, trying to get as high price as he can, without firmly planting in that man's mind the idea that 1929 prices were, after all, about fair.

Mr. BYRNES. Yes; but that is predicated upon the accuracy of the newspaper statement. The Senator says that he saw the statement in the newspapers. If it be true that Mr. Teagle is to be put in absolute control, then the conclusion which the Senator draws follows; but if it be not true, there is no weight to the conclusion.

Mr. REED. I am merely using it as an illustration; I am not finding fault with it. The Senator did not hear what I said at the beginning. I said that in picking the administrators for various industries the administration has two alternatives—one is to pick a man outside the business, who presumably has neither interest in it nor knowledge of it—and, of course, the administration will not do that—and the other is to pick a man from within the business, and in that way we would get a man habituated to regard high prices as only fair to the producers engaged in that industry.

Mr. BYRNES. Mr. President——

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

Mr. REED. I yield.

Mr. BYRNES. Without having anything to do with the decision or without having heard a discussion of it, I can conceive of a situation where, as administrator, I might call in one versed in the industry, and I might call in the representatives of labor, and then I might call in one representing the public, as an advisory committee, and secure information and advice from that committee, upon which advice I would thereafter act; but not that I would call in one charged with the responsibility of carrying on a private industry today and turn over to him absolutely the enforcement of the act.

Mr. REED. That is the way it will work, just the same.

Mr. BYRNES. The Senator says that is the way it will work, not because of any statement that has been made either by the proponents of the bill or by those who are said to have been selected by the administration. That is his own opinion.

Mr. REED. And it is based on experience. We were told how things were to be done so beautifully in connection with the so-called "conservation camps", but the very first thing that comes to light is a piece of most incredible stupidity on the part of the man who was put in charge of the expenditure of the $300,000,000. One would think that a child would know better than to have made the contract that he made for those kits. That is the way this is going to work under the vast powers to be delegated, for no human being is wise enough or farsighted enough to exercise them successfully.

Mr. VANDENBERG. Mr. President, may I submit a further inquiry to the Senator?

Mr. REED. I gladly yield.

Mr. VANDENBERG. I want to refer to the menace of split codes, which, it seems to me, has within it a complete defeat of the very objects to which the Senator from New York says this measure is dedicated. If we are going to have one code in one section of the country and a different code in another section of the country in the same industry, manifestly we are going to have different costs of production legalized in the two competing areas, and manifestly we are going to have different sales prices as the result. All of those commodities come into the same sales market; they cease to be separate when they reach the ultimate market; and, as I understand the Senator's analysis, the manufacturer in the area with the higher code price entering the common market to sell against the manufacturers in the lower code-price area goes to jail if he meets the price of the manufacturer in the lower-code area.

Mr. REED. That is exactly correct.

Mr. VANDENBERG. And if he does not go to jail, he goes out of business, because he cannot sell his product.

Mr. REED. Or both.

Mr. VANDENBERG. Or both.

Mr. REED. Yes.

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

Mr. REED. I yield.

Mr. CLARK. It seems to me that the process might work in directly the opposite way. For instance, in the last 25 or 30 years the State of Missouri has taken a great deal of the business of manufacturing shoes away from Massachusetts and other New England States. We were able to do that because the cost of living was cheaper in Missouri than it was in New England. The International Shoe Co., to use an example, the largest unit in the shoe-manufacturing business in the whole world, has some 60 plants in Missouri, located not in St. Louis but in small towns in agricultural sections of Missouri, where the cost of living is cheap; and in certain classes of shoes they have absolutely been able to take the trade away from New England, where the wage scale is higher because the cost of living is higher.

When they come to form one of these associations, to make one of these codes, while the bulk of the shoe trade is in Missouri or the Middle West numerically, in point of number of factories there is a great preponderance in New England and the East. So when they meet to form an association, with 1,300 factories in New England and 300 factories in the Middle West, they may make a code jacking up the wage scale so high to meet New England conditions that the great shoe manufacturers in the Middle West will be absolutely forced out of business, in spite of the fact that a concern like the International Shoe Co. has never had any trouble with its employees, has never had a strike in its entire history, has never laid off anybody even during the depression, and has maintained its wages during the depression, and in spite of the fact that the factories of the International Shoe Co. have been absolute lifesavers to some Missouri communities. But when they get into one of these associations, with the preponderance of votes coming from a number of separate concerns located in New England, it seems to me that the process may work exactly in the opposite way to that suggested by the Senator from Michigan.

Mr. REED. Under those circumstances is it not just ordinary human nature to find the New England manufacturers using these powers to jack up the wages in Missouri so as to make competition more easy?

Mr. CLARK. It seems to me that they would be more than human if they did not use the power in this act to do that.

Mr. REED. With much beating of breasts and saying they are trying to improve working conditions in Missouri, and all that, in the long run they will have their way and the natural competition which existed will be distorted by governmental action.

Mr. VANDENBERG. Mr. President——

Mr. REED. I yield to the Senator from Michigan.

Mr. VANDENBERG. Then the net result of the example used by the able Senator from Missouri and of our joint philosophy in respect to the situation is that if they have one code in the shoe business it will ruin Missouri, and if they have two codes it will ruin New England.

Mr. REED. That is right.

Mr. VANDENBERG. In either event somebody is ruined.

Mr. REED. Yes.

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

Mr. REED. I yield.

Mr. WAGNER. I suppose the conclusion is that after they both provide for a decent living wage the industry is to be ruined. That is the only conclusion I can reach from the statement just made by the Senator from Michigan.

Mr. REED. Mr. President, I do not like the argument in personae that we have had so often expressed that anybody who opposes this bill is in favor of low wages and long hours and sweatshops. I hope I am not unfair when I say that there is no place in the United States where there are so many sweatshops, where people are worked under more horrible conditions, than in the city of New York.

Mr. WAGNER. I am not sure whether the Senator is right or wrong; but if he is right, I want legislation of this kind to eliminate such conditions, and that can only be done on a national scale and through Federal authority.

Mr. REED. The State of New York has far more power under our Constitution to regulate working conditions than has the Federal Government, and it seems to me that it ought to put its house in order before it comes here to ask for this kind of power.

Mr. President, I beg the Senate to bear in mind that this licensing scheme is to impose an additional punishment. It is said it is the life of the bill. It is not anything of the sort, because in other sections it is made a crime to vary from the code. The licensing section makes the President not only the author of the law but the judge of its violations and authorizes him in his uncontrolled discretion to give capital punishment to any industry by refusing it a license. I say it is un-American, it conflicts with the most essential concepts of justice, and it ought not by any means to be passed.

Mr. LONG. Mr. President, the Senator from New York [Mr. WAGNER] and the Senator from Pennsylvania [Mr.

REED] have had so little experience in rural sections that naturally they do not understand the practical application of the bill in rural communities and in small towns, no more probably than I would understand it in its relation to cities had I not lived there the greater part of my lifetime. The bill is not to be thought of only as affecting industries that are organized. In other words, it is not to be thought of only as regulating the employers of men and women. I want to call the attention of the Senators from Pennsylvania and New York, if they will give me just a moment, to the broad aspects of the little man.

I want to preface my statement by saying that there is no one in the Senate who has a record better than mine for having stood for the laboring men in every walk of life. As a lawyer, I never took a lawsuit against a laboring man. I have never voted against a workingman's laws in my life. I am fighting now to keep from enslaving the laboring people and the people who have to work for a living. The big men will wiggle out of this some way. The steel plant and the shoe factory will get together somewhere down the line and make common porridge out of it somehow and in some way. But the little man cannot do it. We are living from hand to mouth in the country. When I saw this depression coming on, I wrote an article for a newspaper that I was publishing at the time, which I headed "Let's swap. Let's forget about making money, and let's swap."

Mr. President, I ask that the Senate be in order. If Senators do not want to listen to me, I do not care; but I do want order while I am talking.

The VICE PRESIDENT. The Senate will be in order.

Mr. LONG. The Senators from Pennsylvania and New York could not conceive of the bill being anything but a requirement that every woman who is making a little lard in her backyard shall be under the regulation of the provisions of the bill; but in carrying out the bill, if it is going to do any good at all, that identical thing will have to be done. That is one of the regulations that will have to be made. For instance, we are going to have a set of some kind of fair prices for the packing-house products, for meat and lard, for sausage, and anything else that is made by them. I have seen the time when in my own family we made washpot after washpot of lard and peddled it out over the community and destroyed any such thing as a market for lard in that community perhaps for as long as 5 or 6 months. There was so much home-made lard in the community that was swapped around for 6 or 7 or 8 cents a pound that there was no such thing as a market because the store could not buy from the packing house and compete with the home-made product.

If the bill is to avail anything, as the Senator from New York thinks it will, certainly we are not going to say we are to have prices fixed for packing-house products and at the same time have ten or twelve million country people selling those products below the fixed prices. If the bill does avail to that extent, then we will have an injunction and a revocation of license issued against every man engaged in his own little home-made industry of making lard in his backyard at hog-killing time in the South.

Do not think this is so insignificant, because among the industries we will have to deal with will be the packing-house industry, and the rules and regulations that will necessarily be prescribed will have to be applied to the millions of people living on the farms and in the rural communities of the South and West and, I suppose, of the North and East.

That is not all. Let me cite another industry. We come to the railroad industry and we get down to the matter of steel and cross ties. I want to call attention to the fact, gentlemen of the Senate, that it costs just as much to buy crossties for a railroad as it does to buy steel for the railroad. That is just as important an industry as anything else. Necessarily when we regulate the steel industry we will regulate the tie industry. We are going to get that regulation down to the point that every little man who takes his water jug and ax across his back and goes into the woods to hack crossties is going to have to comply with some rules and regulations and stand ready to have his license revoked for not complying with the rules and regulations that are issued governing the length and width and breadth and thickness and quality of crossties. That is just a fair sample of what the dictatorial measure here contemplated is going to do.

Mr. CLARK. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. Has the Senator been able to find anything in the bill anywhere giving a definition of the term "industry"?

Mr. LONG. No; I have not.

Mr. CLARK. I am frank to say I have read the bill a number of times. I questioned the Senator from New York [Mr. WAGNER] in his appearance before the committee as to whether there was anywhere in the bill a definition of "industry", and was told in effect that it was up to the President to decide.

Mr. LONG. Not only that, not only is there no definition of what is industry but I should like to know what is the conference that adopts the code. Where have they defined what the conference is or how the conference is to be called?

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

Mr. LONG. I yield to the Senator from New York.

Mr. WAGNER. In reply to the suggestion of the Senator from Missouri, I wish to say that I did not say it was up to the President to decide. What is industry is a matter of common knowledge, and the definition of it is never provided in any act, of course. What constitutes industry is a matter of common knowledge.

Mr. CLARK. As a matter of fact, the term "industry" is used in many different ways. Many people do not consider farming an industry, while others of us do.

Mr. LONG. Hacking ties is an industry.

Mr. CLARK. The work of a seaman is perhaps not considered an industry, and yet we constantly speak of the maritime industry. The term is generally used and diversely used, and is used in such loose ways that the bill as before us would seem to leave it up to the administrator of the provisions of the bill to determine to what businesses he desires to apply the term.

Mr. WAGNER. The Senator knows that in the act itself agriculture is specifically excluded.

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

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. I was a little surprised at the statement made by the Senator from New York. First of all, let me say that I am going to vote for the bill, but I was a little surprised at the statement made by him, because he says this will permit industries to get cost of production. Did not the Senator say that?

Mr. WAGNER. It is a provision similar to the provision for which the Senator contended so hard in the Farm Relief Act.

Mr. WHEELER. It should be remembered that when it come to the farm relief bill the Senator from New York voted against cost of production for the farmers, while the Senator from Louisiana and several of us were fighting for cost of production for the farmers. The Senator from New York was opposed to cost of production for the farmer.

Mr. LONG. So was the President.

Mr. WHEELER. So were most of the other Senators from the East who represent the industrial States. They say we must not give the farmer cost of production, because if we do that will bring about overproduction and will burden our industries, and now in less than 2 weeks' time those same Senators are here insisting upon cost of production for the manufacturers of the country.

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

Mr. LONG. Certainly.

Mr. CLARK. The Senator will recall that those of us at that time who voted for cost of production for the farming industry, so to speak, were denounced through the public press and elsewhere as mutineers, Bolsheviks, and by other opprobrious terms.

Mr. WHEELER. We were ridiculed by the press from one end of the country to the other because we wanted to give the farmer cost of production. It was said it could not be done. Now it is desired to give the manufacturer cost of production. I favor giving him cost of production, but I want also to give the farmer cost of production, because he is as much entitled to it.

Mr. WAGNER. Mr. President, will the Senator admit me into his camp?

Mr. WHEELER. I am delighted to do so, but the Senator is getting in pretty late, after the farm bill has passed.

Mr. WAGNER. The Senator knows I voted for the farm bill.

Mr. WHEELER. Oh, yes; but the Senator did not want to give the farmer the pre-war prices back to 1913, fixing farm commodities on a parity with prices prior to the war. But when we come to the manufacturer, the Senator does not want to go back to pre-war days, but wants to bring them up to 1926, 1927, 1928, and 1929, just as others of us were contending should be done for the farmer.

Mr. LONG. Not only that, but the President's Cabinet officer sent a message to the Senate in which he showed that the cost of raising those products at one place was different from the cost of raising them in another place. The Senate finally struck out the cost-of-production theory for the farmers, and the Senator from New York was one of the able men who helped to do it.

I voted for a stable price for farm products. I am on record here, and I have a record I do not have to defend. I ought to be the priest who is to pass upon whether or not the Senator from New York should get in on this line, if anyone has to approve his application.

I have never voted against a labor law in my life. I have stood up for labor under the charges of impeachment. I never in my life as a lawyer took a lawsuit against a laboring man. Never in my life did I ever take a lawsuit against a poor man in any court. To come here now and hear somebody pleading that we are going to put little administrators and custodians in charge of these matters, who will have the right to revoke the license of a tie hacker to make a living, or a poor little woman to make lard in her back yard, and enable those administrators and custodians to say they cannot even make lye hominy in the springtime without having their license revoked—to come here and talk about giving a living wage, to hear those who have sat here with the blood of Cain on their hands trying to keep the farmer from having his cost of production and trying to annul the antitrust laws and place this country under a tyranny and under a despotism on the ground that they are giving labor something—to a man who has been in that fight as long as I have and who has had only one side to vote on, I know too well what this thing means.

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

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Louisiana yield to the Senator from West Virginia?

Mr. LONG. Yes, sir.

Mr. HATFIELD. In other words, the Senator is impressed with the feeling and knowledge that this bill will not help labor.

Mr. LONG. It will ruin labor.

Mr. HATFIELD. It will nationalize labor. It will destroy the idea of collective bargaining. Is not that true?

Mr. LONG. Yes; and when the bill was first introduced, the Senator from Florida [Mr. TRAMMELL] informs me, there was not a word about labor in this infamous thing. They went and fixed that up a little bit later on. They did not have labor in the bill when they first introduced this monstrosity. They finally found out that they had to put some cinnamon on one side and some jelly on the other to make the Congress of the United States swallow this thing that has been brought in here.

Mr. HATFIELD and Mr. WAGNER addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield further; and if so, to whom?

Mr. LONG. I yield first to the Senator from West Virginia. Then I shall be glad to yield to the Senator from New York.

Mr. HATFIELD. In other words, the Senator from Louisiana takes the position that this bill has for its purpose the destruction of competition.

Mr. LONG. Yes, sir. That is its chief purpose—the repeal of the antitrust laws.

Mr. HATFIELD. The regulation of the sale of commodities upon a parity price.

Mr. LONG. Yes, sir.

Mr. HATFIELD. Which will result in the consumer paying the bill.

Mr. LONG. Not only the consumer; that will be one result. It will result in—I beg the Senator's pardon. I yield to the Senator from New York; then I will answer the Senator from West Virginia.

Mr. WAGNER. Mr. President, I always hesitate to interrupt the Senator from Louisiana, but I do not like to have misstatements stay in the RECORD.

The Senator says that when this bill was originally introduced it did not have any provision in it to take care of labor. I introduced the bill originally, and the provisions for collective bargaining and for outlawing the "yellow dog" contract were in the bill from the very beginning; and the representatives of organized labor, beginning with Mr. Green, the president of the American Federation of Labor, appeared before the House committee strongly advocating the bill because of those provisions. Let the RECORD be clear upon that subject.

Mr. CLARK. Mr. President, I should like to ask the Senator from New York if it is necessary to repeal all the antitrust statutes and set up an industrial dictatorship in order to guarantee the right of collective bargaining and outlaw the "yellow dog" contract. Is there any logical connection on earth between them?

Mr. LONG. Well, it is this kind of a case—that if we are going to allow you to drink spring water you will have to put a rope around your neck before we will let you have the water. That is what this means. Apparently, as the Senator from Florida [Mr. TRAMMELL] informs me, there have been some amendments made to give labor a great deal more mention.

Mr. TRAMMELL. Mr. President——

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

Mr. TRAMMELL. I made that statement because, as I understand, the bill was not satisfactory to labor, and the Senate committee has written into the bill certain amendments that were requested by labor for the purpose of making labor secure. So I say that in its origin the bill was not satisfactory to labor; and it did not attempt, in its primary purpose and object, to protect labor. While, of course, there was something about the question of protecting them in collective bargaining, they have that right today. They already have that right.

Mr. WAGNER. Mr. President, may I correct the Senator from Florida?

Mr. LONG. Yes, sir.

Mr. WAGNER. The Senate committee made no amendments which were requested by the representatives of labor. An amendment was offered to the bill which was not requested by the representatives of labor and which they do not approve now.

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

Mr. LONG. Yes, sir; I yield to the Senator from Ohio.

Mr. FESS. I have been urged, both by labor and by business—especially big business—to support this measure.

Mr. LONG. Yes; the big business people know what they are talking about.

Mr. FESS. Business seems to be inspired in the hope that it will get rid of the antitrust laws. The antitrust laws forbid any agreements to limit trade or limit production or to increase prices. That is what business wants to get rid of; and we are told that the philosophy of this bill is limited to the producer—that is, to the manufacturer—that it does not extend to the retailer. I have read the bill through and through; and it seems to me that it extends to all kinds of business—not simply to a producer or manufacturer, but to every kind of business, including retailers. If I am mistaken, I should like to have that fact pointed out.

Mr. LONG. It extends, may I say, to every laboring man. Every man is engaged in industry. The man who hacks ties, the man who saws and splits wood, is engaged in industry. There is not any limitation on the matter.

Mr. FESS. I think not.

Mr. LONG. From the interpretation of the bill and its enforcement there can be no exceptions, because there may not be more than one man involved, but he can can peaches. He can can tomatoes. He can can corn. He is in the canning industry. It does not take more than one man to run some kind of a canning factory, if he wants to do it. Every man comes under this bill. In order to hew wood or to draw water you have to get a license, and you have to behave, and I almost said you have to vote right, or you are liable not to have any license.

Mr. BORAH. Mr. President——

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

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

Mr. BORAH. In connection with the matter to which the Senator from Ohio has referred—that is, the interest of large business in this bill by reason of what it does to the Sherman antitrust law—may I quote a paragraph from an editorial in the New York Times discussing the interest which large business seems to have in this bill? It says:

> Quietly tucked away in the bill is a clause which gives the great manufacturing corporations what they have long striven for yet failed to obtain, so far as domestic trade is concerned.

And then it quotes section 5.

> This is plainly a charter of freedom from hampering restrictions. It is the way which captains of American industry have long sought and mourned because they found it not. Now, if the bill becomes law, it will be open to them for at least 2 years and 60 days thereafter. Already various trade associations are hailing it as a satisfactory makeweight against the other provisions of the recovery bill over which they hesitate.

Of course, Mr. President, large business interests understand perfectly that this is the end of the Sherman antitrust law.

Mr. LONG. Oh, yes; there is no doubt about it.

Mr. BORAH. And that is the reason why they are supporting it. They are not particularly interested in the other portions of the bill. They can endure those for a time if they can be rid of the law which they have been fighting for the last 25 years.

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

Mr. LONG. I yield to the Senator from Missouri.

Mr. CLARK. As a matter of fact, the effect of section 5 of this bill is to reverse what has been the policy of the United States for almost 50 years. Since the passage of the Sherman Antitrust Act it has been a crime in this country to indulge in price fixing. Under the terms of this bill it becomes a crime not to indulge in price fixing, punishable by penalties set out in the bill.

Mr. LONG. Exactly.

Mr. BORAH. Mr. President, you cannot fix the price of labor unless you fix the price of the commodity which you are selling. That is a certainty; and what is being done here is to make it a crime for anyone not to join in the combine for the purpose of fixing prices.

Mr. FESS. Mr. President——

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

Mr. FESS. I desire to ask the Senator from Idaho a question, if the Senator from Louisiana will permit me.

In view of the fact that only yesterday it was urged upon me by a very intelligent man that the operation of the bill is limited to the producer, and has not anything to do with the man who is dealing in articles produced, like a retailer, I should like to know whether the Senator agrees, after having studied the bill, that it does not extend to anyone except the producer?

Mr. BORAH. Oh, no! I do not understand that the authors of the bill contend that that is the case.

Mr. FESS. But it includes the retailer just the same.

Mr. BORAH. Exactly.

Mr. LONG. Everything—the producer. You cannot limit it.

Mr. BORAH. It includes almost every form of activity upon this mundane sphere.

Mr. FESS. That was my impression.

Mr. LONG. That is what it does.

Mr. TYDINGS. Mr. President——

Mr. LONG. I yield to the Senator from Maryland.

Mr. TYDINGS. It is my understanding that the net result of this bill, from the consumer's standpoint, would be to increase the cost of the article produced. We are in the midst of a depression now; and the aim of everyone is to increase the consumption of articles produced in the United States. It occurred to me that if you should increase the cost of an article to the consumer you would decrease the volume of consumption.

Mr. LONG. Of course.

Mr. TYDINGS. And in the end it seemed to me that you would employ less people than you would employ if the article sold with a reasonable degree of cheapness.

So from the standpoint of employing labor, while it is true that some of the provisions of the bill will perhaps be beneficial to labor—namely, the elimination of bad practices—in the end we must not lose sight of the fact that it is not an unmixed advantage, because the price of the article will be increased, and, therefore, the consumption of the article will be diminished, and a certain amount of labor will of necessity be eliminated.

Mr. LONG. I agree with the Senator absolutely.

Mr. CLARK. Mr. President——

Mr. LONG. I yield to the Senator from Missouri.

Mr. CLARK. I simply wish to direct the attention of the Senator from Maryland, in line with what he is saying, to the fact that at the very moment when the United States is going into a world-wide economic conference in the hope of improving economic conditions throughout the world by trade agreements we are about to enact here a bill authorizing the imposition of 100-percent embargoes—a slap in the face of every other nation in the world.

I may say further that while I am absolutely opposed to embargoes, and therefore would vote against this bill for that reason, if for no other, if we once emasculate the antitrust laws and authorize the jacking-up of prices through these monopolistic agreements, the imposition of embargoes is simply the next logical step.

Mr. LONG. I want to say, Mr. President, in line with what has just been said by the Senator from Maryland, and also what the Senator from Ohio brings out, that when you start this thing there is no end to it. The trouble today is the matter of consumption. The people cannot get the things they want to eat, and therefore the meat is going to waste on the shelf of the farmer, because he has not any place where he can sell it, because he has no one to buy it; and the only way he is getting along now is because he is able to swap his meat with the neighbor of the community, maybe for corn, or for sirup, or for meal, or something else.

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

Mr. LONG. I yield to the Senator from Maryland.

Mr. TYDINGS. Would the Senator be opposed to this bill if the antitrust provisions now contained in the law were safeguarded in this bill, and the provisions which seek to eliminate sweatshop practices were retained in the bill?

Mr. LONG. I should be glad to support any bill accomplishing those purposes.

Mr. TYDINGS. In other words, the Senator is not opposed to the desire of the administration and the sponsors of the bill to give to labor a better chance in certain professions or businesses.

Mr. LONG. Oh, no!

Mr. TYDINGS. But what the Senator does not want to do, as I take it, is to go beyond that point——

Mr. LONG. That is it.

Mr. TYDINGS. And permit, perhaps, price fixing under the disguise of benefits to labor.

Mr. LONG. The Senator is not only right as to that, not only is that my idea, but I look upon this as not being a bill for labor. It is the greatest antilabor bill with which I have ever been faced in my experience in State and National legislation.

I have voted for every labor bill that has ever been written here. I voted for the 30-hour law, and fought for it through the committee. When the Senator from Alabama [Mr. BLACK] came to me and said, "We are going to vote on the 30-hour bill," I said, "Well, you know how I am." He said, "I am not worried about you. We know how you are, anyway." They have always known how I stood here for labor legislation. Not only did I stand that way as Governor of my State, Mr. President; not only did I stand that way on the public-service commission for 10 years in my State, but I stood that way as a practitioner before the courts.

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

Mr. LONG. Yes, sir; I yield.

Mr. TYDINGS. I have no authority to quote one of the authors of the bill. He is very able to speak for himself. In conversation with him, however, I understand that his purpose is not to permit price fixing and not to permit monopolies to grow; and it occurred to me that perhaps those on both sides of this question might find themselves in agreement if an amendment were inserted in the bill which would state definitely that price fixing and the growth of monopolies were not contemplated in any waiver of the antitrust laws.

Mr. LONG. That will be fine; and I will ask only one thing further. I will ask that the Senator put in, further, that the President has not the power to revoke a laboring man's right to go ahead and pursue his vocation. Do that, and I am willing to go through with the measure.

Mr. CLARK. Mr. President, in response to what the Senator from Maryland has said, I may say that it is my purpose to offer an amendment to that effect by striking out section 5.

Mr. LONG. That is only part of what it will be necessary to strike out.

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

Mr. LONG. I yield to the Senator from Maryland.

Mr. TYDINGS. There is one other provision there as to which I do not know whether it could be handled or not; but, as I understand, the law permits the increase of tariffs to take care of any increase in the cost of production. Of course, a pretty good case can be made out for that provision, but certainly it ought not to be so rigid that if we do have any world accord on the revival of international trade it will act as a bar.

Mr. WAGNER. There is not any bar.

Mr. LONG. It allows embargoes with a 100-percent tax.

Mr. WAGNER. That really is not any different than the power the President now has under the tariff act. He can impose an embargo now, under the tariff act, if there is evidence of unfair competition. He can declare an embargo.

Mr. CLARK. Does the Senator mean under the antidumping clause?

Mr. WAGNER. Yes. It is in almost the identical language that appears in this bill. That is now the law. I think this is a sort of reiteration of the law as it is today, not giving any adidtional power.

Let me say to the Senator from Louisiana and the Senator from Maryland, if the Senator will be kind enough to yield——

Mr. LONG. Yes, sir.

Mr. WAGNER. If the Senator will read from section 3 of the bill, he will see that it provides the conditions which the President must find before he approves the code. One is, "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, and will tend to effectuate the policy of this title." That is a very clear definition.

Mr. TYDINGS. Mr. President, I think the Senator from New York is attempting to meet a great deal of the criticism which has been directed against this proposal, but, as I see it, the Senator from New York relies upon the President using discretion, while the opponents want the provision definitely written into the law, so that it will not be a matter of anybody's discretion. If the Senator really wants to accomplish that, and will use words to carry it out definitely, rather than leave it up to the President, it seems to me that both sides would be in accord on that provision.

Mr. WAGNER. Mr. President, how can we provide against monopoly in any other way except as we have provided here? We say that the President must find that the code is not designed to promote monopolies. We may put it that the code shall provide against the creation of a monopoly. That is the same thing.

Mr. BORAH. No; Mr. President, if we put into the law a specific declaration that the code shall not result in monopoly or monopolistic practices, then the man who complains may go into court.

Mr. WAGNER. Very well; I am quite willing to amend the bill so as to provide just that. That is what is intended, and if other language is better than the language used here, I am quite willing to adopt the other language. It is intended here to insure against the creation of any monopoly.

Mr. BORAH. Mr. President, the Senator sees what I have in view.

Mr. WAGNER. Certainly.

Mr. BORAH. It will be a fact that we will have a law, then, and from that law any citizen may appeal who is dissatisfied with the code, and the question may be tested in the courts of the country. I hope the Senator will consent to that amendment.

Mr. LONG. Mr. President, there are about 3 or 4 amendments to be offered.

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

Mr. LONG. I yield.

Mr. WAGNER. I dislike to interrupt the Senator, but there are some things I want to clear up.

I have reiterated on the floor two or three times, and it was stated any number of times in the committee that it is not contemplated that prices shall be fixed, because the fixation of prices is not in conformity with the preservation of fair competition. I made that as clear as I could and still there is constant reiteration. I do not think we ought to set up a straw man here and then knock him down.

Mr. BORAH. I think the reiteration arises out of the fact that it is difficult for some of us to see how we are to control the question of wages without controlling the question of prices.

Mr. WAGNER. We can provide that the sales shall not be at prices below the cost of production, but as to what that cost of production is depends on the efficiency of each particular plant, and we cannot have one fixed price.

Mr. HASTINGS. Mr. President, I want to ask the Senator from New York a question.

Mr. LONG. I yield.

Mr. HASTINGS. I want to find out whether there is anything in the bill which would prevent the fixing of prices.

Mr. WAGNER. Yes; because we are providing a code of fair competition and providing for practices of fair competition, and against practices which bring about unfair competition. That is also well known in the law. The Senator from Idaho yesterday was anxious to have that specifically defined. We do not define it in the antitrust laws. We do not define it in the Federal Trade Commission Act.

We simply use the words "unfair competition." We do not define it in the Tariff Commission Act.

Mr. HASTINGS. Is there any objection to writing in a statement that fair competition shall not include an agreement with respect to prices?

Mr. WAGNER. I have no objection to that.

Mr. LONG. Now, I want to proceed just a moment. I have yielded, and I will yield again in just a moment.

Mr. WAGNER. I do want the codes to provide, which every fair-competition code should provide, that there shall be no selling at prices below the cost of production.

Mr. LONG. Mr. President, a suggestion is made by the Senator from Maryland, and the Senator from New York states that he is willing to amend in that regard. A suggestion is made by the Senator from Idaho, and the Senator from New York says that may go into the bill, and the same thing as to a suggestion made by the Senator from Delaware. At least, we have done some good since I have been talking, if those three amendments are to be agreed to, and I believe we can go a little further toward Utopia in this matter. I am glad to see that much already conceded, and I hope we will have amendments to carry out those suggestions at the proper time.

I was saying, when I was interrupted, that I am not unaware of the fact that labor organizations and the members of labor organizations have been persuaded to come in and support this bill. They have been brought in by the big industries, which are trying to get rid of the antitrust laws. They are not going to be hurt for a year or two by any agreement they make with labor, they no doubt feel, but this is what it means, and in saying this I want to go just a little farther:

I had stated, when I was requested to yield to the Senator from New York, that in the record which I have tried to build up, standing as a friend of labor, I have seen the time when every State organization of organized labor fought me in my political campaigns. I have seen the president of the federation of labor of my State, I have seen the officers of every important organization, against me. Yet I have gone into the wards and into the precincts and polled as high as 95 percent of the votes of the laboring people, with every man at the head of the organization opposing my candidacy. Today the laboring people of this country, I think, give me a record of 100 percent perfect as having stood for labor legislation, notwithstanding the fact that I have had to fly in their teeth at times when they would have allowed themselves to yield, and to have been bartered away, on principles that were too dear to the people generally.

In this instance my good friend from New York is sitting in the other man's game; he is sitting in a game he does not know anything about. He has been fighting for labor all his life and for social legislation to upbuild the common man, and he has known how to do it when he has had his pen in his hand. When he sits in the game where they are designing some legislation, with this crowd across the mahogany table who have been working around here trying to get rid of the antitrust laws, he, like one of our conferees over in Europe, will never in the world be able to come out of it with anything for labor.

Mr. WAGNER. Mr. President, I assure the Senator, because I notice his interest in my welfare, that so far as my contribution to such legislation is concerned, it is not an overnight thought. I have been thinking of it for years. I do not think we will ever have industry in order until we have nationally planned economy, and this is the first step toward it. It is not a recent conversion at all.

Mr. LONG. I know it is not a recent conversion. I have knowledge of the perfect record the Senator has, and I am going to help keep it perfect. If the Senator will listen to me long enough today, he is not going to indicate his willingness to accept just those amendments of which he has already indicated his approval, but he is going to indicate that he will be willing to accept more. Probably I will indicate some change as I go along.

There is no question but that the Senator from New York has started toward a reform by going backwards. In other words, he has started out to promote fair competition by annulling the antitrust laws. That is what my friend has done.

The Senator from New York says here that we have to have something to stop the unfair practices by which the big are gobbling up the little. That is what we have to do, Mr. President. That is what he said here yesterday, and that is what the Senator from Idaho said. How are we going to do it? Is the first thing to do to repeal the antitrust laws, which for 25 years have been the only bulwark we have had to prevent the big from destroying the little?

I want now to go into what this proposed act means. In the first place, water never rises above its source, and I am reliably informed that the administration of the Farm Act and the administration of this proposed act are centered in two employees of Bernard M. Baruch. Mr. Hugh S. Johnson, an employee of Mr. Baruch, has already been installed in office to take charge of the administration of this act when passed. Mr. Peek, who, I was told—and I have only second-hand information—is another associate of Mr. Baruch, has been placed in charge of the administration of the Farm Act. Mr. Peek can revoke the license of the farmer and Mr. Johnson can revoke the license of the laboring man.

Mr. Baruch has graced this administration, as he graced the Hoover administration, and, regardless of everything we have been trying to do, we find today that my people—the little farmers, the little wage earners—already have been assigned to the tender mercies and to the administration of Mr. Baruch, against whom I waged a fight here in an effort to drive him out of the administration of Hoover, and partly succeeded; but I now find him quite entrenched in an administration that would not have been here if my friends and myself had not helped elect it. Can we not get relief from this thing?

Mr. President, I send to the desk and ask to have read a little article I clipped from the paper this morning.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

Three outstanding industrialists—Walter C. Teagle, of Standard Oil; Alfred P. Sloan, of General Motors; and Gerard Swope, of General Electric—last night were reported ready to accept appointment by Hugh S. Johnson to aid in the administration of the Industrial Act.

Announcement of their selection as part of a 5-man board which will represent industry in considering trade agreements under the legislation was said to await only enactment of the bill by Congress.

This is expected to come before the end of the week, with President Roosevelt affixing his signature and appointing General Johnson as administrator.

As representatives of labor, Johnson has chosen Donald Richberg, a codrafter of the bill and counsel for the Association of Railway Labor Executives, and Leo Wolman, a labor expert and professor at Columbia University.

Johnson was described as intending to set up a board of 10 men drawn equally from industry and labor. From the standpoint of the groups they represent, they will be charged with aiding the administrator in the "fair and impartial" handling of the legislation which he promised last week.

Mr. LONG. Mr. President, Mr. Walter Teagle, the head of the Standard Oil Co., Mr. Sloan, the head of the General Motors, and Mr. Swope, the head of the General Electric, are to be employed under Mr. Johnson. The act has not yet been passed, but Mr. Baruch's employee is now ready here with the officers set out, and he is now arranging to be kind enough to me and my people to put Mr. Walter Teagle and his kind over the affairs of the little community from which I come.

Mr. CUTTING. Mr. President——

Mr. LONG. I yield to the Senator from New Mexico.

Mr. CUTTING. I was merely going to suggest to the Senator from Louisiana that while he is discussing the influence of Mr. Baruch it has been mentioned in the press repeatedly that Mr. Alvin Brown, the Assistant Director of the Budget, was also a prominent member of Mr. Baruch's staff.

Mr. LONG. Yes, sir. What is the full name of the man to whom the Senator from New Mexico has referred?

Mr. CUTTING. Mr. Alvin Brown, to whom has been attributed, in large measure, the reductions which have been brought about in veterans' compensation.

Mr. LONG. Mr. President, I am almost tempted to remark, as did Hannibal when his brother's head was thrown into the camp, "Carthage, I see thy fate."

Mr. BORAH. Mr. President——

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

Mr. LONG. I yield.

Mr. BORAH. Returning to the matter which we were discussing a few minutes ago, in which I am vitally interested, I ask the Senator from New York if he would be willing to insert after the word "title" and the colon, on page 4, line 15, the following:

Provided, That such code or codes shall not permit combinations in restraint of trade, price fixing, or other monopolistic practices.

Mr. WAGNER. Mr. President, the Senator from Idaho by that proposal does not mean that a code could not provide in general terms for a uniform price or provide that there shall not be any cutthroat competition and selling below the cost of production? That, of course, he does not intend to interfere with?

Mr. BORAH. No; I do not.

Mr. WAGNER. I am quite agreeable to the amendment proposed by the Senator from Idaho.

Mr. LONG. That amendment, as I understand, is offered by the Senator from Idaho?

Mr. BORAH. Yes.

Mr. LONG. I ask the Senator to send the amendment to the desk, if there is no objection, and let us adopt the amendment, and then proceed.

The PRESIDING OFFICER. The amendment proposed by the Senator from Idaho will be stated.

Mr. REED. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. REED. Is not an amendment now pending?

Mr. LONG. I yielded to the Senator from Idaho that he might offer his amendment, if there be no objection.

The PRESIDING OFFICER. Let the amendment be read.

Mr. LONG. Let us get to whittling on it, and we will get it all out before very long.

Mr. BORAH. After the word "title" and the colon, in line 13, page 4, I move to insert the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Idaho will be stated.

The LEGISLATIVE CLERK. On page 4, line 13, after the word "title", it is proposed to insert:

Provided, That such code or codes shall not permit combinations in restraint of trade, price fixing, or other monopolistic practices.

The PRESIDING OFFICER. The Chair will state to the Senator from Idaho that to consider his amendment it would be necessary to reconsider the vote by which the amendment on page 4, line 13, was adopted.

Mr. BORAH. Mr. President——

Mr. LONG. We have an agreement to proceed with the Senate committee amendments and then come back to individual amendments.

Mr. BORAH. This amendment precedes the amendment which we adopted; it is not a part of it.

The PRESIDING OFFICER. The Chair will state that there is an agreement first to consider committee amendments; but the Senator from Idaho could ask unanimous consent to consider this amendment at this time.

Mr. BORAH. Well, I will ask unanimous consent that the amendment may now be considered.

Mr. HARRISON. Reserving the right to object, I was called out of the Chamber, and should like to know the purport of the amendment.

Mr. LONG. The Senator from New York [Mr. WAGNER] is in accord with this amendment.

Mr. HARRISON. But the Finance Committee must get in accord with some of these things, too.

Mr. WAGNER. I think the amendment ought to be submitted to the chairman of the committee.

Mr. LONG. Let the chairman of the committee take time to consider the amendment while I continue my speech. I have some further remarks to make, anyway.

Mr. HARRISON. I think we had better go along and consider committee amendments first, and then before we finish the first title let individual amendments be offered.

Mr. BORAH. Very well. If the clerk will return my amendment to me, I may improve it.

Mr. LONG. Mr. President, I was trying to save time. As we point out the weaknesses of the pending bill, I will gladly yield in order that they may be corrected. As we unfold to the very ready and highly trained mind of the Senator from New York [Mr. WAGNER] the various holes that need to be plugged, I believe it would save time if we were permitted to correct them as the Senator from New York sees the necessity of doing so; but the Senator from Mississippi has come in and interrupted all the speed that we were trying to make in order to hasten this bill through. He, of course, being in charge of the bill, has the right to do as he sees fit. I therefore regret that I have to take up the time and make more lengthy my remarks with respect to the bill.

What I said, Mr. President, was that I was informed by the Senator from New Mexico that Mr. Baruch has gotten Mr. —— what is his name?

Mr. CUTTING. Mr. Brown.

Mr. LONG. Mr. Brown as chief cook and bottle washer of the Director of the Budget under Mr. Douglas. I am further informed that he is the man given credit for the stupendous genius that prescribed the specifications and regulations to eliminate the compensation and benefits that were being given the veterans of all wars. He is one of the main men in that line.

There is Mr. Baruch, with one lieutenant, handling the Director of the Budget's office; that settles that. There is Mr. Baruch, with another employee—Mr. Peek—handling the Farm Act; that settles that. There is Mr. Baruch, with Mr. Hugh S. Johnson, another employee, already installed in his offices here, announcing the appointment of the chief men in the Standard Oil Co., in the General Motors Corporation, and in the General Electric Co. as the men who are going to administer this bill when it shall become a law. And from one source——

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

Mr. LONG. I will yield in just a moment. And from one source we have already been told down to the point that there is no such thing as the planting of a stalk of okra or the hacking of a crosstie or the soling of a pair of shoes that is not within the power of these gentlemen who come from Baruch. Now I yield.

Mr. BARKLEY. I should like to inquire of the Senator if he meant by his language to imply that Mr. Peek and General Johnson are employees of Mr. Baruch? That is the interpretation that might be placed upon his language. I want to know if he means to make that sort of assertion?

Mr. LONG. I mean that they have been Mr. Baruch's employees up until they were hired by the Government, and Johnson has not as yet been hired by the Government.

Mr. BARKLEY. As to Mr. George Peek, who lives in Illinois and who has been interested in the agricultural situation for many years, long before, I imagine, he thought of having any appointment under any administration, in what capacity has Mr. Baruch employed him?

Mr. LONG. I do not know; I will get the Senator up the details.

Mr. BARKLEY. Does the Senator know that he has been employed by Mr. Baruch?

Mr. LONG. I understand so. I was reliably informed by a Senator this morning that he was, and I am sure he has been.

Mr. BARKLEY. Then, the Senator does not know?

Mr. LONG. I do not know of my own personal knowledge that Mr. Brown has been or that Mr. Johnson has been, but

I am reliably informed they have been, and that is a matter as to which we can very easily get the facts. I am certain that what I have said is true, just the same as I am that what is stated in the article I sent to the desk is true.

Mr. BARKLEY. In what capacity did Mr. Baruch ever employ General Johnson?

Mr. LONG. I do not know that.

Mr. BARKLEY. Does the Senator know that he has ever employed him at all?

Mr. LONG. I have been told so by very reliable authority in the Senate, and I understand beyond any question he has been.

Mr. BARKLEY. In what capacity?

Mr. LONG. I do not know.

Mr. BARKLEY. The Senator, I suppose, would not be willing to divulge the source of his information or rumor or gossip.

Mr. LONG. I do not think there is any question that Johnson has been employed by Baruch.

Mr. BARKLEY. Well, in what capacity?

Mr. LONG. I do not know.

Mr. BARKLEY. Where?

Mr. LONG. I will get that up for the Senator. The Senator can go after Mr. Johnson, and he will no doubt tell him.

Mr. BARKLEY. The Senator from Louisiana might also have asked him.

Mr. LONG. No; I am not that close to him.

Mr. BARKLEY. And probably never will be.

Mr. LONG. No, I may never be; I doubt if I ever will be. I know, Mr. President, that Eugene Meyer was an associate of Baruch, and I stood on the floor of the Senate—not entirely on account of Eugene Meyer, but when I knew that Baruch was around here trying to pull off this reactionary legislation and was prompting Mr. Hoover in it, I knew he was the man who was wrecking Hoover, and I said so on the floor of the Senate. That is Bernard M. Baruch, who wrecked Woodrow Wilson, and who was going to wreck Herbert Hoover, and he did, and, take my word for it, he is going to wreck President Roosevelt, too, just as he wrecked the other two.

I stated, Mr. President, that Eugene Meyer and Barney Baruch had been in a market rigging operation in New York for many years, and I think I proved it on the floor of the Senate. I am not violating any confidence when I say that one morning a gentleman came to me from Mr. Hoover when I was here last year and asked me why I was making the charges that I was against Mr. Meyer on the floor of the Senate, and would I feel satisfied if Mr. Baruch were taken off the Reconstruction Finance Corporation. I told him that I would, for the time being; and a few days later I added another request to it, that another gentleman under Mr. Meyer's wing be taken off the Reconstruction Finance Corporation. Whether it was because of that or not I do not know, but a few days later Mr. Hoover had the good sense to come in here with a message saying that the two gentlemen referred to ought to be taken off the Reconstruction Finance Corporation; and I understood that the influence of Mr. Baruch around Mr. Hoover began to wane, but too late to save the man.

While we are investigating Morgan—and he ought to be investigated, do not forget that—something very peculiar has happened here. We have not heard a word about investigating the Chase National Bank and the Rockefellers. Remember that—not a word. Mr. President, let me tell you something else. If you will investigate the silver purchases and the currency purchases of Baruch and his clients since they have been manipulating this thing, you are liable to find out that they are doing just as much market rigging as they were at the time that I referred to the Meyer case here, and put the facts in the RECORD of this Congress. They are in charge; they are "in the know"; they know all about what is going on, and they know what is going to happen. You, Mr. President, and I do not know. They have been placed in seats where they are in a position to know anything that is going to happen. If they know that the President is going to buy silver tomorrow morning, they know it, but you do not. Somebody is going to know it; he cannot keep it all to himself; he has to have his main arms of the administration in there. And when it is believed that the Government is going to buy silver and purchases are made, they are in on it, and when the Government does buy silver they reap a handsome reward. That is the kind of legislation that Mr. Baruch has guided the President into ever since he has been back here.

Why was Franklin Roosevelt nominated for the Presidency? Baruch is the man that caused him to be nominated, because some of us felt that he was the only man we could nominate and get away from Baruch. When we were around here last May and last April and last March and Baruch brought Al Smith down here and got Democrats to sign up on the same thing that Hoover and his crowd were signing up on, which was supposed to be a nonpartisan effort in behalf of the sales tax and things of that kind, we did not have anybody left to go to but Franklin Roosevelt. We thought that since Baruch was against him, above all other candidates, that was a chance to get rid of Baruch and his kind. This man, who was there telling Wilson when he was sick and could not get around, is here talking to Franklin Roosevelt today more effectively than ever; and I tell you, Mr. President, that now I understand the mistakes of the Director of the Budget.

Mr. HARRISON. Mr. President——

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

Mr. LONG. I yield.

Mr. HARRISON. I have just been in conference with the Senator from Idaho, the Senator from New York, and the Senator from Wisconsin, and some others in reference to suggested amendments. Will not the Senator permit us to see if we cannot get together on those amendments?

Mr. LONG. I am perfectly willing to do that. I was willing to do that a while ago, if the Senator from Mississippi had not interrupted us, and I am willing to do it now.

I am willing to yield for that purpose now.

Mr. HARRISON. I may say that the amendment suggested by the Senator from Idaho [Mr. BORAH] with reference to restraint of trade, monopolistic purposes, and so forth, is carrying out the purposes of the bill as we construe it. I ask unanimous consent that it may now be offered so we can eliminate that matter in the hope that we may conserve some time and expedite the passage of the bill.

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

Mr. LONG. I yield for that purpose.

The PRESIDING OFFICER. There being no objection, the amendment of the Senator from Idaho will be stated.

The CHIEF CLERK. The Senator from Idaho [Mr. BORAH] proposes, on page 4, line 13, after the word "title", to insert the following:

Provided, That such code or codes shall not permit combinations in restraint of trade, price fixing, or other monopolies purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the amendment? The Chair hears none. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, there should be a correction made in the next proviso so that it will read "and provided further."

The PRESIDING OFFICER. Without objection the correction will be made.

Mr. LONG. Mr. President, I want to say something further in answer to the Senator from Kentucky [Mr. BARKLEY]. I think he can give me credit for being in good faith about this matter. He was here at the time when I said on the floor of the Senate what I am saying now, when I said it under the Hoover administration. I said at that time that they could not give Mr. Baruch to the Democratic

Party again. I think the Senator from Kentucky heard me say that at the time.

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

Mr. LONG. I yield.

Mr. BARKLEY. I do not recall the language that may have been used a year or more ago by the Senator from Louisiana in discussing Mr. Baruch or any other prominent Democrat, and I am not concerned about any quarrel which he has with Mr. Baruch.

Mr. LONG. I do not even know the man.

Mr. BARKLEY. I know Mr. Baruch and I wish to say publicly that I have known him for many years. I have known that he has been unusually interested in agricultural relief. I know that years ago, under both Mr. Coolidge and Mr. Hoover, Mr. Baruch made a careful study and survey of agricultural conditions and suggested some remedies which probably, if they had been adopted, might have prevented some of the disaster which has overtaken and overcome the farmers of the country. I have always regarded Mr. Baruch, so far as his attitude toward the farmer was concerned, as unselfishly desirous of aiding the farmer in any way he could by assistance, by cooperation, or by helpful legislation that might be enacted.

I did not understand that the Senator from Louisiana had the power to give Mr. Baruch to the Democratic Party or that it was necessary, because Mr. Baruch has always been a Democrat. He has supported every Democratic nominee, I am informed, since he was old enough to cast his vote. While I have sometimes found it necessary to disagree with Mr. Baruch with reference to some of his economic views, I have always entertained for him the highest respect, and I do now entertain for him the highest respect. I do not think Mr. Baruch is trying to put anything over on Mr. Roosevelt, or that he tried to put anything over on Mr. Hoover or Mr. Coolidge that was inimical to the interests of the American farmer.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG. No; I refuse to yield for any more eulogies of Mr. Baruch at this time.

Mr. ROBINSON of Arkansas. The Senator is in poor business——

Mr. LONG. What is that?

Mr. ROBINSON of Arkansas. I say the Senator is in poor business attacking private citizens on the floor of the Senate and refusing to permit any answer to be made.

Mr. LONG. Let the Senator go ahead and make his answer.

Mr. ROBINSON of Arkansas. No; I will take my own time.

Mr. LONG. That is perfectly all right.

Mr. ROBINSON of Arkansas. I refuse to be beholden to the Senator from Louisiana.

Mr. LONG. I am perfectly willing for the Senator to do it now or at any other time, I say again, and I am not afraid to say it again.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LONG. Very well.

Mr. ROBINSON of Arkansas. The Senator can come here on the floor of the Senate and attack private citizens and declare that he is not afraid, as he did in a certain case when his hand was called by the Senator from North Carolina [Mr. BAILEY], and then when he is sued for making slanderous or libelous statements he can hide himself behind his immunity. The Senator from Louisiana will never see the day when he can stand in a class with gentlemen like B. M. Baruch! [Applause.]

Mr. LONG. I am glad, Mr. President, if the Senator from Arkansas wishes to make a personal charge. I went to the State of Arkansas, where the Senator from Arkansas lives, and I was one who helped them to attend to him there. I went to Arkansas when the Senator from Arkansas said he would not have anything to do with the campaign out there. We pretty well settled that matter up there. I settled the matter in Arkansas with him and I settled the matter in Louisiana with him. The Senator has no right to come here and attack me.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LONG. No; I do not yield.

Mr. ROBINSON of Arkansas. No; the Senator of course refuses to yield.

Mr. LONG. I do not yield to the Senator until I am through making my reply to him.

I say that Mr. Baruch was the chief adviser of Mr. Hoover on the sales tax. I know it because I saw Senators who told me that Mr. Baruch stood outside the door of the Senate trying to get Members of the Senate to support the sales tax when Hoover was trying to put it over. I was told so by Senators, some of whom hear me now. I am not referring to the private character of Mr. Barney Baruch. I am referring to the political operations of Mr. Baruch. I am referring to the fact that Mr. Baruch was the chief manipulator of the downfall of Woodrow Wilson. Everybody who knows political history knows that to be true. I know that he was just as close to Hoover as he was to Woodrow Wilson, and that the downfall of Hoover in a large measure can be traced to the advice he received, which was not received by the American people.

I want to say further that I stood on the floor of the Senate when the Senator from Arkansas was here, Mr. President, when my political career at the time did not mean much to me, but I was using it for the American people, and I said we would relieve the Democratic Party of the influence that had wrecked Wilson and the influence that had wrecked Hoover. I said that Baruch would not be in the category, and I received a letter from the President of the United States after I made that statement, and if I ever read a letter that approved what I said or what he thought I said, I thought I read it in the lines of that letter that came from the President who now sits in the White House.

That is why I was one of those who worked for the President of the United States not only in my own State but I was asked to help in other States to secure delegations for the present President of the United States, and I did. The States in which I was asked to take charge delivered their delegations for the nomination of Mr. Roosevelt. While Senators may condemn me in the Senate or wherever they want to and I will not urge any exemptions or exceptions, they cannot come here and condemn me for having said something that was accepted by my chief and by my party because now I object to that influence coming back into this administration and being the controlling factor not only in the preparation of legislation but in the manipulation and in the administration of that kind of legislation. I am not going to have it if I am the only Democrat who can stand here now with the great welching powers of the party chiefs condemning me for the reason that I condemn that damnable influence.

I will go with the Senator to the people of Arkansas again and we will see who gets the votes of the people and who comes back to the Senate. I will go back with him to Louisiana and Arkansas or any other State on earth. He is not going to make me a party to this blood-stained-hand betrayal of the people of the country by putting Barney Baruch in a place where he can revoke the license of the tie hacker or of the woman at the washpots who give me whatever standing I have here. There may be found some who are afraid to do it, but no one will ever find me afraid to do it.

I will read a little further from one of Mr. Baruch's satellites, if the Senator from New Mexico [Mr. CUTTING] has correctly informed me. I read from the New York Herald Tribune of Thursday, June 8, 1933. First, I read the headlines:

Roosevelt and Congress near break on veterans; Borah hits recovery bill. House chiefs demand at least $40,000,000 more than President's limit for service men. Budget head urges him to defy them. Decision due this morning; request for tariff powers dropped in his hope of ending session.

Now I read from the article:

WASHINGTON, June 7.—President Roosevelt was face to face tonight with a decision whether to part company with the Demo-

cratic Congress on the veterans' issue when House Democratic leaders left with him a compromise proposal which would have him surrender some of his powers over compensation to ex-service men.

Through his Budget Director, Lewis W. Douglas—

I understand that includes Mr. Brown, who, my friend the Senator from New Mexico [Mr. CUTTING] informs me, is another Baruch man. I hope that none of my colleagues will feel it necessary to cast any reflection on the Senator from New Mexico for offering me that friendly piece of information. I hope that whatever murderous charges may be brought down on anybody will descend on my shoulders entirely for volunteering that information, because the Senator from New Mexico was trying to do me a courtesy. I understand the Senator from New Mexico happened to be one who supported Mr. Roosevelt in the campaign long before some of my traducers ever supported him.

I continue reading from the article—

Through his Budget Director, Lewis W. Douglas, the President sent back word that he would communicate with the House leadership at 10 a.m. tomorrow. Mr. Douglas was disclosed as advising the President to stand pat and defy Congress to clip $170,000,000 from his $460,000,000 economies in veterans' payments.

WOULD LEAD TO VETO

This would lead to a veto of the independent offices appropriation bill and require the passage of a continuing appropriation in order to adjourn Congress by the end of this week or early next week. It also would draw the veterans' issue between the President and the heavily Democratic Congress, which has voted him powers such as never before were held by any President.

In the developments of the political crisis, made all the more acute by the President's desire to deal with the war-debt emergency of next Thursday without interference by Congress, Mr. Roosevelt sent word that he was dropping his request for special reciprocal tariff powers. This leaves the national recovery measure and the veterans' issue as the major questions to be cleared away to close out this session of Congress before it can make more trouble for the President.

UNDER TREMENDOUS PRESSURE

The President was under tremendous pressure tonight from both sides of the veterans' question. While his decision was not known, and probably will not be reached definitely before tomorrow, he was taking the position that he could not compromise with principle.

Apparently, Mr. President, the advisers are having their way about it. The President cannot see it. He cannot see that he is taking hundreds of Democratic Members in the lower House of Congress and sending them to slaughter next year; and I cannot make him see it, because he is not hearing me. We are taking hundreds of good men in this Congress who voted for the economy bill, and we are sending them out here to slaughter next year—friends of ours, that we have helped to elect—because of what has been done under the administration of the Economy Act; and today we read in the papers that the administration is willing to veto the bill before it will allow it to go into effect to correct a small part of the injuries that have been done, that an overwhelming majority of this Congress thought ought not to be done.

No; I will say this: I am going to read in just a minute what I said about Mr. Baruch before I was accepted into the folds of Mr. Roosevelt's party. I am going to read it to you in just a minute. I have sent for it. You did not complain about it then. Nobody got up on the floor of the Senate then and said that he was the apostle to lead the Democratic Party. Hoover's own spokesmen did not defend him on the floor of the Senate. On the contrary, I was told by Members here in private conversation that they had advised the President of the United States, Mr. Hoover, the same as I was saying on the floor of the Senate—that he had better get Mr. Baruch out of here; that he was going to wreck his administration, as he did Woodrow Wilson's in the last few months. No one said anything about it at the time; but now it has become a crime for me to get up here and to complain of Mr. Baruch, who, I understand, is a nationally known market operator. I understand that his business is that of being wise on the market. I understand that to be his business—that he is wise on the market, when to buy and when to sell. That is the information I have always received in New York—that Mr. Baruch is known to be market wise.

I do not know what Mr. Baruch would do; but you take any ordinary man, Mr. President, and let him put one of his men running the Budget Bureau, and another one of his men running all the industries and livelihoods, and another one of his men running something else, like the Farm Board, and you do not have to eat a whole beef to tell when it is tainted. Do you mean to tell me that those men who have been in Mr. Baruch's employ all this time are going to forget all about it when they get up there? How many men believe that?

Do you mean to tell me that Mr. Baruch does not know what he is doing when he has Hugh S. Johnson down here already in charge of the administration of a law that has yet to go through Congress? Do you mean to say that Mr. Johnson, if he has a man under him, does not know what he is doing, when right down here now there is a press dispatch, that I have sent to the desk, saying that Mr. Walter C. Teagle, the head of the Standard Oil Co., and the head of the General Electric Co., and the head of General Motors have already been picked to administer the measure that we now have under debate? And yet you tell me that Mr. Baruch has no influence here! Maybe he has not, Mr. President, but it is the most peculiar thing I have ever seen.

Now my friend from Kentucky and my friend from Arkansas volunteer the information that Mr. Baruch is a good Democrat. He may be; I do not know. I do not say that he is not a good Democrat. He is not the kind of Democrat that I thought was going to run this administration. If he is the kind of Democrat that can advise Hoover one day and advise Roosevelt the next day, then we went a long way to do a lot of work that there was not any use of our doing. [Laughter.] You surely could have saved me lots of trouble. It was mighty cold coming through South and North Dakota. You could have saved me from almost falling out with one of the best friends I have in the world, a Governor of a State, trying to keep him in line for Roosevelt at the convention. That is something you could have saved me from doing. You could have saved me from having to go north into another State to meddle in politics that was none of my business if that is true; you probably could have made someone else just as much for me now as the other gentleman is against me. You could have kept me out of lots of trouble if that is what we meant to do.

That may be right, gentlemen. That may be the right thing; but there is such a thing as the rights of a human being anywhere. There is such a thing as a man being treated fairly; and I went farther than that. I went a great deal farther than that. I see men here in this Hall of Congress who sweated out the night sessions in Chicago. I see men sitting here who were there during those days and those nights. They know what we fought, and they know the issue upon which we fought and the lines upon which we fought—Owen D. Young, Bernard Baruch, Al Smith, Newton D. Baker, and others of their kind on one side; the Roosevelt crowd, WHEELER, DILL, LONG, and that crowd on the other side.

There was not any making any mistake as to what the issue was, Mr. President. Wherever there was a power company that had an office, we always felt its weight in that convention, and we knew what it meant at the time. They came in with them all the time, and we had them to beat, and we had them to fight.

I have sent for a copy of what I said before that convention met, which I expect to read to the Senate in a moment.

Now we come here, after I had said all of that on the floor of the Senate, after I said the same thing to the people in the North and in the South and in the West, and we are told that Mr. Baruch is a good Democrat. I am not going to argue with the Senator from Kentucky or the Senator from Arkansas as to whether or not he is a good Democrat, but I am putting up the side of this picture that I presented to the people of the United States from the floor of the Senate and from the public platform, and leaving them to judge of it.

I opposed this reforestation move. I send to the desk a short clipping that I take from this morning's paper, and ask the clerk to read it.

The PRESIDING OFFICER. Without objection, the article will be read.

The Chief Clerk read as follows:

15 VETERANS LOSE FORESTRY JOBS AS MOB INVADES TOWN—FORT HUMPHREYS EVICTIONS FOLLOW UPROAR CAUSED BY NIGHT BRAWLING OF 200 MEN AT ACCOTINK, VA.; MAJORITY IN CAMP ORDERLY

A brawling mob of drunken men from the veterans' reforestation camp at Fort Humphreys early last Sunday morning threw the quiet little nearby village of Accotink, Va., into a state of fright and uproar, it was learned exclusively last night by the Washington Post.

Soldiers from Fort Humphreys finally herded approximately 200 of the men back to the camp, and for 2 days thereafter military authorities stationed soldier police in the villages of Accotink and Pohick to prevent the reforestation recruits from entering the small communities.

About 15 of the veterans were summarily discharged from the Fort Humphreys camp as a result of the Accotink and other incidents involving alleged liquor drinking, Army officers said yesterday.

No overt acts against the people or property of the Virginia communities were committed by the veterans, it was said last night by residents. However, the men congregated during a quiet hour and brawled among themselves to such an extent that the quiet residential sector was thrown into a nervous furor, it was said.

One man, it was learned, was cut severely during a brawl.

The procuring of the whisky began late last week, after the men had received their first allotment of approximately $2 from the Government. Others had received larger amounts in the shape of Veterans' Administration compensation checks, it was said. The liquor was obtained from backwoods bootleggers, it was said, and some of it was actually smuggled into the camp.

Mr. LONG. Mr. President, I am going to read now what I said on this floor on May 12, 1932, and I was told by the President himself that he had read it.

Who is this Barney Baruch?—

I said on May 12, 1932—

Who is this Barney Baruch? You cannot feed him to the Democratic Party, because we will not have him, nor can the leader of the Democratic Party in this Senate accept him for the Democratic Party of the Nation. He is the right-hand, twin-bed mate of Hooverism in this country. [Laughter.] Everything that Hoover represents is represented by Baruch. He is supposed to have been engaged in the banking business in New York City. Maybe he was. It was not exactly a banking business, but some kind of a stock-market and bucket-shop operation carried on up in that country, legitimate under the law. He never was in any bank that I could find out anything about in modern days. But to Barney Baruch was sent one Eugene Meyer. Eugene Meyer and Baruch operated a certain investment stock-marketing racketeering enterprise up in New York City. [Laughter.] One of them is supposed to be in control of the financial side of the Democratic Party, the other of them is supposed to be in partnership and in charge of the financial side of the Republican Party. Mr. Eugene Meyer, Mr. Barney Baruch's partner, has been by Mr. Herbert Hoover made the president or chairman of the board of governors of the Federal Reserve System of the United States and is today the Chairman of the Reconstruction Finance Corporation.

That is not all I said. A little bit further along I mentioned Mr. Baruch again. This was not a keynote speech for the Democratic Convention, but it was my keynote speech before we had a convention.

Now I will read a little more. I want to read what I said just as I closed the speech, where I went back over that ground a little bit in order to emphasize the fact that the Democratic Party could not win with Baruch handling it. I said:

The Republican Party cannot deed us Bernard M. Baruch for the next 6 months. We will not take him. You cannot hand him to us, whether he is sponsored here on this side of the Chamber or not.

That was in the course of my speech of May 12. I have not said anything today that I did not say on May 12. I was accepted into the councils of the Democratic nominee. I was sent out over the country to speak for my party. They not only knew what I spoke, but I wrote a letter, and I went to see the committee, and I went to the nominee in person after getting a letter from him, and told him that I could not advocate anything else except what I had been advocating here in the Senate, and that if it was going to be of any injury whatever to the party I was perfectly willing not to go out.

They had the chance not to have me go out. That would have been all right with me; but they had me come and tell the people of America the issues as I saw them, for whatever my word is worth—and it is worth something in a few States in this country. It is worth something in my own State, and has been for many, many years. It will be worth something down there for many, many more years to come. It has been worth something in my neighboring States, Mr. President. They made me, against my consent, the issue in a governor's race in one State; but the man whom they charged as having had my support—and he did—was overwhelmingly elected Governor of that State, notwithstanding the fact that in two previous races he never ran better than third. They made me an issue in other campaigns, but in none of them where they have made me the issue in States down there has the man making me the issue come out better than second; and they did not have to have me, if they did not want me, in the last Democratic campaign. But if we were going to have the same kind of influences under Mr. Roosevelt, Mr. Smith, or whoever was named by the Democratic Party as we were having at that time under Mr. Hoover, it did not make a tinker's rap with me who the nominee of the Democratic Party was, because I was fighting for relief of the people of this country, and not merely for a change in names and organs.

I come here now and I complain. I complain in the name of the people of my country, of the sovereign State I represent. I complain in the name of the people wherever else it may be known. I complain if it be true, as I am informed by Senators on this floor, that under this act Mr. Johnson, a former employee of Mr. Baruch, has been put in charge of the administration of the act, and has already called as his aides the head of the Standard Oil Co., the head of General Motors, and the head of the General Electric Co.

I complain if Mr. Peek, who is an employee of Mr. Baruch, or has been, as I have been informed on the floor of the Senate, has been placed in charge of administering the Farm Act, however good a man he may be and whatever his ideas may be.

I complain if Mr. Brown, who, I am informed on the floor of the Senate, has been made an influential manipulator of the office of the Bureau of the Director of the Budget, has been an employee of Mr. Baruch, and is now given this authority.

I complain because, on the 12th day of May 1932, before we went to Chicago to nominate a President of the United States, I stood in this very place on this floor and told the people of this country that we were not going to have the Baruch influence, at that time so potent with Hoover, manipulating the Democratic Party before nomination, after nomination, or after election.

I have a right to complain. The Senator from Arkansas might not have that right because he has not uttered such words on this floor; the Senator from Kentucky might not have such right, but I have that right, because within the hearing of 120,000,000 people of America I made those statements. I think that speech was carried in practically every newspaper in the United States, and I know that more than a million copies were sent out. In the hearing of 120,000,000 people my voice went up that the new deal meant an end of "Baruchism" in America.

Now, we are called on to consider some proposed laws, which are to be enacted and which are to be administered. I have every confidence in the world and every faith in the Senator from New York [Mr. WAGNER]. I know what we are going into. Others may not know. I am sorry my friend the Senator from Kentucky was not in the Chamber when I read my speech of May 12, 1932.

Mr. BARKLEY. I heard it then and I can read it now.

Mr. LONG. I understood the Senator had not heard it before. I had understood the Senator had not heard the speech I made last May.

Mr. BARKLEY. I do not know to just which one the Senator refers, but I heard nearly all of them.

Mr. LONG. I heard nearly all the Senator from Kentucky made, so I have been as kind to him as he has been to me. Neither one of us, probably, has been any too subdued.

Mr. BARKLEY. I will agree to that so far as the Senator from Louisiana is concerned.

Mr. LONG. Mr. President, now we find this bill before us. I was hoping that I would be able to argue nothing but the bill, but I could not resist the information given to me on the floor of the Senate. Now we come to the bill. I would discuss it further at this time, though perhaps there is someone who wishes to say something with regard to what I have said, and in fairness to any who may have that inclination, I think that at this time I will pause, and permit anyone who wishes to make any comment, to whom I have not seen fit to yield, to take the floor.

Mr. ROBINSON of Arkansas. Mr. President, I have no intention of taking the time of the Senate in attempting to reply to statements made by the Senator from Louisiana, except wherein I feel that some injustice may result.

As far as his references to the campaign in Arkansas, in which my colleague [Mrs. CARAWAY] was elected, are concerned, as he well knows, I took no part in that campaign, nor was I involved in it. The Senator made the statement on the stump, when he came into the State, that he did not propose to raise that issue. He has boasted that when running time comes again, he will be in Arkansas. I can give my friend from Louisiana the information that I will be there, and that if he comes into Arkansas, I will also take the liberty of going into Louisiana, and I think, from what I know of the state of public sentiment in the two States, that he will be repudiated in both of them.

Mr. President, it does seem to me absurd, however, to take the time of the Senate in replying to some of the statements, such as the one last referred to, made by the Senator from Louisiana. In some way he seems to involve himself in personal antagonisms to citizens who have done him no wrong, who think no wrong of him, and I respectfully submit to this body that it is not reflective of a high character of fairness for a Senator to make attacks on private citizens when he is immune from suit for libel or for misrepresentation because of any statement he may make in the Senate.

I recall that the Senator has the habit of abusing almost everyone with whom he comes in contact who happens to differ from him. I think that is wrong. Perhaps it is out of place for me to attempt to lecture the Senator on good manners and ethics pertaining to procedure in the Senate, but he has so often injected his personal antagonisms into the debates here that I feel justified in saying that he has no warrant for concluding that every time he makes a statement on the floor of the Senate and someone does not deny it that proves the correctness or the truth of his assertion.

The Senator made a number of statements yesterday in his attacks on the President which I think were wholly unfounded, which I believe every Senator on this side of the Chamber believes to have been unfounded. But manifestly his purpose was to delay consideration of the pending bill, manifestly to prevent action on the bill; and I want to say to him now that the statements he made yesterday, and some of those he made today, are not to be taken by him as proved merely because some Senator does not rise here and waste the time of the Senate in pointing out that the Senator from Louisiana, as usual, does not know what he is talking about. [Laughter.]

The Senator made a bitter attack on a citizen of this country who has the confidence and respect of many Members of this body. He has proclaimed that Mr. B. M. Baruch is the political adviser of the present administration, was the political adviser of the Hoover administration, and wrecked the Wilson administration.

Let me say to the Senator from Louisiana that Mr. Baruch never volunteered a suggestion either to Mr. Hoover or to Mr. Roosevelt; that in every instance when he has visited the White House he has been asked to do so and requested to contribute what he could to the study and solution of the problems which are confronting the country. If the Senator will take the trouble to ask Mr. Hoover and to ask President Roosevelt, he will find that instead of Mr. Baruch being a busybody, as he has been called, his advice has been asked.

With respect to the declaration, repeated two or three times by the Senator from Louisiana, that Mr. Baruch wrecked the Wilson administration and was the cause of the downfall of Mr. Wilson, let me point out the fact that Mr. Baruch was chairman of the War Industries Board during the World War. In the capacity of chairman of that Board he was called upon to discharge many weighty responsibilities, and I believe that the record of that service will shine in undimmed splendor for many years. It was fruitful of great benefit to the Nation and it was helpful to the cause of our soldiers who were carrying on the struggle in far-away lands.

When the Senator refers to the downfall of Mr. Wilson I wish to point out to the Senator from Louisiana that he again discloses his ignorance of history; that he does not know what he is talking about. I am assuming, now, that he believes the statement he made respecting the downfall of Mr. Wilson to be a historical fact, but I wish to tell him in this presence—and I wish that my voice could ring from limit to limit of this country—that there has never been a downfall of Woodrow Wilson, notwithstanding men like HUEY LONG have attempted to contribute to such a downfall. Woodrow Wilson is firmly entrenched in the memories and in the confidence of liberty loving, patriotic American citizens. It is true that in the late months of the last year of his life, due to the pressure and strain of great responsibilities, the overwhelming burden which he was carrying, he did fail physically; but Woodrow Wilson performed a great service to his country, a noble service to mankind, and the great statesman from Louisiana cannot bring about his downfall now.

The Senator from Louisiana says that Baruch put Johnson in control of the administration of this bill. The appointment of Mr. Johnson was made, if it has been made, by the President. Mr. Baruch did not solicit his appointment. Mr. Baruch is not responsible for his appointment. I wish to say that Mr. Johnson was regarded by the President as the best man he could find to administer the proposed act.

Mr. BARKLEY. Mr. President, I may add that not only did Mr. Baruch not solicit this appointment for General Johnson, but that General Johnson himself did not solicit it; and that when he was first approached upon it that he declined to accept it or to consider it, I am informed, and was prevailed upon to do so as a matter of duty.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Kentucky is correct. That is the information which has come to me. So that instead of the statement made by the Senator from Louisiana being true or founded on fact, it is entirely without fact to support it. What good can come from the Senator rising on this floor and attacking a private citizen? What does he expect to accomplish by that practice?

There is another thought that flashes into my mind. The President of the United States is entitled to some consideration, particularly from men who sit on this side of the Chamber and call themselves Democrats. It is perfectly apparent from the remarks of my friend the Senator from Louisiana that he is simply mad because Roosevelt will not let him run the administration. [Laughter in the galleries.] Oh, yes; the occupants of the galleries laugh when I say that, and everybody knows it is true. The Senator refers to a small group, a group of Democrats, who, he thought, with him, were going to run the Roosevelt administration; and because the President chooses to conduct his own administration, declines to respond to the dictation of the Senator from Louisiana, we see the Senator from Louisiana day after day rising on the floor of the Senate, and we hear him denouncing and condemning the great leader of the Nation, who, during this time, I am happy to say, is receiving fair and cordial support from Senators on the other side of the Chamber.

When Roosevelt became President of the United States there was a condition which must not be forgotten. Every bank in the country was threatened with insolvency; thousands of banks had failed; sources of credit throughout the Nation had dried up; business everywhere was suspended; millions of laborers were walking the streets, seeking an opportunity to obtain employment through which to earn a living for themselves and their dependents. There has never been a time in the life of the Senator from Louisiana or during my lifetime when greater distress prevailed throughout the country, when the pall of the gloom and the shadow of sorrow hung like a cloud over the Nation, dense in blackness, terrifying in its threat. The President had a mighty task to perform. He assumed his duties with cheerfulness and with courage. Realizing that the conditions were emergent and unusual, realizing that large groups like the Senate and the House could not work out administrative details always in time to save failing situations, the President bravely accepted his responsibilities and invited additional responsibilities. Through every day that has passed since he took the oath of office he has been working, working, working diligently by day and by night, and his efforts have met with a response that is wellnigh Nation-wide without regard to party politics. Men who hope to see a recovery in our affairs have contributed their best efforts; they have not maligned the President; they have not scandalized him; they have not libeled him. They have realized that all men charged with weighty responsibilities are liable to make mistakes. They have realized that so long as he is earnest in his purpose and conscientious in the performance of his duties, he is entitled to receive the assistance and support of all patriots.

Now, in the hour of trial, while it continues, there comes one who calls himself a Democrat, who boasts that he is responsible for Franklin D. Roosevelt's nomination, who declares that he expected to control his policies—there comes one who arises in the Senate and repudiates the great leader of the Nation, who has become a leader in world affairs. The judgment will be between the Senator from Louisiana and the President of the United States. It is now time to draw the line; it is time for Democrats who have hesitated in the performance of their duties to get together and advance shoulder to shoulder and repudiate the efforts of him who would call himself the Nation's leader, the only effect of whose efforts can be to wreck his party and ruin his country.

Mr. LONG. Mr. President, there is a story of a French courtmartial which tried a Russian by the name of Trotsky. The French courtmartial convicted Trotsky, and Trotsky said to the French courtmartial, "That is the march of events." Later on it is said that Trotsky became the ruling hand of Russia and while in the army service the judge of the courtmartial which had tried him was arrested in Russia. He was brought before Trotsky for trial. Trotsky looked down at him, and the judge of the French courtmartial said, "Sir, it is the march of events."

Mr. President, I read the words that I uttered on the floor of the Senate on May 12. By making use of that kind of words I became a Roosevelt leader in May 1932. By having read them today I became an anti-Roosevelt leader. "Such is the march of events." By uttering these words here in 1932 I had placed my friend from Arkansas outside the pale of the Roosevelt fold at that time. Today by making them I make him a Roosevelt leader. "Such is the march of events."

It is my misfortune for having taken the torch, the only torch under which Roosevelt could be nominated, and to have carried it, and it is my misfortune not to have laid down the torch today when the "march of events" requires it.

I do not blame the Senator from Arkansas; I have been his best friend. The course which I have pursued has not only kept him as leader but has made him again a leader. The party might have been defeated had it not been for us. Since we took the course we did we elected the President and since we elected the President we elected the majority leader. Therefore, Mr. President, he is peculiarly fortunate under the circumstances and is now in a position not only to denounce me for what I said to nominate Roosevelt but for what I said after the man had been elected. "Such is the march of events."

The Senator from Arkansas rather temperately—I want to say his speech was a little more temperate than I thought it was going to be; part of it was—has accused me of having tried to accomplish the downfall of Woodrow Wilson. The Senator is in error in that respect. I did nothing in my lifetime that undertook to accomplish his downfall. However, we all know of the typhoon that accompanied the end of his 8 years' service. I do not need to go into that. My stand was well known.

But now the Senator says that I am "mad" because I cannot run the country. That may be so. [Laughter.] That may be true. I did not know that to be the exact fact, but I take the Senator's word for it. However, Mr. President, I do not think the Senator is running the country, either. The Senator may not be "mad" because he is not running the country. There is only one difference between the Senator and me. The Senator is a better soldier than I am, perhaps; the Senator has probably had the legislative experience that teaches him to make column right and column left. I have not had enough experience to understand that. My course is ahead.

We nominated this man, Mr. President, on the promise to decentralize wealth. Do not forget that. Do not forget that Franklin Roosevelt was nominated on a promise, privately and publicly made, orally and in writing, to decentralize wealth. Do not forget that. Do not forget, Mr. President, that he was nominated largely because of the fact that there had become so many advocates of the sales tax that the liberals could not support any other candidate for the nomination except Roosevelt at the time.

I have not tried to run the man's administration one single bit. I have only asked him to carry out the promise he made the American people. I heard the promise made that we would shorten hours of labor, and when the Black bill came into the Senate I naturally expected the President's approval of it. Later I learned that he had given the word that spelled the doom and the destruction of the Black bill. Now, I knew that could not be his own line of logic, because it was not his line of logic during the campaign.

The Senator says that I have maligned the President. He does not tell you where. I think the Senator has prosecuted crime. We usually give a bill of particulars, but he has not said wherein I have maligned the President.

I have not said that Baruch had Mr. Johnson appointed. I said Mr. Johnson has evidently been named, and I have told the source from which Mr. Johnson came. I have not said that Mr. Baruch had Mr. Brown appointed but I have said that Mr. Brown has been named, and I have told the source from which he came.

The day will come, Mr. President, that Mr. Roosevelt will need us just as much as he has needed us in the past. Do not you ever worry; the time will come when Mr. Roosevelt will need to come back to the liberal policy the same as he left it, if he has left it, and I hate to think he has left it, for if he has it is spelling a terrible doom on us. I am undertaking to keep the President in line with what we promised the country, and when the Senator condemns our reuttering on the floor the platform of the party he ought to, as a good Democrat, grieve over the President's leaving it rather than condemn somebody who is trying to hold us to it. The Democratic platform said that we would strengthen the antitrust law. This bill here proposes to set it aside, although we have managed to get a modification of that provision to some extent since I have been speaking.

Mr. President, I am sorry the Senator invoked a personal matter in the speech he first made. I am sorry he brings up political relations between himself and me. He says he is coming down to Louisiana.

Mr. ROBINSON of Arkansas. When the Senator comes into Arkansas.

Mr. LONG. Well, I may not have time to go into Arkansas.

Mr. ROBINSON of Arkansas. And I may not have time to go into Louisiana. [Laughter.]

Mr. LONG. All right. So I think, Mr. President, we will just "call it a day", for the present. [Laughter.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 5767) to authorize the appointment of the Governor of Hawaii without regard to his being a citizen or resident of Hawaii, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

S. 1562. An act granting the consent of Congress to the Levy Court of Sussex County, Del., to reconstruct, maintain, and operate a free highway bridge across the Deeps Creek at Cherry Tree Landing, Sussex County, Del.;

H.R. 1767. An act 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;

H.R. 5239. An act 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; and

H.R. 5690. An act to legalize the manfacture, sale, or possession of 3.2 percent beer in the State of Oklahoma, when and if the same is legalized by a majority vote of the people of Oklahoma or by an act of the Legislature of the State of Oklahoma.

HOUSE BILL REFERRED

The bill (H.R. 5767) to authorize the appointment of the Governor of Hawaii without regard to his being a citizen or resident of Hawaii, was read twice by its title and referred to the Committee on Territories and Insular Affairs.

ADDRESS BY SENATOR THOMAS OF UTAH

Mr. BULOW. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Senator from Utah [Mr. THOMAS] at the annual commencement exercises of Southeastern University, held on June 6, 1933, at Continental Memorial Hall, Washington, D.C.

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

Mr. President, graduates, ladies and gentlemen, I trust in the few minutes I stand before you I shall be able to talk in harmony with the prayer that has been offered in our behalf, and that the things which I shall say shall be in keeping with the spirit of this occasion.

This is the first time it has fallen my lot to talk to university graduates at commencement exercises. I have had to sit through an awful lot of them, and I have slept through them, and I find myself now with split emotions. I do not know whether to try to take sweet revenge on you for all that I have endured in the past, and hold you here as I have been held, or whether to become outright revolutionary and decide here and now that these things are things of the past, and that I must stop right now. I am tempted to quit, but I daren't after having been introduced. I am, though, going to talk to the graduates. I do not expect to give them any advice. Far be it from me to do that. I tried it once on a freshman class, and it did not affect even them. Men and women were not made for advice, or else this world would have been very, very different from what it is today. They have to learn. No one has ever learned anything except through experience.

So I am going to talk to you as I believe I should like to have been talked to on the night of my graduation. I was told the whole history of philosophy on the night I was graduated. By the time the speaker got down to Rousseau I was dead.

Most speakers at commencement exercises try to put the world right. I frankly admit I have no message for the world. I do not know how to improve this world at all. But I do know one or two things which you must know if you are profitably going to become a part of this world.

You remember the story in the Jungle Book. The animals never took the monkey into their council because he talked everlastingly, but never said anything. He had learned how to talk, but not to talk to any purpose. He just talked, and when he ceased talking he ceased talking, and that was the end of it. Mencuis, the great Chinese philosopher, said: "Men can never afford to be like earthworms, living merely for the present." Man must have in himself the experiences and the knowledge of the past, and be able to transmit those things to other persons. It is that which makes the difference between man and the other animals. Man has created a social memory; that is, a memory which actually outlives the life of me or the life of you. Man has been able to gather together his experiences and record them, and live them in such a way that now we have men reading thoughts developed from 3,000 B.C., for example. As time goes on, we can take those thoughts and make them ours, and enjoy them today, and this sort of thing makes man a historical being. He thinks in terms of history. He thinks in terms of the present and of the past, and he does this by this remarkable thing which he has created—a social memory. He is not only able to draw upon the past experiences of all mankind and bring, through this memory which he has created, the experiences which have occurred before, but man can, by his mind, actually project himself into the future. He can dream his dreams and scheme his schemes in those places which he knows nothing of, as far as experience is concerned. Because of this, man has been able to evolve a philosophy of progress. He thinks in terms of a better world. Because of this fact, man can plan for the future, and train himself for what he might wish to be, and he thus becomes a person fitted into the universal scheme of things.

You, as trained men and as trained women, have been given an opportunity to come in close contact with a certain past. It is now your task to fit yourselves into this world scheme of things and project yourselves into that part of the future before you. You now have the opportunity and chance to interpret; you may now have the joy and pleasure of being able to dream and understand and feel experiences. You may now adjust and enjoy those great universal thoughts which all men, at all times, have been led to understand, and which, when we finally analyze them, conform closely to some great universals of thought. No matter where we find thought, these great universals teach us what to attempt to live in harmony with and what to gain experience from.

I should like to have had the man who delivered the address when I was graduated say to me: You have got to get a philosophy of life before you can plan, and before you can mold yourself and make yourself a contributor to life. Where am I going to go to get this philosophy? How am I to get it? How am I to acquire it? I care not where you go. It matters not to me. Fit yourselves into the scheme of things. It does matter a great deal to me the attitude which you are going to have toward universal fundamental thought.

We live in an age which is mechanical and which is scientific. We live in an age which interprets most of the things it does in the terms of science. We live in an age where man has built machines so great and so wonderful, where men have actually answered Job's great question, and have, by the light of Acturus, lighted up the earth. Man mechanically, man physically, man scientifically, has arrived at places which persons years ago would never have dreamed he could have arrived. We know about the stars, we know about machinery; we can fly now with our eyes shut, blindfolded, guided by a mechanical man. We can make machines which will destroy us, and we can make institutions which can destroy us. And man of all the animals is the only one that we know anything about who has been able to evolve the appreciation of that concept which we shall call tonight suicide—being able to destroy himself. Man can kill himself; man can destroy himself. It is probably to the glory of man that he has not done it. He may do it unconsciously as he may do it consciously.

I was once talking to one of my professors, and we were discussing the machine age, and what might come of it, and he said: We can make machines big enough to overcome us, but there is still one hope for man, and that is a hope which prevents him from becoming discouraged. Until big machines are able to reproduce little machines we need not fear the machine age, because man can become their master, until these machines are able to remake themselves. These machines can never get a philosophy of life. They can never understand the purpose of life. They can never get rime or reason out of life.

You will remember the story of the robot which was built in such a way that it could be turned on and off by a button in its chest. If you turned the button on he worked; and if you turned the button off he stopped working. The robot got its lease on life from the man who made it, and the man who made it was its master. Finally it dawned on the machine man that he might go in for himself, and that he might enjoy his power and his ability to destroy. He started to destroy everything that came within the range of his power. Finally, just as all of the people in the village were giving up hope and were believing that this thing which had been created was to be a destroying agency, a little baby, absolutely without fear and full of faith, walked out in front of the great giant machine. Everyone watching expected to see the machine grab the baby and tear it to pieces. But that wasn't going to be. The baby had faith and was without fear. It allowed the machine man to pick it up in its arms. The baby became attracted by the button on its chest and turned it, and the machine man dropped. The lesson of this little story is this: Get acquainted with the button, and do not be afraid to turn it off.

There are a number of things I should like to talk to you about. Those things are things which seem to me to be related to

the fundamentals which are going to find the right sort of place in your life. First, let me talk about law, since there are so many law students here. Your thoughts of law tonight are thoughts which are probably these: How can I get a case, and what will I do with it when I get it? That is not the type of thought I should like you to have about law. Law is, without exception, the most remarkable and marvelous concept that man has ever had for taking care of man's welfare. As long as it works for man in the spirit of the law it is good. But law is man-made. It is a creature of man, subject to broad interpretation and narrow interpretation.

When Confucius was asked why he was opposed to written law he said: "We must never have written law. Each case must be decided upon its own merits, in accordance with the justice of the particular case. If you write your law you will have lawyers, and those lawyers will become litigants, and once law becomes a process of litigation, justice ceases to be."

I do not know whether Confucius was looking upon the United States in 1933 or not, but he had inside information about this land of ours. We have a government of law and not a government of men. I wonder if Confucius could have looked down to see 1924, for example. This was a time in the United States when law and litigation had evolved so far that a certain great banking and investment institution would pay $150,000 a year for a lawyer, but when that lawyer was nominated for President of the United States that banking institution would rather have another man for President of the United States. It is interesting that things like that may come about.

Are you going to be litigants? Are you going to be narrow interpreters of the law? Are you going to be strict interpreters of the law? Or are you going to have the spirit of the law of the ancients and move in accordance with the great fundamentals in relation to the law?

If you want justice in its absolute state, you are never going to find it. Socrates showed us that. I suggest that you read again closely Plato's Republic.

Take an incident of the last 10 days, in which people tried to be just and logical. A boy killed his playmate somewhere out in the Near East. Their law there is the eye-for-an-eye type. If a life is taken a life or its equivalent must be given. The boy was haled before the elders, and told he must pay the life penalty or the equivalent. The boy said: "I am poor and my parents are poor." But the law said life or its equivalent must be given. The boy had to tie a rope around his neck and hang himself. That is justice.

We are passing through that type of law where men are arguing that the word is the important thing and the fact amounts to nothing. Present-day lawyers are like Middle Age realists, who became so logical that they spent much of their time arguing about how many angels could dance upon the point of a needle. Today most of our orators of all kinds are like Middle Age realists. They want to be sticklers of everything, and they want to be so just that no justice is done. The only difference between these men of today and the realists of the Middle Ages is that today they insist upon more and larger angels and more efficient needles.

Now take economics and politics and put them together. I have hinted at philosophy of the law without mentioning it to you. I have never been able to teach it or talk about it, but you must get the answer, and you must get the moral. But there is one little proverb I am going to leave with you. It is a proverb taken again from the ancients, which shows us that a man who lived 600 B.C. understood the first fundamentals in regard to political life. I wish it might become the fundamental of our economic and political thinking of today, and we would have a united happiness instead of a divided suspicion. The proverb is simply this: If you gather together in one place the wealth of the nation, you will divide the people, but if you scatter over the whole nation the wealth, you will unite the people. Some men have said: Is that right? You have a chance to test it. That is the little proverb I will leave with you, and I hope you remember it and make it your fundamental in economics and politics.

I am going to leave you another proverb, or another little saying, in ethics about telling the truth. I am going to suggest to you that you should not lie. I do not know whether that is a suggestion which seems out of place in this day and age. You know that now every time a person is asked a question in court he must say, "I swear to tell the truth, the whole truth, and nothing but the truth, so help me God." Just as if any man could tell the whole truth. That is what we swear to do. That is why we take lying so lightly—because we swear to do something that man cannot do. There is no whole truth. The poor fellow who made a promise of that kind really needs the help of God, because I know of no man who knows the truth, the whole truth, and nothing but the truth. I am not going to tell you not to lie merely because it says in some good book that you should not lie. You will discover that my approach is not an ordinary approach. You ask a Sunday school boy or girl why he should not lie and he or she will say, "Because God says you should not lie." That is hardly reason enough. The reason why you should not lie is because it is just a nuisance to lie. The most interesting thing about lying is that when once you tell a lie you must remember it all the rest of the time, and continue telling lies to keep from being found out, and your life becomes a succession of lies. Tell the truth, because it is the sensible thing to do. You do not want to have to remember everything you say all of the time.

Next I want to talk about government. I shall go back to my ancients again for my fundamentals about government. My bible—that is, my political bible—is still Aristotle. He laid down a fundamental scheme for the interpretation of government which holds for today, and which will give you a fundamental and a test, for example, of whether or not we should recognize the Russian form of government as good. The real test of government is not the form it has. The test of government is, what it does and for whom it does it. Aristotle says there are 6 forms of government, 3 of them good and 3 of them bad. He says all of the good forms are good governments, and all of the bad forms are bad governments, and the test of the whole depends upon how and for whom the government is functioning and working. When the government is for all of the people and for the benefit of all of the people it is a good government. You may, for example, have a kingly government. This is a good government when it is administered for the benefit of all of the people. Such a king would be a benevolent monarch. But when the king rules for the benefit of the king himself he ceases to be a king and becomes a tyrant. Tyrannical government is bad. You may have a good aristocracy as long as the aristocrats rule for the benefit of all, but when they rule merely for the benefit of the aristocrats you have an oligarchy, and that Aristotle condemns as being bad. So with a democracy. When the people rule for the benefit of all you have a democracy, and it is good; but when the common people rule for the benefit of the common people only, you have a mobocracy, and that is bad.

The last fundamental I wish to call to your attention is one related to religion. I will not interpret religion in any narrow way. Any scheme or philosophy of thought which connects you with the past and the future, and thus makes you a part of the universe, is a religion. Ancestor worship is a religion. The religion which connects me up with the whole process of time is based upon the concept of time and of the eternal scheme of things. That is all I am going to say about religion, but my hope and my outlook for the future in regard to politics and in regard to economics, are based upon the experiences which religion has passed through in the last two or three hundred years.

We have made machines, and we have evolved in a scientific way far ahead of what we have done in a social, political, or economic way. We can obtain the same thing for our political and social life as we have for our mechanical and scientific life. This can be proved by a recital of what has occurred in religion in the last three or four hundred years. We have passed through a religious history which gives great hope for the future. There was a time when men killed their neighbors to please God. That was a period of persecution. There was a time when people were burned at the stake that God might be happy. Then came a time when, instead of killing men who disagreed with us, we learned to leave them alone, have nothing to do with them, but forbear with them. Thus a new spirit came into being. Forbearance was a great step forward. Then came a spirit of toleration, and when our Constitution was written the people of the world had accepted the spirit of toleration. We have lived for 150 years under this tolerant influence, and we are going to take a step now toward appreciation. We are actually seeing good in the different religions of peoples. We do not hear the word "heathen" any more. People are discovering all of the time, and they have wonderfully great thoughts, and those thoughts are universals.

The whole world accepts and applauds the spirit of Ghandi, who, on the breaking of a great religious fast, enjoys the completion of the fast by having read first from the Hindu, then from the Buddhist scriptures, and then enjoys a Christian hymn. We note the great universal spirit behind each one. That is one of the remarkable facts of this day of ours.

Can we not look forward to the same sort of progress in the social and political science as we have evolved in the natural sciences? Can we not in our international relations, for example, since the nations of the earth have now by science been made neighbors in time and space, become actual neighbors in spirit, desire, and attitude?

We live so close to the present our immediate failures are perhaps so apparent that we become discouraged and pessimistic about the probable outcome. Those of you who are discouraged about the present, those of you whose faith is now a bit dulled because of world conditions, may profit greatly by becoming historically minded and review the advancements made for man and his well-being in this world during, let us say, the last 25 years. Accept the present in that spirit and you will count the gains and not be discouraged. Civilization may seem to be slipping, but it is not. We can today, apparently surrounded by defeat, accept, if we have the faith of the father of the philosophy of progress, and say that we may go down, we may meet defeat, but onward and upward moves civilization, and ultimately the goal of the truer and the better life will be reached.

MESSAGES FROM THE PRESIDENT

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

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.

The PRESIDING OFFICER (Mr. NEELY in the chair). The next amendment reported by the committee will be stated.

The next amendment was, on page 7, after line 2, to insert the following:

(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.

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

The next amendment was, under the subhead "Agreements and licenses", on page 7, line 18, after the word "interstate", to insert "or foreign", so as to read:

SEC. 4. (a) 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 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.

The amendment was agreed to.

The next amendment was, on page 7, line 21, after the name "President", to insert "shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any geographical area or in any subdivision of any trade or industry, and."

Mr. BLACK. Mr. President, there was an amendment pending to that particular amendment. That was the pending question, as I understood. The amendment was to strike from the amendment the words "in any geographical area."

The PRESIDING OFFICER. The question is on the amendment to the amendment just stated by the Senator from Alabama.

Mr. NORRIS. Mr. President, I should like to inquire what amendment is before the Senate?

The PRESIDING OFFICER. The clerk will read the amendment.

The Chief Clerk again stated the amendment.

Mr. McNARY. Mr. President, the senior Senator from Pennsylvania [Mr. REED] is interested in that amendment, and I think he desires to move to strike the language out. In his absence, I suggest the absence of a quorum.

Mr. HARRISON. Mr. President, will not the Senator withhold that suggestion for a moment? Let us pass the pending amendment over for the present and see if we cannot get along with other amendments. Then, when the Senator from Pennsylvania returns, we can recur to the amendment passed over.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Is there objection? If not, the amendment will be passed over. The clerk will state the next amendment.

The CHIEF CLERK. On page 8, line 6, after the word "interstate", it is proposed to insert "or foreign."

REGULATION OF BANKING—DEPOSIT INSURANCE

Mr. VANDENBERG. Mr. President, what may prove to be the final conference on the bank bill will occur at 2 o'clock this afternoon, and I want to make a very brief suggestion in connection with that conference because I should dislike very much to see the many highly desirable objects of that legislation meet with failure. I think, perhaps, instead of losing time we may save time if I make a brief statement at the moment.

Mr. President, the primary difficulty in the conference attaches itself almost exclusively to my amendment providing for immediate insurance of bank deposits not only in Federal Reserve member banks, but also in State nonmember banks which are certified as solvent by their own State banking authorities. Instead of speaking of the situation in my own words which might be prejudiced I want to speak of it in the words of an editorial in the Washington Star of yesterday afternoon. Certainly the Star is conservative in its expressions and in its process of thinking. Certainly I can quote from the Star without any possibility of being charged with dealing in loose terms. I read:

The bank reform bill, passed by huge votes in both Senate and House, is in danger of being sidetracked, first, because of the failure of the two Houses to agree on its final terms, and second, because of the opposition of the administration to any immediate guaranty of bank deposits. No other legislation proposed during the present session of the Congress is more vital to public interest and to recovery in this country on permanent and stable lines than this bank-reform measure.

Mr. President, I digress to agree cordially with that observation and to say that in my judgment and in respect to my section of the United States it is infinitely more important to stabilize banking functions and to restore justified and adequate banking confidence than it is to proceed even with the great and ambitious project which is now the unfinished business before the Senate. The latter and all kindred efforts are futile without the former.

I continue to read:

If it fails to become a law the people will have just cause for complaint. The differences which exist are not insuperable and are capable of adjustment. Stiff-necked opposition at this juncture, with Congress approaching adjournment, is, after all, merely playing into the hands of those bankers who are opposed to this kind of legislation.

Mr. President, where is the "stiff-necked opposition" to which the editorial refers? Of course, I have my own idea as to the source of the stiff-necked opposition, but what obviously is the idea of the Washington Star itself? Let us see. I quote further:

The deposit-insurance feature of the bank reform bill has drawn the fire of many bankers and of the administration. As the bill passed the House the insurance of deposits sections were not to go into effect for a year. The Senate inserted the so-called "Vandenberg amendment", providing for immediate insurance of bank deposits up to $2,500. Opponents of insurance of deposits say that it would put a premium on bad banking.

I digress to observe that the senior Senator from Virginia [Mr. GLASS], who certainly is a conservative and dependable banking authority, completely answered that fallacious argument, completely set at naught any such suspicion or charge, and certainly his judgment in respect to that proposition ought to be conclusive.

I read further:

Opponents of insurance of deposits say that it would put a premium on bad banking; that some of the weaker banks would immediately close up and let the insurance fund pay off their depositors, and thus enable the stockholders and the directors of these banks to escape their personal liability under existing law.

The editorial itself then proceeds to answer that:

The answer to this latter criticism is that the weaker banks have not been permitted to reopen, and that until they are in a position to do business soundly they are not likely to reopen. As for putting a premium on bad banking, the system is likely to make the contributors to the insurance fund careful to compel good banking by all.

I submit that that conclusion is irrefutable. I read another sentence:

The supporters of bank-deposit insurance urge, and with justice—

I emphasize the phrase "with justice." It is true—

and with justice, that proper reforms in the system, separating absolutely the commercial banking business from the investment banking, plus a reasonable insurance of bank deposits—

And it is nothing but a reasonable proposition which impends—

plus a reasonable insurance of bank deposits, will not only restore confidence but will also help develop an impregnable banking system.

Mr. President, that is the precise issue that hangs fire in the 2 o'clock conference between the Senate and the House. It is summed up by this impartial authority in simple but direct language:

Will not only restore confidence but will also help develop an impregnable banking system.

Until we restore an impregnable banking system in terms of popular confidence, adequate and justified confidence on the part of 40,000,000 bank depositors, all the rest of the legislation that is going through this extraordinary session of the Congress is calculated to proceed in hobbles and under fatal handicaps.

This is the proposition which now goes, perhaps, to final conference at 2 o'clock. What is the difficulty? The difficulty is a desire, first, to defeat deposit insurance; or, if that cannot be done, to postpone it to the point where it will be inadequate to meet the situation and thus ultimately will fall of its own weight.

I read headlines in the New York Herald Tribune of June 6, defining what is the issue in the conference. It is not an issue between the House of Representatives and the Senate. It is an issue between the Senate of the United States and the President and his Secretary of the Treasury. The headlines suffice to indicate what the issue is:

Roosevelt bars bank guaranty to start July 1. He indicates he would veto bill if Vandenberg amendment is adopted. Writes letter to GLASS. Danger of runs on nonmember units cited.

In the course of an entire column there is just one single paragraph of one or two sentences which indicates why it is argued that there might be some such menace as this in the immediate limited insurance of bank deposits under the pending Vandenberg amendment, and this is the paragraph:

In opposition to the Vandenberg amendment it is argued that the nonmember banks which cannot at once come under the protection of the fund pending a complete examination by State authorities will be at a serious disadvantage and might be subject to runs. On the other hand, it is contended that if the nonmember banks are allowed to come in without a careful examination they will wreck the insurance fund.

Mr. President, in my humble judgment, there is not a bit of justification for that contention at either end of the argument. Under the terms of the amendment to which the Senate practically unanimously assented on the unanimous recommendation of its own Committee on Banking and Currency, it is provided that every licensed Federal Reserve member bank automatically becomes a member of the temporary insurance fund on the 1st day of July, and that every nonmember State bank which is certified by its own State banking authority as solvent in respect to its unrestricted assets shall also come in on July 1 and participate in the insurance-fund protection. The very terms and purposes of the Vandenberg amendment are to avoid the precise basis of this alleged reason for opposing the amendment which the Senate attached to the banking bill. We have had the examinations in most instances already. State authorities can promptly complete any additional examinations. There will be equality of treatment and of protection. Meanwhile the limitation of insurance to $2,500 deposits is adequate protection to the insurance fund.

Let us pursue that one step farther. There is a very distinguished Democratic Member of the other House of Congress from my own State of Michigan who has gone into the public print in opposition to the amendment which the Senate attached to the banking bill. Let us see what his reasons are, they being in line with those to which I have already adverted. He said:

I fear that if the stronger banks take advantage of insurance claims immediately, others will be unable to reorganize.

He further suggests that his objection is that—

The clause making immediately effective the provisions of the measure would permit a few strong banks in a State to come under the insurance provision, while stockholders and depositors of smaller State banks were trying to raise sufficient cash to reopen and prevent loss to depositors.

In other words, the argument is that under this insurance formula which the Senate has approved, the big open banks will proceed to capitalize it, whereas the smaller banks, which have not yet reopened, cannot capitalize it and will be discouraged from reopening. But what are the facts? The facts are that there are scores and scores of these smaller banks waiting to reopen, having already gone through the initial process of tentative reorganization, ready to renew their community service, ready to take their place again in the banking function, but they do not dare to do it until there is a steel beam of public confidence built under the banking structure of the country, lest when they do reopen they will be drained of every penny in them within the first 24 hours that they proceed to function. This amendment means more to closed banks which are struggling to reopen than any other pending aid. It will permit them to open safely and successfully. The defeat of this immediate insurance, available to all solvent banks, whether in or out of the Federal Reserve System, will be a serious blow to the bank reopening prospectus and particularly to the smaller banks.

If there is one purpose more than another which is inherent in the amendment which is now at stake in this conference, it is the purpose to protect the smaller banking institutions, and to make the reopening of closed banks possible as speedily and as safely as it can be done. The very arguments that are used against the amendment by these administration spokesmen are the precise reasons why the amendment ought to stay in the bill.

Talk to me about this amendment favoring big banks instead of little ones. If that is so, why is it that Wall Street bankers within the last 24 hours have telephoned big bankers in my own State of Michigan and unsuccessfully sought to get them to tell me to surrender upon the deposit-insurance amendment? There is utterly no basis of sound reason for attacking the deposit-insurance section as it was written into this law by the Senate upon any such specious grounds as those that are presented by the administration in its opposition to this amendment.

And now, I repeat, the amendment goes into its final conference at 2 o'clock. Probably a compromise will be suggested which would postpone the time for the application of the emergency-insurance formula until January 1, 1934. In my judgment, any such postponement as that would be tantamount to saying to the depositors of this country, "The Government will not trust these banks until next New Year's"; and I do not know why they would not say to themselves, "We will not trust them until the Government does."

I can think of nothing more fatal than to write into law any kind of a deposit-insurance warrant which does not become immediately effective.

So this is what I rose to say:

Let us not in this conference try to compromise both sides of this controversy. Let us do one thing or the other. Let us proceed along the philosophy of immediate insurance action and the line of procedure which the Senate approved when it wrote the so-called "Vandenberg amendment" into the law, or let us eliminate all provisions of the pending law that have any relation whatsoever to bank insurance in them.

In other words, let us not out of this conference create a hybrid situation. Let us either create immediate deposit insurance under the emergency formula which the Senate approved or let us leave all insurance out of the law and leave the next Congress free to take it up and proceed de novo with the problem, without prejudicing the subject and without a notification to the people of the country that it will be 6 months before any of them dare trust their banks.

I personally should, of course, regret the complete exclusion of all insurance sections; but I should feel that despite the rejection of all insurance features—calamitous as I believe that would be—there still would remain a highly useful bank bill that most emphatically ought to pass for what it is worth and I want to help. But if you mortgage that bank bill with a compromised and postponed insurance formula, it will have more of liability than of asset in it, and I should consider the bill to be exceedingly dangerous and I should find it necessary to oppose the conference report to the best of my ability.

Therefore, I suggest to the conferees that they do one thing or the other: Let us either insure deposits, or decline to insure them. And I make this further suggestion in conclusion:

The conferences thus far in respect to this measure have been chiefly between the White House and the Congress. I suggest that the congressional conferees continue to do

what they think they ought to do on their own congressional responsibility. I suggest that this amendment be taken to the floor of the House for a roll-call vote to see whether the House wants to reject it or not. Then I suggest that we conclude the bill as we think it ought to be concluded, and let Executive authority speak in its own time and in its own constitutional way if it is dissatisfied with the net result. In conclusion I wish to express my deep personal appreciation to the Senate members of the conference for their effective and zealous fidelity to the so-called "Vandenberg amendment" and the Senate's approval of it.

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.

The PRESIDING OFFICER. The Senate passed over temporarily paragraph (b) of section 4 because of the absence of the Senator from Pennsylvania [Mr. REED]. He is now present, and the Senate will return to the consideration of that section.

The amendment will be stated.

The CHIEF CLERK. On page 7, line 21, after the word "President", it is proposed to insert:

shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any geographical area or in any subdivision of any trade or industry, and—

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 8, line 6, after the word "interstate", to insert "or foreign"; and in the same line, after the word "commerce", to insert "in such geographical area or subdivision", so as to read:

(b) Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any geographical area or in any subdivision of any trade or industry, and, after such public notice and hearing as he shall specify, shall find it essential to license business enterprises in order to make effective a code of fair competition or an agreement under this title or otherwise to effectuate the policy of this title, and shall publicly so announce, no person shall, after a date fixed in such announcement, engage in or carry on any business, in or affecting interstate or foreign commerce, in such geographical area or subdivision, specified in such announcement, unless he shall have first obtained a license issued pursuant to such regulations as the President shall prescribe. The President may suspend or revoke any such license, after due notice and opportunity for hearing, for violations of the terms or conditions thereof. Any order of the President suspending or revoking any such license shall be final if in accordance with law. Any person who, without such a license or in violation of any condition thereof, carries on any such business for which a license is so required, shall, upon conviction thereof, be fined not more than $500, or imprisoned not more than 6 months, or both, and each day such violation continues shall be deemed a separate offense.

The amendment was agreed to.

The next amendment was, on page 8, line 20, after the word "offense", to insert:

Notwithstanding the provisions of section 2 (c), this subsection shall cease to be in effect at the expiration of 1 year after the date of enactment of this act or sooner if the President shall by proclamation or the Congress shall by joint resolution declare that the emergency recognized by section 1 has ended.

The amendment was agreed to.

The next amendment was, on page 9, line 1, after the word "effect", to insert "(or in the case of a license, while section 4 (a) is in effect)", so as to make the section read:

SEC. 5. 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.

The amendment was agreed to.

The next amendment was, under the subhead "Limitations upon application of title", on page 10, line 11, before the word "or", to strike out "self organizations" and insert "self-organization", so as to read:

SEC. 7. (a) Every code of fair competition, agreement, and license approved, prescribed, or issued under this title shall contain the following conditions: (1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purposes of collective bargaining or other mutual aid or protection.

The amendment was agreed to.

The next amendment was, on page 10, line 13, after the word "protection", to insert a colon and the following: "*Provided*, That nothing in this title shall be construed to compel a change in existing satisfactory relationships between the employees and employers of any particular plant, firm, or corporation, except that the employees of any particular plant, firm, or corporation shall have the right to organize for the purpose of collective bargaining with their employer as to wages, hours of labor, and other conditions of employment"; in line 23, before the words "a labor organization", to insert a comma and "organizing, or assisting"; and on page 11, line 2, after the word "other", to strike out "working conditions" and insert "conditions of employment", so as to read:

Provided, That nothing in this title shall be construed to compel a change in existing satisfactory relationships between the employees and employers of any particular plant, firm, or corporation, except that the employees of any particular plant, firm, or corporation shall have the right to organize for the purpose of collective bargaining with their employer as to wages, hours of labor, and other conditions of employment; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

The amendment was agreed to.

The next amendment was, on page 11, line 10, after the word "other", to strike out "working conditions" and insert "conditions of employment", so as to read:

(b) The President shall, so far as practicable, afford every opportunity to employers and employees in any trade or industry or subdivision thereof with respect to which the conditions referred to in clauses (1) and (2) of subsection (a) prevail, to establish by mutual agreement, the standards as to the maximum hours of labor, minimum rates of pay, and such other conditions of employment as may be necessary in such trade or industry or subdivision thereof to effectuate the policy of this title; and the standards established in such agreements, when approved by the President, shall have the same effect as a code of fair competition, approved by the President under subsection (a) of section 3.

The amendment was agreed to.

The next amendment was, on page 11, line 19, after the word "and", to strike out "working conditions" and insert "conditions of employment"; in line 25, after the word "other", to strike out "working conditions" and insert "conditions of employment", so as to read:

(c) Where no such mutual agreement has been approved by the President he may investigate the labor practices, policies, wages, hours of labor, and conditions of employment in such trade or industry or subdivision thereof; and upon the basis of such investigations, and after such hearings as the President finds advisable, he is authorized to prescribe a limited code of fair competition fixing such maximum hours of labor, minimum rates of pay, and other conditions of employment in the trade or industry or subdivision thereof investigated as he finds to be necessary to effectuate the policy of this title, which shall have the same effect as a code of fair competition approved by the President under subsection (a) of section 3. The President may differentiate according to experience and skill of the employees affected and according to the locality of employment; but no attempt shall be made to introduce any classification according to the nature of the work involved which might tend to set a maximum as well as a minimum wage.

The amendment was agreed to.

The next amendment was, on page 12, line 13, after the word "corporation", to insert a semicolon and the following: "and the terms 'interstate and foreign commerce' and 'interstate or foreign commerce' include, except where

otherwise indicated, trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States", so as to read:

(d) As used in this title, the term "person" includes any individual, partnership, association, trust, or corporation; and the terms "interstate and foreign commerce" and "interstate or foreign commerce" include, except where otherwise indicated, trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States.

The amendment was agreed to.

The next amendment was, under the subhead "Application of agricultural adjustment act", on page 13, after line 1, to strike out:

SEC. 8. This title shall not be construed to repeal or modify any of the provisions of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933.

And in lieu thereof to insert:

SEC. 8. (a) This title shall not be construed to repeal or modify any of the provisions of title I of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933; and such title I of said act approved May 12, 1933, may for all purposes be hereafter referred to as the "Agricultural Adjustment Act."

(b) The President may, in his discretion, in order to avoid conflicts in the administration of the Agricultural Adjustment Act and this title, delegate any of his functions and powers under this title with respect to trades, industries, or subdivisions thereof which are engaged in the handling of any agricultural commodity or product thereof, or of any competing commodity or product thereof, to the Secretary of Agriculture.

The amendment was agreed to.

The next amendment was, on page 14, after line 4, to insert the following additional section:

OIL REGULATION

SEC. 9. (a) The President is further authorized to initiate before the Interstate Commerce Commission proceedings necessary to prescribe regulations to control the operations of oil pipe lines and to fix reasonable compensatory rates for the transportation of petroleum and its products by pipe lines, and the Interstate Commerce Commission shall grant preference to the hearings and determination of such cases.

(b) The President is authorized to institute proceedings to divorce from any holding company any pipe-line company controlled by such holding company which pipe-line company by unfair practices or by exorbitant rates in the transportation of petroleum or its products tends to create a monopoly.

(c) The President is authorized to prohibit the transportation in interstate and foreign commerce of petroleum and the products thereof produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by any State law or valid regulation or order prescribed thereunder, by any board, commission, officer, or other duly authorized agency of a State. Any violation of any order of the President issued under the provisions of this subsection shall be punishable by fine of not to exceed $1,000, or imprisonment for not to exceed 6 months, or both.

Mr. HARRISON. Mr. President, I ask that the oil regulation part of the bill be not considered at this time, but be passed over, because that will provoke some controversy.

The PRESIDING OFFICER. Without objection, the provision on page 14, under "Oil regulation", will be passed over temporarily.

Mr. HARRISON. That concludes the Senate committee amendments with the exception of one with reference to the embargo, for which we are trying to prepare a substitute—it will be ready in a short time—which I desire to have passed over for the present.

Mr. REED. There is one on line 10, page 15, which has not been agreed to.

The PRESIDING OFFICER. Yes; the Chair calls the attention of the Senator from Mississippi to the fact that there is a committee amendment on page 15, line 10, which has not been acted upon. The amendment will be stated.

The CHIEF CLERK. On page 15, line 10, after the word "competition", it is proposed to insert "and agreements", so as to read:

RULES AND REGULATIONS

SEC. 10. (a) The President is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this title, and fees for licenses and for filing codes of fair competition and agreements, and any violation of any such rule or regulation shall be punishable by fine of not to exceed $500, or imprisonment for not to exceed 6 months, or both.

The amendment was agreed to.

Mr. HARRISON. I ask unanimous consent now, as to title I, so that we can close that title, that individual amendments may be offered to it before we proceed with the consideration of Senate committee amendments in title II.

The PRESIDING OFFICER. Without objection, individual amendments to title I will now be offered.

Mr. REED. Mr. President, has it been agreed that all amendments to title I shall be disposed of before the Senate shall proceed to consider title II?

Mr. HARRISON. That was what I asked unanimous consent for, the only exception being the embargo provision, which was the subject of the amendment of the Senator from Pennsylvania—we will confer about that—and the oil provision, both of which are passed over temporarily. Aside from those, I desire to close title I and proceed to title II.

Mr. REED. I did not interpret the Senator's request to mean exactly that. I am in full accord with him, and I hope the Senate will proceed in that way. I think, however, that all amendments to title I should be cleaned up before the Senate passes on to title II.

Mr. HARRISON. That is what I intended by my request.

The PRESIDING OFFICER. Individual amendments to title I are now in order.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. The Senator from Georgia.

Mr. REED. I think I have the floor, have I not? I am glad to yield to the Senator from Georgia.

The PRESIDING OFFICER. The Chair thought the Senator from Pennsylvania had given up the floor.

Mr. GEORGE. I did not know that the unanimous-consent agreement had been entered into. I know that the Senator from Alabama [Mr. BLACK] has an amendment to title I.

Mr. REED. If the Senator from Georgia is asking about the proposed amendment of the Senator from Alabama on page 7, line 23, to cut out the words "in any geographical area", I may say that I am advised that that amendment never was actually offered, and that the Senate's action has been an acceptance of the committee amendment exactly as it is printed in the bill.

Mr. GEORGE. Mr. President, I do not want to take any issue about it; but the Senator from Alabama did offer that amendment, and there are others of us who are interested in the amendment. Unless that language can be taken out, at some other time in the consideration of this measure I shall move to strike the entire licensing provision from the bill. I merely wanted to reserve the right at this time, so that it would not be precluded to bring up this matter for consideration.

The PRESIDING OFFICER. Under the unanimous-consent agreement heretofore made, individual amendments are in order now.

Mr. GEORGE. I understand that they are in order now, Mr. President; but there are some of us who have some other engagements so pressing that at the moment we cannot remain on the floor. I shall myself move to strike the licensing provision from the bill unless we have consideration of this special amendment offered by the Senator from Alabama [Mr. BLACK]; and I merely wanted to reserve that right, if I can have that consideration.

Mr. REED. I am about to propose an amendment to strike from the bill the entire paragraph (b) of section 4—that is, the licensing feature.

Mr. GEORGE. Is the Senator about to press that amendment at this moment?

Mr. REED. Unless something else is preferred by the Senator from Mississippi.

Mr. HARRISON. The Senate has taken action on that amendment; but I ask unanimous consent that it may be reconsidered and that that matter may be passed over for the present.

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

Mr. HARRISON. Let the Senator now present his motion to strike the licensing provision from the bill, if he desires.

Mr. REED. No; I want the licensing paragraph to be finally acted on and its form finally determined before I move to strike it out.

Mr. HARRISON. Then let us take up this amendment in which the Senator from Alabama was interested, so that we can get through with that, and then proceed along with the bill.

The PRESIDING OFFICER. The question is on the adoption of subsection (b) on page 7.

Mr. GEORGE. Mr. President, the Senator from Alabama [Mr. BLACK] was called out of the Chamber. We cannot remain here continuously, from 10 until 2 o'clock, without absenting ourselves momentarily from the Senate Chamber. I certainly do not want to delay the consideration of this bill, but I do want a consideration of this particular matter. If the Senator from Mississippi is going to insist upon it, I shall move to strike out "in any geographical area or" on page 7, and the same language on page 8 of the bill.

Mr. HARRISON. May I say to the Senator from Georgia that I am not insisting particularly on any proposition in that regard, because this amendment was offered in the committee, and, of course, I feel that I ought to stand by the action of the committee; but General Johnson, when he appeared before the committee, said he did not think it was necessary as to this matter. I asked unanimous consent for the reconsideration of the vote by which it was adopted in order to get the matter before the Senate, so that we could dispose of it.

Mr. GEORGE. I make that motion, Mr. President, and suggest the absence of a quorum unless it is accepted.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

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

Adams	Copeland	Kean	Reynolds
Ashurst	Costigan	Kendrick	Robinson, Ark.
Austin	Cutting	Keyes	Robinson, Ind.
Bachman	Davis	King	Russell
Bailey	Dickinson	La Follette	Schall
Bankhead	Dieterich	Lewis	Sheppard
Barbour	Dill	Logan	Shipstead
Barkley	Duffy	Lonergan	Smith
Black	Erickson	Long	Steiwer
Bone	Fess	McAdoo	Stephens
Borah	Fletcher	McCarran	Thomas, Okla.
Bratton	Frazier	McGill	Thomas, Utah
Brown	George	McKellar	Thompson
Bulkley	Glass	McNary	Townsend
Bulow	Goldsborough	Metcalf	Trammell
Byrd	Gore	Murphy	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norris	Van Nuys
Caraway	Hastings	Nye	Wagner
Carey	Hatfield	Overton	Walcott
Clark	Hayden	Patterson	Walsh
Connally	Hebert	Pope	Wheeler
Coolidge	Johnson	Reed	White

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, there is a quorum present.

Mr. BLACK. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from Georgia [Mr. GEORGE] to strike out, on page 7, line 23, the words "in any geographical area or."

Mr. GEORGE. Mr. President, I may say to the Senator from Alabama that that is the amendment he had previously offered, both on page 7, line 23, and on the following page, line 7. I offered the amendment because for the moment the Senator from Alabama was not in the Chamber. I understand it to be the same amendment the Senator offered.

Mr. BLACK. That is correct.

Mr. HARRISON. Mr. President, may I say to the Senator from Alabama that this provision was inserted in the committee on motion of someone—I have forgotten who—and at the time it was put in, it was thought the matter was taken care of by the broad provisions of the bill. Personally, I have no objection, and do not care whether it is in or out, but I should like to have a vote on it one way or the other.

Mr. GEORGE. Mr. President, I suggest to the Senator from Alabama that, in addition to striking out the words "in any geographical area or", he ask to have inserted in line 24, after the word "in", the words "any trade or industry or any subdivision thereof", and the insertion of the same language on line 7, page 8, or to strike out the words "in any subdivision of any trade or industry." Otherwise the amendment would not be entirely grammatical and would probably be meaningless.

Mr. BLACK. Mr. President, I think the Senator is correct, and I modify the amendment, if my amendment is the one pending. I understood the Senator's amendment to be pending now. That being the case, I suggest that the Senator modify his amendment.

Mr. GEORGE. I offered the amendment, but solely because the Senator from Alabama was out of the Chamber at the moment.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. In line 23, page 7, to strike out the words "in any geographical area or", and after the word "in", on line 24, to insert the words "any trade or industry or"; also to strike out in line 24 the words "any trade or industry", so as to read:

(b) Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any trade or industry or any subdivision thereof, and, after such public notice and hearing as he shall specify.

Mr. BLACK obtained the floor.

Mr. BORAH. Mr. President, I should like to ask the Senator from Georgia, or perhaps the Senator from Alabama, the object of striking out the words "in any geographical area."

Mr. BLACK. I was just about to explain that. If the Senate will look at page 12, lines 5 to 7, it will be found that rules and regulations may be prescribed which differentiate according to experience and skill of employees affected, and according to the locality of employment, so that insofar as prescribing rules and regulations is concerned, there will be absolute authority to prescribe them according to the locality of employment.

When we turn back to the amendment which has just been offered, on page 7, we find that this is with reference to licenses, and that, whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced, after public notice and hearing he may find it essential to license business enterprises in order to effect a method of fair competition, or an agreement under this title, and that he can then limit the action to the geographical area or subdivision.

I will state, as clearly as I can, the reason why I do not think that should be permitted. Several months ago there was a strike in Alabama in the mining industry. A few

weeks ago there was a strike in Pennsylvania in some particular industry, I have forgotten what it was. I recall some girls were out on strike. That would be an evidence that there might be some unfair practices going on in those two States. It may be true that there are just as unfair practices in 25 other States in the same industries.

It is my understanding, if I correctly conceive the philosophy of the pending bill, that we are to organize this country by trade associations, which are to be comprised of the members of the particular industries, the idea being to prescribe rules and regulations for a particular industry, and those engaged in it, either as to labor, or as to employers.

I strenuously object to having any one State marked off with lines around it, and the statement made to the public that there is an infection in that State in a particular industry. It seems to me that we should either have the rules applied to an entire industry or that they should not apply to it at all. I can see nothing fair, when there might be an investigation of some complaint made about one State, saying that we will require every person engaged in the business in that State, drawing a line around it, to be licensed, but that we will make no such requirement of those engaged in the same industry in any other State. I am very frank to state that I can very readily see where that might absolutely destroy the business of a State.

Some complaint has been made about the textile industry, for instance. I have made some complaint myself.

I have placed information in the RECORD with reference to the long hours worked in certain textile mills in the South, and with reference to the long hours required in the East; but that does not mean that it would be fair to draw a line around a particular State and announce to the public that there are sweatshops in that State, and bring about the antagonism which would result on the part of the public engaged in buying the goods.

Mr. BORAH. Mr. President, it seems to me that the words "any geographical area" are surplusage, because if the President should find that in a particular State there was a condition with which he desired to deal, he could treat it as a subdivision of the particular trade or industry.

Mr. BLACK. May I state to the Senator that he is correct; but if he will turn to the next page, line 7, he will find that the regulations would be issued, not with reference to the trade or industry but with reference to the geographical area or subdivision. It is to the combined effect of the two amendments that I object. If it were limited to the first, I would have no objection whatever, because it would be immaterial where the unfair trade practice was indulged in; but it becomes of vital importance to a State not to have drawn by a Presidential decree a line around it and the information given to the public that we will require every individual engaged in the business in that State to be licensed because some are running sweatshops or because they are engaged in unfair practices. The point I make is that when the rules and regulations are prescribed they should fit the entire association. The mere fact that a discovery is made that there has been some unfair practice in one place does not mean there are not unfair practices in others. The entire results of the operation of industry show it has been unfair all over the United States. Were that not true the employers could not receive more than their part while labor has received less than its part, thereby bringing about a lack of equilibrium between purchasing power and manufacturing profits.

Mr. President, I have tried to explain just exactly why I do not think it is fair. If a line be drawn around 1 State or around 3 or 4 States an antagonism is created on the part of the whole country against that area; and, I do not care whether it is in the North, the South, or the East, or the West, I believe it is unfair.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] as modified by the Senator from Alabama [Mr. BLACK].

Mr. REED. Mr. President, the Senator from Alabama is right when he says that it seems unfair to pick out a single State and expose it to the hostility of all the other 47 States, but it is just as true that it is unfair to place this licensing system on the industries which have not at all offended because of an offense committed all the way across the country.

Take coal mining, for example. It may well be that in the mines in the State of Washington some unfair practice is indulged. That ought not to be a reason for requiring every coal mine in Alabama, West Virginia, and Pennsylvania to have to come running to Washington to get a license. That is the most drastic remedy conceivable, and that is added here in addition to the penal provisions for violating the code. To require somebody in Alabama to take out a license because we in Pennsylvania have cut wages or run a sweatshop seems to me to be the height of injustice. If the measure is defensible at all it ought to be applied where the trouble is and applied against the wrongdoer and not applied against innocent people who have observed the law.

Mr. BLACK. Mr. President——

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

Mr. REED. I yield.

Mr. BLACK. There is, of course, much logic in what the Senator from Pennsylvania has stated; but, carried to the final conclusion, it would mean that no one should be required to obtain a license except an offender. You could not have any geographical area at all, either State, county, or Nation, if you would apply it only to the offender, as I see it, wherever he might be. He can be required to get a license, but if anyone else should be required to get a license in any geographical area it would be punishing an innocent person if that person had not violated these rules.

Mr. REED. I see that. The offender and his immediate competitors would be required to have a license, and some innocent people would be inconvenienced; but that is no reason for spreading the injustice all over the United States. Suppose, for example, a processor in the State of Maine cuts wages too low or operates too long hours—why punish people in California for that? That is what is proposed to be done, because this whole licensing system is punishment; it is intended only for punishment. It is the last weapon in the President's hands to compel compliance with these codes of fair competition, as they are called. It is not enough, say the sponsors of the bill, to punish people criminally and send them to the penitentiary for failing to live up to these codes, but they are going to be deprived of their very right to do business at all. It is a shocking provision, I think, and I am going to move to strike out the whole paragraph; but if it is going to stay in, certainly this unfairness ought not to be perpetrated in whole regions where no offense whatever has been committed.

Mr. GEORGE. Mr. President, just a word about the history of this amendment. The Chairman of the Committee on Finance has said that he was entirely indifferent about the amendment; that it made no difference, so far as he was concerned, whether the amendment remained in or came out.

This amendment was accepted by the committee, but it was accepted without consideration of the language in the amendment. The portion of the amendment that was considered was that portion which limited and restricted the licensing power to those cases where it was found that destructively low wages or price cutting or other activities contrary to the policy of this title were being practiced.

General Johnson, who was present in the committee, said that, in his opinion, the amendment was not proper, or, at least, was unnecessary, but if the committee wished to adopt it, it might accept a limitation upon the broad power of licensing which this section would otherwise prescribe. After the committee had passed upon that question General Johnson produced this amendment and said, if it were desired, this amendment might be inserted, and that it would operate as a general limitation upon the board power to license on account of any matter or thing that might have been covered in the code. This particular language was not considered.

There is no argument against striking out the language "in any geographical area", although the Senator from Pennsylvania has undertaken to submit an argument. He has suggested if there be offending units of an industry located in a particular section or scattered throughout the country that those units only should be licensed to live up to the code which other units of the industry were willingly and voluntarily carrying out. If that be true, if there are found to be abuses in the industry as a whole, what is the valid objection to requiring every member of the industry to operate under the license?

Obviously those who are keeping faith, who are abiding by the code, have assumed no additional burden, and obviously it is a physical and moral impossibility for an administrator here in Washington to know the conditions existing throughout a whole industry; and in view of his lack of knowledge, why should a license be required in a particular locality while at the same time making no requirement as to the industry in other parts of the country?

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

Mr. GEORGE. I yield to the Senator from Maryland.

Mr. TYDINGS. As a member of the committee I should like to ask the Senator whether or not it was the committee's opinion that this bill would increase the production and consumption of commodities?

Mr. GEORGE. I do not know that I am able to answer the Senator on that point, because the committee's opinion was not taken upon it; but it was the hope of the committee that this bill would increase employment. Whether that will necessarily carry with it an increase in production is, of course, to be considered along with the other provisions of the bill which look to a shorter working hour and a shorter working week.

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

Mr. GEORGE. I yield to the Senator.

Mr. TYDINGS. I can understand the very commendable desire to eliminate the sweatshop and to reduce hours of employment where there are abuses along that line, and I can understand how provisions or measures to accomplish that end should be inserted in the bill; but I cannot understand, as seems to be the opinion of the sponsors of the bill, how production will be increased, which implies, of course, that the consumption of products will have to be increased. I can see no provision in this bill, insofar as I have been able to study it, which opens up one new avenue of production or of consumption. I cannot see where one more pair of shoes is going to be produced or worn than would be produced or consumed in any event. If anybody who has made a study of the bill believes that it will increase production and consumption, I certainly shall be grateful if they will explain to me how that is to be accomplished so that I may vote upon the bill with a great deal more intelligence than I seem to have at the present time from the explanations made.

If the Senator from Georgia will permit me further, as I understand, these requirements are bound to increase, though to a small degree, the price of articles produced. It seems to me that if we increase the cost of an article, we will to that extent diminish its consumption, and that therefore the bill will strike at production rather than increase it.

I am not saying that the price of an article should not be raised, perhaps, if fair labor conditions justify the raising of the price; but, under the law of economics, if the cost of an article is increased, its consumption is reduced, and I have not heard from anybody who has spoken so far a single statement to indicate how there is to be any more production under this bill than will occur anyway.

Mr. GEORGE. Mr. President, I am speaking directly to this amendment, and if I have not made clear what I have in mind, I desire to repeat it. If any part of an industry, any division of an industry is to be licensed, manifestly the requirement will put no undue burden upon all parts of the industry which desire to live up to the code or practice prescribed or agreed upon; but to retain the language in the bill which will require the licensing only of the industry or division of industry operating in a particular geographical area would, of course, condemn the industry in that area to destruction. There would be no way for the industry to survive. If, for instance, the President should say that a given industry in the State of California has been found to have violated certain provisions of the code of fair practice and should require that industry only to take out a license, before the industry could be heard by the public, before it could make its voice potent, it would be utterly destroyed.

The state of popular opinion would be such as to condemn all of the units of the industry in that area. There would be offenders within the area, and there would be innocent industries within that area, but the provision is not for the licensing of the offenders but of the industry as a whole in a given area. I take it that every Senator upon the floor will agree that it would be difficult to find any particular area in which every unit of the same industry was violating the provisions of the code of fair practice. Therefore, it seems to me that the amendment should be adopted, to the end that if a license is required it may be required of the industry or of the particular branch of the industry, which I understand the word "subdivision" here to indicate, in which the offense is found to exist.

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

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

Mr. GEORGE. I yield.

Mr. VANDENBERG. Might we not employ both, the one contemplated by the Senator from Alabama and the other contemplated by the Senator from Pennsylvania, if the license were required only from the offender?

Mr. GEORGE. Yes; that would be true. If there is to be a limitation it ought to be restricted to the offending unit of the industry, in fairness, because a general provision that the industry in a particular State or in a group of States should be required to obtain a license, whereas the same industry in other parts of the country be allowed to operate without license, would obviously destroy all the innocent units of the industry in the territory affected or covered by the order.

Also I apprehend that if the licensing system is to be of service, and I grant that it is one of the most drastic provisions in the bill, it cannot effectively be imposed after an investigation of the entire industry has taken place. Suppose complaint should be made to the President that in the cotton textile industry, which is scattered very nearly over the entire country, and in a particular manufacturing plant or unit of that industry the code was being violated with respect to hours or wages or other conditions of competition. If the President must withhold his order requiring a license until he can investigate the entire cotton textile industry, the provision is largely useless. It would require a year or longer to do it with any degree of fairness. If he should require the industries in a particular geographical area to obtain a license upon proof of violation of a code practice by one unit or two units in that area, it would be manifestly unjust, it would be obviously unfair to require that license without any examination of practices which were going on elsewhere and when the particular unfair practice may have been resorted to in an effort by a unit of the industry to avoid destruction by other units of the industry, engaged in even more reprehensible and more destructive practices.

If the theory of this limitation in the licensing section is to be retained, it should be provided that the license should be required only after the particular industry had been investigated and found to be an offender, or it should provide that the license should be indiscriminately required of the industry as a whole or the particular offending branch or subdivision thereof.

I express the hope that the Senate may agree to the amendment which I have offered, because the Senator from Alabama [Mr. BLACK], who had first offered it, was temporarily out of the Chamber.

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

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. If the amendment should be adopted now without tendering any further amendment, would that debar proposing an amendment to the same amendment at a later period?

The PRESIDING OFFICER. The Chair understands it would not.

Mr. KING. I desire to offer, and I give notice of it now, though I shall not give the phraseology textually, an amendment to this effect: Following the word "activities" and preceding the word "contrary" in line 22, I shall propose to insert substantially as follows: "Or that monopolistic control of any industry or product has been resorted to", so it would read:

Whenever the President shall find that destructive wage or price cutting or that monopolistic control of any industry or product has been resorted to.

The PRESIDING OFFICER. The Senator can offer his amendment after the pending amendment is disposed of.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ASHURST. Have we not agreed to a unanimous consent whereby we should consider only committee amendments?

The PRESIDING OFFICER. With the exception of two amendments which have gone over temporarily, all committee amendments to this title have been disposed of.

Mr. ASHURST. In other words, amendments to the text may be offered later?

The PRESIDING OFFICER. After the pending amendment of the Senator from Georgia is disposed of, amendments to title I may be tendered.

Mr. HARRISON. As soon as these amendments to title I are out of the way individual amendments may be offered.

Mr. NORRIS. Mr. President, if I understood the answer to the question of the Senator from Arizona, all amendments to title I have been disposed of?

Mr. HARRISON. No; there are two committee amendments that have been passed over.

Mr. NORRIS. I have in mind an amendment on page 10, the proviso commencing in line 13. Has that amendment been passed over?

Mr. HARRISON. No; that amendment was adopted.

Mr. NORRIS. I wonder if the Senator would consent that that might be reconsidered? I have been called from the Chamber several times, and I desire to oppose the adoption of that amendment.

Mr. HARRISON. Of course, I shall raise no objection if the Senator wants a reconsideration, although I hope that we may again adopt it.

Mr. NORRIS. I do not want to delay the bill, but it seems to me that the amendment is very objectionable.

Mr. HARRISON. I ask unanimous consent that the vote by which the amendment referred to by the Senator from Nebraska was adopted may be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the amendment of the Senator from Georgia [Mr. GEORGE].

Mr. BORAH. Mr. President, I should dislike to do so, but the Senator from Pennsylvania [Mr. REED] wanted to be present, and unless a vote on the amendment of the Senator from Georgia can be postponed a little while I shall have to suggest the absence of a quorum. I do not want to kill time, but I want to give the Senator from Pennsylvania an opportunity to be here.

Mr. HARRISON. I ask that the vote be postponed until the Senator from Pennsylvania returns.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent that the vote on the amendment of the Senator from Georgia be postponed temporarily. Without objection, it is so ordered.

Mr. ASHURST. Mr. President, until the Senator from Pennsylvania returns to the Chamber, so that time may not be lost, may I offer an amendment to the text. On page 5, line 14, I move to strike out the words "several district attorneys of the United States in their respective districts under the direction of the Attorney General", and to insert in lieu thereof "Federal Trade Commission", so that subsection (c) would read:

The Federal district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of any code of fair competition approved under this title; and it shall be the duty of the Federal Trade Commission to institute proceedings in equity to prevent and restrain such violations.

I do not offer this amendment because of any lack of faith in the head of the Department of Justice. On the other hand, I have high admiration for the present Attorney General, Mr. Cummings; his talents and character are much to be admired, and no doubt a vast majority of the district attorneys would be alert and astute looking to the discharge of the duty laid upon here. It seems to me, in order for the bill to be symmetrical, in order that the policy and philosophy of the bill may not be interrupted and marred, that the Federal Trade Commission should be given the authority to institute proceedings in equity to restrain violations.

I do not wish to make a long argument; indeed, I do not know what more I could say than I have said. Logically, philosophically, and as a matter of mechanics, it seems to me it should be the duty of the Federal Trade Commission to institute proceedings in equity.

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

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. ASHURST. I yield.

Mr. BARKLEY. Under the practice that has grown up in the Federal Trade Commission they do not have to bring any suit in equity. They have authority to issue orders to cease and desist wherever they have made an investigation and found that there has been unfair practice within the meaning of the Federal Trade Act.

Mr. ASHURST. The Senator is correct.

Mr. BARKLEY. So there is no need to confer upon them any power to bring a suit.

Mr. ASHURST. Under this bill it would be expedient and wise to give the Federal Trade Commission the power to institute proceedings in equity.

Mr. BARKLEY. As I said, that is not the way they go about stopping violations.

Mr. ASHURST. The Senator is correct about that.

Mr. BARKLEY. But as a matter of fact, and we had a good deal of discussion about the two sections in the committee, it seems to me it would be unwise to supplant the district attorney in any equity proceeding in the Federal court by allowing the Federal Trade Commission to bring it, without regard to him or the Attorney General either. United States district attorneys are supposed to operate under the direction of the Attorney General in controlling suits that are instituted by the United States in the Federal courts.

Mr. HARRISON. Mr. President, will the Senator from Arizona withhold his amendment temporarily while the amendment of the Senator from Georgia [Mr. GEORGE], which was pending, may be disposed of? The Senator from Pennsylvania [Mr. REED] has returned to the Chamber and we can dispose of it, I think, in a moment or two.

Mr. ASHURST. I am very glad to do so.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Georgia [Mr. GEORGE].

Mr. REED. Mr. President, I have no disposition to delay a vote and shall not speak long. It seems to me the amendment ought not to prevail, that the action of the Finance Committee was wise and should be sustained. As I recall it, the committee was unanimous in adopting the amendment in the form in which it appears in the printed bill. The amendment in that form was brought to us by General Johnson at the request of the President, with the President's approval, and it is only just——

Mr. GEORGE. O Mr. President, I do not want the Senator to make that statement because I am sure he is not advised.

Mr. REED. General Johnson so stated.

Mr. GEORGE. He never said at all that the President had approved the amendment. General Johnson said the amendment ought not to be adopted in any part of it, but if the committee wanted to make an amendment that he had no objection to this particular amendment.

Mr. REED. He gave us clearly to understand that the amendment which he had there prepared and written out had the approval of President Roosevelt. I myself know nothing of that. I have not endeavored to confirm my impression. It certainly came from General Johnson, and I think most of the members of the committee had the same impression that I had, that he was authorized by the President to offer it.

Be that as it may, the amendment is wise in its present form, because it is the height of injustice to impose this drastic penalty upon persons engaged in trade or commerce in one part of the United States on the theory that somebody in a totally different part of the country has violated the code of fair competition. Why California should be penalized for some impropriety committed in Pennsylvania, for example, is beyond my power to understand. Yet this very drastic licensing power will be imposed upon everyone in this broad land all because in one little restricted district some improper practice had occurred. I am sure the Senate does not want that to happen.

Mr. GEORGE. Mr. President——

Mr. LONG. Mr. President, a point of order. What is the amendment we have before us now? We have changed back, I understand, to something we have already considered.

The PRESIDING OFFICER. The clerk will state the pending amendment for the information of the Senate.

The CHIEF CLERK. On page 7, lines 23 and 24, the Senator from Georgia proposes to strike out "geographical area or in any subdivision of any trade or industry, and" and to insert "trade or industry or any subdivision thereof, and", so that, if amended, it will read:

(b) Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any trade or industry or any subdivision thereof, and, after such public notice and hearing as he shall specify, shall find it essential to license business enterprises in order to make effective a code of fair competition or an agreement under this title or otherwise to effectuate the policy of this title, and shall publicly so announce, etc.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment of the committee.

Mr. LONG. Mr. President, may I ask the Senator from Georgia just what this amendment means?

Mr. GEORGE. Mr. President, I have explained the amendment, but I shall be glad to do so again. It means that if a license is required of any industry or branch of an industry, it must be required of every unit in that industry; that the President will not be authorized to limit his orders to the industries found in a particular geographical area, but if he should find violations in the industry or branch thereof he should require the industry generally, or branch of the industry, to obtain licenses.

Mr. President, let me repeat what I have previously said. The Finance Committee was considering this particular subsection (b) of section 4; and after some discussion of it, it at one time having been voted out of the bill, it was suggested by General Johnson, who was present in the committee, that if the committee desired a limiting amendment, the discussion having been directed primarily at the unlimited scope of the code, or the code of fair practice, this amendment was not objectionable. As a matter of fact, both General Johnson and Mr. Richberg were present, and they said that this amendment was not objectionable, although in their opinion no amendment whatever was necessary or even desirable, but that he, General Johnson at least, would have no objection to this amendment.

The amendment contained the language which I have now moved and the Senator from Alabama [Mr. BLACK] first moved to strike out, to wit, "or in any geographical area." The amendment was offered by those who were favorable to the bill, and who had been instrumental in its preparation, with a view to satisfying certain opposition which existed, because some members of the committee did not want to require a license of any industry in order to compel compliance with anything that might have been covered by the code of fair practice.

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

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

Mr. GEORGE. I yield for a question.

Mr. WHITE. As I understand the situation, if in my home town there are 15 companies engaged in the manufacture of shoes, and one of them indulges in price-cutting or some other unfair practice, all of the shoe manufacturers in that town, coming within that geographical area, would be obliged to obtain a license under this provision of the law in order to do business. Now, I understand the Senator's amendment to strike out the reference to geographical area, and to insert in lieu of that a reference to a trade.

What practical difference is there if in this same home town of mine, with, say, these same 15 factories, one of them being engaged in that trade, carrying on that particular shoe business, does precisely the same thing—engages in wage-cutting or in some unfair practice? Where is the practical difference in the application of the two methods? I should appreciate it if the Senator would explain that.

Mr. GEORGE. This is the practical difference; and the Senator has put a complete illustration:

If in his home town there are 15 manufacturers of shoes and only 1 of them has offended the code of fair practice by cutting his prices unduly, under this bill, without the amendment which I have offered, the President would have to issue an order singling out the Senator's home city, and every industry in the home city, and requiring a license; and, from that moment on, the 14 innocent manufacturers of shoes in the Senator's home city would be handicapped. Their business might be destroyed. When the decree of the President went down that in a given city or a given State this unfair practice existed, and the units of the industry operating only in that city were required to have the license, then those units of industry would be virtually destroyed. There is no need to argue about it because it is too plain on its face.

Mr. NORRIS and Mr. BANKHEAD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. GEORGE. I yield first to the Senator from Nebraska.

Mr. NORRIS. Mr. President, after the Senator has just made the statement that his proposition is so plain that anybody can see it, I hesitate to inquire about it, but I confess I do not see it.

If the thing should happen that the Senator says, and that would injure all those 14 innocent manufacturers, then, of course, it would follow that it would be an injustice; but why would it ruin those 14 if they had to take out a license?

Mr. GEORGE. The taking out of the license, if the Senator pleases, would not ruin them, and that is exactly what I argued a while ago; but the singling out of the geographical area, and requiring a license of those who were abiding by the law and the agreement, along with the few offenders in the area, would so focus public opinion, would so rivet public condemnation upon the industries of that area, as to make it almost impossible for them to carry on their business.

Mr. NORRIS. Why would it injure one of those innocent manufacturers if he took out a license? There would be nothing wrong about that.

Mr. GEORGE. Not at all, and that is the purpose of my amendment—that the license should be required of the whole industry or branch of the industry without regard to its geographical location. In that event there would be no discrimination in terms. There would be nothing to indicate that the President had found trouble in a given locality, and therefore those industries that were living up to the code of practice would have no additional burden placed

upon them, but only those that were disposed to violate it would feel the heavy weight of this particular license.

Mr. NORRIS. Does the Senator mean to say that the taking out of the license would of itself be a burden that could not be borne?

Mr. GEORGE. Oh, no; I did not mean to say that. What I mean to say is that if the President of the United States, because he found one offending industry in the State of Nebraska, should require of that industry a license, all good and well; I would not offer the amendment. But he is obliged to require every industry in a geographical area to take out the license, the implication necessarily arises that all of the industries in the area specified by him have been offending against the order.

Mr. NORRIS. As I understand, then, if the Senator's amendment is agreed to, the only license that would be required would be the license required of the offending manufacturer?

Mr. WHITE. Oh, no; the whole trade.

Mr. REED. Everybody in the country.

Mr. GEORGE. I said that I would have no objection to it if instead of the words "geographical area or in any subdivision of industry" it were limited to the offenders; but I pointed out, if the Senator will bear with me, what I thought was a practical objection to a procedure of that kind, not that there is any objection upon the merits of it. I do not think any great harm can come to the industry if the President should say that this industry, or this branch of a particular industry, must obtain a license, because then there would be nothing in the order, which would carry any unfair imputation against a particular industry, if in truth and in fact that industry had not been violating the code of fair practice.

Mr. NORRIS. Now, let me ask the Senator a question, and I am doing it only for the purpose of getting information. I confess I do not quite understand the difference between what the law would be if the Senator's amendment were agreed to and what it would be if it were not agreed to.

If the Senator's amendment should be agreed to, and if some manufacturer somewhere—anywhere—should offend the code, would it be necessary then to remedy the situation for the offender only to take out a license, or would everybody in the business everywhere in the country have to take out a license?

Mr. GEORGE. Everybody engaged in that particular industry or subdivision of the industry would be required to take out a license.

Mr. NORRIS. Would not that be a greater burden than if it were confined to some geographical locality not so great?

Mr. GEORGE. Perhaps it would, but would it not be fairer? Would it carry any implication of discrimination?

Mr. NORRIS. If the requirement of a license were an imputation that the corporation that applied for it and received it were necessarily offending the law before they applied, then I think the Senator's intimation would apply. But I do not understand why, if the manufacturers in a certain geographical location were required to take out a license, it would be any imputation that they had necessarily been engaged in any dishonorable business or had violated the code.

I may be wrong, but I am trying to get information.

Mr. GEORGE. I am afraid the distinguished Senator from Nebraska, contrary to his usual habits, has not read this amendment.

The amendment provides that the President may require a license when he finds that certain things have occurred in a given industry. Then he may impose a license upon that industry; and if a license is required of the general industry, or if it is confined to the particular offender, I am perfectly content. The provision of the amendment, however, is that when he finds that in any industry certain things have occurred, that certain practices do obtain, then he must issue his order against the industries in a prescribed geographical area. The moment the President does that every industry located in that geographical area is under a cloud, and I apprehend that there is not any industry in the country that would not fully appreciate the fact that it was under a cloud. There would, of course, be some injustice in requiring the whole industry to obtain a license. Nevertheless, there would not be that suggestion in the order that would operate unduly against the unoffending industries in the particular area.

Mr. NORRIS. Mr. President——

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

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

Mr. NORRIS. At the risk of incurring the thought upon the part of the Senator from Georgia that it would necessarily increase my ignorance of this subject, I want to ask him if this is not true:

Assuming that the necessity of getting a license would mean that odium would be cast on the applicant, under the language as it now stands, the persons in the geographical locality would have to get a license, and thereby would, as I understand it, have a sort of an odium cast upon them, a sort of a reflection, in the particular geographical locality. If the Senator's amendment were agreed to, and anybody anywhere in the United States offended, and thereby had to get a license, then this reflection and this odium, whatever it might be, would apply to the manufacturers in the entire United States, instead of in that geographical location.

Mr. GEORGE. Yes.

Mr. NORRIS. Then it seems to me the Senator's amendment would only add to the odium.

Mr. GEORGE. I do not think so, and I make my appeal to the fair-minded men of the Senate, and include in that classification the Senator from Nebraska, on this fact. If we applied the order to all of an industry we necessarily would cover some innocent units in the industry, but inasmuch as it is general, there will be no sectional discrimination or State discrimination. If, however, it is confined to a geographical area, every innocent unit of an industry in that area necessarily would suffer in its business, in its commerce, and the suffering would be one that could not be easily repaired, because the country would say, the purchasers would say, the customers of those industries would say, "The President has investigated this industry and in this particular locality he has found certain evil practices to exist."

Now I point out what is the essential injustice of the proposal, and I ask the Senator from Nebraska to listen.

Let us take the cotton textile industry, for instance. A complaint is made to the President that at some point in Massachusetts certain abuses of the code are taking place. The President investigates and finds that that is true. He does not issue his order against the particular offender. If he did, I would have no objection to the provision. But he issues his order against the industry in that geographical area, whatever he prescribes. In the nature of things, he would have to prescribe an area that would take in, in all probability, at least more than one unit of the industry.

The President cannot delay long enough to investigate the entire industry in the country to see whether there may not be the same or like practices or violations occurring elsewhere. To do so would so greatly defer or prolong the decision that a license be taken out that perhaps the evil would occur before the remedy had been provided.

Therefore, as a practical proposition, and without regard to the merits of the proposal, the President has to do one of two things: He will have to say, "I find certain evil practices which make for unfair competition, such as the payment of starvation wages to the laborers"; and he will say, "Therefore we will license all of the industry"; or, to be just, he will have to make the one single offending unit which he has investigated take out a license.

If he requires the textile industry in a New England State, for instance, or in a southern State to obtain a license because he has found these abuses to exist—and all units of the industry must either close up or obtain a license—it may well be that if the President had the time to extend

his investigation to the entire industry, he would find that the particular section affected by his order was simply meeting the same unfair competition coming from some other section of the country, or some other branch of the industry.

If this amendment is to be retained, it is fair, it is just, and it carries no idea of discrimination between industries, although it may place a hardship upon one industry to say, "If we find that in your industry there is this reprehensible and unfair and illegal practice obtaining, we will require all the industry to take out a license," or "We will require only a unit of the industry to take out a license."

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

Mr. GEORGE. In just a moment. Now let me address myself to the particular question raised by the Senator from Nebraska. It is a hardship upon the innocent units of an industry to require the entire industry to take out a license merely because the President has found that certain units of that industry in a certain State, let us say, have been guilty of unfair practices. But while it is a hardship, if the Senator from Nebraska will look at the question in his accustomed way of weighing public questions, he will find that there is no discrimination between industries, there is no sectional discrimination written into the President's order, and it is precisely the discrimination between industries which would mean the death of an industry if it should be unjustly and unfairly singled out.

Amend the provision so that the license will be required only of the offending unit, and I am quite content, but do not require the President to issue an order which must necessarily include some unoffending and innocent units, not because I desire to have them escape the burden, but because it is fair and it is just to prevent a discrimination between industries, and especially when other units of an industry in other parts of the country may have been engaging in the same practice, undiscovered only because the President has not had the time to make an investigation of the entire industry.

Now I yield to the Senator from Ohio.

Mr. FESS. The Senator from Georgia has really answered the question I was about to ask him. Since the license feature is in the form of a penalty, it would appear to me that it would be just to apply it only to the offender.

Mr. GEORGE. I think so. I agree with that fully.

Mr. FESS. That would not only do justice, but it would be effective, it would seem to me.

Mr. GEORGE. I agree with that, and I am sure that the Senator from Alabama, who also offered the amendment, will agree to it.

Mr. NORRIS. The Senator's amendment, as I understand it, does not accomplish that.

Mr. GEORGE. It does not. I was trying to do the next-best thing, but I state now that I would be willing to place the amendment in such form as to make it applicable only to the offending industry.

Mr. FESS. Mr. President, if the Senator will rewrite his amendment and make it applicable only to the offending party, it seems to me it could easily be agreed to. Otherwise, I am of the opinion that the amendment should not be agreed to.

Mr. GEORGE. If the Senator will just indulge the Senator from Alabama and the Senator from Georgia a moment, we may be able to offer the amendment. The only reason why we do not offer it is that we do not want to invite opposition from another angle, and we are very anxious to remove any idea of discrimination against industries in the bill, not that we do not cheerfully admit that there is a burden placed on industry, whether we confine the license to a geographical area or make it apply to an entire industry. The idea of discrimination enters in whenever we draw a geographical line around a particular industry.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] to the committee amendment.

On a division, the amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

REGULATIONS PERTAINING TO VETERANS' ALLOWANCES

Mr. CUTTING. Mr. President, in pursuance of the subject with which I dealt yesterday afternoon, I want to say one or two words about the Executive order which the President issued on Tuesday, and which purported to initiate great modifications in the previous veterans' regulations issued on March 31.

Let me recall to the Senate that on Tuesday the Senator from Arkansas [Mr. ROBINSON] introduced into the RECORD, not the regulations themselves, not the new Executive order modifying the regulations, but a statement, the source of which was not given, a statement which rested on no authority, but which said, in essence, as follows:

> Under the new regulations no directly service-connected veteran will be reduced in payment by more than 25 percent, and the average reduction will approximate 18 percent.

I have read these regulations with considerable care, and I think that it is perfectly clear to anyone who studies them that there is no such provision in the regulations.

I have compared them with the regulations of March 31. I find that there are only some ten or a dozen paragraphs of those regulations which have been modified at all. Everything else in the regulations of March 31 remains intact in the new regulations.

Anyone who has ever dealt extensively with the Veterans' Bureau, or the Veterans' Administration, which succeeded it, knows that it operates under a set of regulations which are not given to the public, but which keep accumulating, and form a sort of code, a sort of corpus juris of precedents which bind the Bureau in other decisions which they are to make in the future. The construction given to certain phrases has been established, and we find those phrases running again and again through every veterans' regulation.

One of these phrases is "medical judgment." Another is "affirmative evidence." Another is "specific finding." Such expressions as "legally", "in accordance with law", "properly", and a number of similar adverbs, in which the unsuspecting layman would see nothing sinister, are applied by those who interpret the veterans' regulations in order to decide any case against the veteran. So I say that when you meet with any of those expressions you have got to be very careful, because the law will be construed as tightly as possible against the individual disabled veteran.

With that preface, I wish to say that there are some things in the new regulations which are an improvement on the regulations of March 31; I admit that. In the first place, the schedule of ratings is established on a basis of 10 steps instead of 5. Instead of having disability ratings of 10, 25, 50, 75, and 100 percent, disability may be rated at 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100 percent; so that if the doctors of the Bureau wish to be liberal in their ratings they have that authority. Of course the merit in any such system depends upon the way in which it is administered. There is nothing in the Executive order to show how those regulations are going to be administered, and I submit that we have to judge the future by the past.

Mr. HATFIELD. Mr. President——

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

Mr. CUTTING. I yield to the Senator from West Virginia.

Mr. HATFIELD. What would be the Senator's conclusion as to the atmosphere surrounding the doctor who arrives at a medical conclusion respecting the veteran?

Mr. CUTTING. I have no hesitation in saying, Mr. President, that, while there are good men among the medical officers of the Veterans' Administration, the influences surrounding them are such that a doctor is almost compelled, if he desires to keep his job, to rate a case just as low as he has any authority for rating it. If he does not do that, the doctor almost invariably will find himself disconnected from the Veterans' Administration in a very short space of time.

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

Mr. CUTTING. I yield.

Mr. HATFIELD. I whole-heartedly agree with the conclusion of the Senator. What he has stated is absolutely true.

Mr. CUTTING. Mr. President, there are some definite clauses in this Executive order which modify the regulations of March 31. For instance, if a man loses both eyes or both feet, his pension is raised somewhat higher than it was under the regulations of March 31. For the loss of both hands or both feet he will receive $150 a month; for the loss of both hands and one foot or both feet and one hand he will receive $175 a month. If he is blind in both eyes, he is to receive $200 a month.

Those figures are slightly more liberal than the figures set out in the regulations of March 31; but may I again call to the attention of the Senate the fact that Mr. Douglas, the Director of the Budget, when he appeared before the Finance Committee on March 10, stated, when asked for whom the maximum rate of $275 a month was to be provided:

> Frankly, for a man who was overseas and who was in the big show and was under fire and was shot to pieces by a high explosive and lost 2 arms, or 2 legs, or 2 eyes, my honest opinion is that that is not too high.

So even under these new liberal regulations the man who loses both hands, both feet, or both eyes still gets far less than the Director of the Budget, Mr. Douglas, was pledged to award him under the terms of his own testimony before the Finance Committee in March. So we still have a long way to go before we do even what Mr. Douglas said in March was justice to those men.

There is another provision in the new regulations which, so far as it goes, I desire to commend. In part II, paragraph 1, section (c), the regulations say:

> (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.

I may say that that regulation will take care of a small but a very deserving class, namely, those who were injured in combat while not technically engaged in war. It applies to men who fought the Moros or men who were in the service of the country in Nicaragua or in the Boxer rebellion or elsewhere.

The only other important new provision is the one which raises the minimum rates payable to the Spanish-American War veteran over 62 years of age from $6 to $15 a month. That, of course, so far as it goes, is an improvement, although I scarcely think that the Senate will regard $15 a month for disabled veterans over 62 years of age as being particularly princely treatment.

There are some minor changes in the order. One liberalizes the provision for burial expenses of deceased veterans. One extends the meaning of the word "child" as embracing one under the age of 18, instead of under the age of 16; and another allows widows of veterans and employees not receiving salary or compensation for services in excess of $50 per month to continue in employment, although they are receiving a pension or emergency officers' retirement pay.

The most important provision which we were promised in the new regulation, however, should have been the provision with which the newspapers have been filled, the provision that no veteran suffering from a directly service-connected disability shall have his compensation reduced by more than 25 percent and that the average reduction will approximate 18 percent. Of course, Senators will understand that there is no way in which we can tell what the average reduction will approximate. We shall never have the complete list of payments before us. No matter how many cases of injustice may be brought to our attention, the fact may still be that if we had them all the average might be any particular figure. Of course, no regulation can be drawn to insure that the average would be $18 per month; but, Mr. President, it would have been very easy to have drawn a regulation prescribing that the maximum reduction should not exceed 25 percent.

An amendment which I introduced last week, and which the Senator from Arkansas and the Senator from South Carolina were willing to accept, provided:

> That nothing in this act shall authorize the President to reduce to a degree greater than 25 percent the compensation, pension, or allowance of any veteran or dependent of a veteran whose disability has hitherto been traced officially to direct connection with military or naval service.

That is quite clear in its language.

The amendment of the Senator from Texas, which was eventually adopted, reads as follows:

> Notwithstanding any of the provisions of the act approved March 20, 1932, entitled "An act to maintain the credit of the United States Government", in no event shall World War service-connected disability compensation of any veteran or the pension of any veteran of a war prior to the World War be reduced more than 25 percent of the rate being received by him on March 15, 1933.

That also is clear and unmistakable.

Now let me read to you the provision which was written into the regulations which were approved on June 6, the day before yesterday:

> 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.

Mr. President, why was that word "properly" inserted there, and why are we referred back to another part of another regulation?

I am rather familiar with the word "properly" as used by the Veterans' Bureau. I know that they always try to get it inserted into any law reducing any of their authority. Of course, the argument might be used, "Does anyone want a case to stay on the rolls if it is improperly on the rolls?" To one who is not familiar with the procedure of the Bureau that might seem a cogent argument. The point is that when the word "properly" is inserted the Bureau is given complete authority to decide what case is properly on the rolls and what case is improperly on the rolls. The Bureau is to decide whether or not the rating which is given any veteran is properly given or improperly given. The authority which Congress intended to take into its own hands on Friday when it adopted the Connally amendment is completely rescinded and the Veterans' Bureau is to have that authority.

Mr. President, ever since March we have been trying to assure the compensation in combat-connected cases. The Senator from Massachusetts [Mr. WALSH], in the debate at the time, proposed an amendment which was accepted and which according to him guaranteed the retention of these men on the rolls. It contained a little joker. The joker in that case was the phrase "except as to rate." By cutting down the rate to less than 10 percent the Bureau in effect struck every man whom it wanted to strike completely off the rolls, so that the amendment proposed by the Senator from Massachusetts and adopted by the Senate became null and of no effect.

I remember a similar joker in the Tyson-Fitzgerald bill, which we passed in 1928. As I remember it, that bill purported to provide retired pay for all emergency officers who had hitherto been rated over 30 percent; but instead of letting it go at that the words were inserted "who have hitherto according to law been rated at 30 percent", or words to that effect. The Bureau took the words "according to law" and construed them as giving authority to review every one of the cases to see whether or not the 30-percent rating had been legally and properly given. If I know anything about the Bureau, I know that the word "properly" was put in the present regulation for an exactly similar purpose.

But, Mr. President, they are not satisfied with putting in the word "properly." They go on, and after saying "any

veteran who on March 20, 1933, was properly rated on a permanent basis" they add the words "and who meets the requirements of regulation no. 1, part I."

When we turn to regulation 1, part I, we find a number of provisions which would allow the Bureau to reverse the rulings which had hitherto been made allowing the name of any particular veteran to remain on the roll. For instance, there is this provision:

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.

In other words, the presumption of soundness which attaches to any man who entered the service can be reversed not merely by evidence, which might be entirely a fair method, but by "medical judgment", not necessarily based on any evidence at all.

Section (c) reads:

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—

That is the presumptive clause as contained in the regulations of March 31—

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.

In other words, the presumption would be canceled, not on conclusive evidence that it is incorrect, not on preponderant evidence that it is incorrect, but merely on "affirmative evidence to the contrary", no matter how weak that evidence may be.

Let me read another paragraph in the regulations contained in part I:

(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.

Not the preponderating proof, not conclusive evidence, but "a specific finding", and the value to be attached to the specific finding, of course, will be left to the doctors in the Veterans' Bureau.

Mr. President, we have heard a great deal in the last few days about colloquies between Members of the House and the executive branch of the Government. Nothing that I care to say here must be taken to have any reference to those colloquies. I am sure that Members of the other branch of the Congress will act in accordance with their consciences and convictions. But I do want to remind the Senate that these regulations, which were refused me yesterday morning, and which after a change of heart were presented to the Senate yesterday afternoon, show on the face of them that they were written in bad faith and with intention of fraud. That is what is done while Congress is in session. That is what is done when we are sitting right here, still able to use our legislative prerogatives, still able to insure by our votes that the wishes of Congress may prevail. Under these circumstances, what do Senators imagine will happen if we go away from here and do not ourselves decide what we wish to have done?

Perhaps the Connally amendment which we adopted the other day is not correct in all respects. Perhaps it might be improved; but if it is to be improved, let Members of the two Houses of the National Legislature do the improving. Let us not trust to Executive orders, which, although approved by the President of the United States, are in effect promulgated and written by some subordinate in the Veterans' Administration under the pressure of the Director of the Budget, who, as we all know, is trying to cut down veterans' compensation to the lowest conceivable point.

In this particular instance we were promised a limit of 25 percent as the maximum reduction in cases of combat-connected disability and yet the actual regulation issued in pretended compliance with that promise is not worth the paper on which it is written. Let us be very careful, Mr. President, concerning the exact language which may eventually pass the two Houses of Congress with regard to veterans' legislation. Let us be careful of every adjective and every adverb, because if we leave the slightest loophole, as we saw last March with regard to the amendment of the Senator from Massachusetts [Mr. WALSH], the Veterans' Administration will take advantage of it and nullify the will of the Congress of the United States.

I am very glad that we have these regulations before us, that we are able to take a look at them some days at least before this body expects to adjourn. Let us act, Mr. President, in accordance with our own convictions. If we believe we made a mistake in adopting the Connally amendment, let us say so. Personally I do not think we went far enough. But whether we went far enough or whether we went too far are matters for the Senate and House of Representatives to decide. Let us not leave these unfortunate, helpless veterans from now until January at the mercy of people in the Veterans' Administration and in the Bureau of the Budget who have proved repeatedly that they are not only completely out of sympathy with the disabled veterans but that they are willing to act in bad faith with the Congress of the United States.

COLLIER'S WEEKLY ARTICLE ON SENATOR LONG

Mr. LONG. Mr. President, Collier's Weekly Magazine is a Morgan concern, and Thomas W. Lamont, a Morgan partner, is a director of the Crowell Publishing Co., which publishes Collier's Weekly. Collier's is a well-known Morgan publication.

Shortly before I came to the Senate, Collier's Weekly had an article in it in which it was said that they had sent Mr. Walter Davenport down to the State of Louisiana to get the facts regarding how HUEY P. LONG had come into politics in that State, and to write up the facts. Mr. Davenport published a long article in Collier's Weekly at the time which, whether regarded as complimentary or not, went to considerable length to show that I had in some measure dethroned the entrenched and corrupt machine politics of that State, eradicated illiteracy, educated the children, and in many other respects glorified the accomplishments at a time after I had concluded my administration and long after I had ever been a candidate for the United States Senate.

But since the Morgan inquiry has developed here and I have had something to say relative to Mr. Morgan in other ways and relative to his clients, this Morgan publication has taken the same author, Mr. Walter Davenport, and say they have sent him down to Louisiana to find out about me and they have now published another article. I shall go to the Congressional Library as soon as I have an opportunity today and obtain the previous article, and shall place in the RECORD, side by side, the two articles that have been printed in this Morgan publication, Collier's Weekly, written by the same writer, Mr. Walter Davenport, so that Members of the Senate and of the Congress who wish to concern themselves can find out how Mr. Morgan and his publication vary their views and their facts which they have discovered to meet what they may consider the emergency of the situation.

Mr. President, before this article got into Mr. Morgan's publication—and it has not yet reached the date of its public sale—Collier's Weekly went to the pains of making a copy of its article in printed form and mailing it to every Member of Congress, with the request that each Member of this body and of the other House write them a letter and tell them what they think about the article for their future information.

In order to show what this damnable outfit has done I am going to do them the credit to read a paragraph from the article:

Add what the parishes and all the subdivisions owe and you find Louisiana in debt to the extent of $395,532,463.47.

Mr. President, I have never had anything to do with floating parish bonds or municipal bonds. I have had something to do with floating State bonds; and I wish to say to you that the Morgan Houses bought Louisiana bonds, as long as I was Governor of that State, at the lowest rate of interest that they had ever bought Louisiana bonds for, and lower than those sold at the time by any other near Southern State, and at a better premium, and the record will show it. There is no such indebtedness as this on the State of Louisiana—nothing of the kind. It is ridiculous and absurd.

I desire to read another paragraph from this article which they printed in advance and sent to the Members of Congress. I beg the Senate to note, following the time that I said what I did several weeks ago with regard to the conduct of the House of Morgan, and its undertaking to control this Government.

I want to say, Mr. President, that I took up the case of Mr. Lamont in this matter. There is another paragraph that I want to read from this article which I think I can readily find, which they have taken pains to send to all the Members of the two Houses. Here it is:

Here's a lawyer of high repute—

They say that a fellow down there is a lawyer of high repute—a little fellow whose picture they have here. If he is a lawyer, I did not know it. If he ever tried a case, I did not know about it. I learned that he was in some trouble here a while back, and got out through some peculiar maneuvers. That is all I ever heard about him. If he ever had a case in court, I do not know what it was; but the author says this:

Here's a lawyer of high repute telling you about Huey's beautiful mansion on Audubon Boulevard in New Orleans. How did Huey get it? Where did he get the money and how much? Is it true that he got the great house from Rudy O'Dwyer of the Club Forest over in Jefferson Parish?

Club Forest is a night club, and carries on gambling, I understand, for the information of the Senate.

And did Rudy get it from an unfortunate gambler, now a bootblack, who turned over the deeds to the mansion when he couldn't take up his I.O.U's.? Well, what about it?

Mr. President, before I became Governor of the State of Louisiana, when I was a lawyer, I lived in a house that cost $40,000, and it was not mortgaged for a 10-cent piece. Since I got through with my experience as Governor, and started for the United States Senate, I am living in a house that is mortgaged for $40,000, the entire purchase price of the house. That is how much good in the house exchanges the Governor's office and the United States Senate have done me. The records are there to show. The transfer was made through a reputable firm of lawyers, Merrick, Schwartz, and somebody, who are also attorneys for the Federal Reserve bank of that district. I do not suppose I am called upon to answer that; but there is another little part here that I want to read.

They say that I took out a life-insurance policy up in some Canadian company. This is an old story that I have heard many times, which they take particular pains to quote. I do not find it readily, but I can state it. They say that I am the owner and holder of a life-insurance policy for $100,000, paid up in full, up in Canada. Well, if someone will locate me a life-insurance policy of that kind, I should indeed like to have it. For the information of the House of Morgan I will say that I came to the Senate with life insurance for $65,000, and since I reached the United States Senate, for the first time in my life, I have borrowed the limit of the life insurance, and owe every dime I could borrow on the life insurance that I had bought long before I became a Governor or a United States Senator; and drew every dime I could on it since I have been in the United States Senate. Those are matters of record; and I understand that Mr. Morgan's outfit controls practically all the life-insurance companies.

I want to say, Mr. President, that this Morgan publication is going to the extent not only of publishing this article, by the same author who wrote the article that I will get some time today or tomorrow and place in the RECORD here for the illumination of the Members of this Congress, but it has gone to an unusual extent in printing in advance this particular article and sending it to the Members of the Senate and to the Members of the House of Representatives.

I am not going to take much more time, Mr. President. This thing has been sent to all the Members. They can read it if they want to. They talk about the fact that two banks broke. Yes; I want to read that sentence to show the kind of business Collier's and Mr. Morgan's outfit see fit now to send over this country. I want to read this, just for fear the Senate will not read it.

If the Senate will pardon me just a moment, I will read it. I should have had this marked. I hope the Chair will not become impatient with me for taking a little time.

I cannot find it, Mr. President. At any rate, this article says that two banks closed in New Orleans in which I was badly involved—the Canal Bank and the Hibernia Bank.

Mr. President, both of those institutions were Federal Reserve banks. I did not owe either one of the banks a nickel—not a penny. I do not own any stock in the banks. The only connection I had with either of them was that when I borrowed $15,000 on my life insurance, and there was a run on the Hibernia Bank, I walked into the bank and put $7,300 in it, so that I might give the crowd to understand that I had confidence in it, in order to stop the run on the bank, and lost my $7,300. [Laughter.] Now, that is my connection with that.

Another thing they say is that in New Orleans we had a surety company that failed. Well, that was a terrible thing!

The Union Indemnity Co. failed in the State in which I live. Now, that is awful! The Union Indemnity Co. did fail; but the National Surety Co. in New York failed for 10 times as much as the Union Indemnity Co. failed for. The International Surety Co. failed for five times as much as they failed for. Surety companies failed all over this country with which I could have no connection, because I did not live in their States; and, for the information of the Senate, I will state that I did not owe the Union Indemnity Co. 5 cents. I did not own 5 cents' worth of their stock; and the only thing with which the State of Louisiana is to be charged—because the Union Indemnity Co. reinsured with the National and the International, and one with the other, and they were all considered as good as any, and they were among the best—the only thing that could be charged against the State of Louisiana was that we gave to our home surety company all the business we could, just as every other surety company gets all such business in its State where the charges are equal, and they are always equal. That is the kind of business, Mr. President, that has evidently seemed to be necessary to be put here in this special form, with all this dispatch, and out of the ordinary course of procedure, by this organization.

Mr. President, I have sent for, and I want to give the Senate, some figures about a few things. If the Senate were the only ones concerned, it would be different; but I have the credit of my State somewhat to defend. I want to tell you about the bonds which I have ever had any part in issuing in Louisiana. I do not know anything about the $395,000,000; but when I became Governor of Louisiana, the man whose picture they print here, Mr. John M. Parker, had issued $41,000,000 of bonds—he and Governor Pleasant and one Governor before him; mostly by Parker. They had issued $41,000,000 worth of bonds on the port of New Orleans, and they did not provide any revenue with which to pay them except the earnings of the port; and as Governor of that State, I had to float a tax in order to retire the bonds for money that had been secured by my predecessors in office, and entirely spent by them.

Not only that; they had, they say, floated all these bonds for large sums of money in the parishes. They had floated one issue of one hundred and some odd million dollars of bonds to build public roads in Louisiana before I became Governor; and when I became Governor of that State there were 26 miles of supposed-to-be no. 1 type road in Louisiana. It was not even no. 3 type; but, at the most, there was only 26 miles of no. 1 type, and $100,000,000 worth of bonds had been charged against the parishes, and $41,000,000 had been charged against the port of New Orleans, and there was not a mile of first-class road in the State. When I left the governorship of the State of Louisiana, whatever bonds had been floated during my term gave that State the standing today of the best good-roads community that there is to be found in America, or anywhere on the face of the earth—around 2,000 to 3,000 miles of paved highway and gravel road—to the point where there are not 5,000 people living in Louisiana that are farther than 1 mile away from an all-the-year-round road on which they can go east, west, north, or south anywhere in the State of Louisiana.

That is not all, Mr. President, that this damnable sheet fails to convey, and tries to insinuate the contrary. I want the United States sometime to know—I do not know whether I can ever say it loud enough so that it will be remembered, because by the time the facts reach the people through this kind of medium they are usually twisted into a false statement—but, Mr. President, I set up something that the United States Government might well have followed, I believe, and probably may some day. When I began to ask the people of Louisiana to vote bonds, and they voted them at my request, I set up a board of 19 citizens, most of whom had been opposed to me for Governor, and some of whom are not my political friends yet. I put on that board my political enemy, the attorney general, Mr. Percy Saint. I put on that board my political enemy, the Lieutenant Governor, Paul N. Cyr. I put on that board my political enemy, the treasurer, Mr. Haney B. Conner. I put on that board the president of the chamber of commerce, a political enemy. I put on that board the president of the Young Men's Business Club, a political enemy. I put on that board of 19 the men selected by publications that did not support me in politics; and not a dime of money for the building of roads was ever spent in the State of Louisiana from any bonds ever voted under me that did not have the unanimous consent of the 19 men comprising my political enemies before it was spent and after it was spent, before the contract was awarded and after the work was done; and until this day not a single dissenting vote is of record in the State of Louisiana against the regularity of the expenditure of a dime of the money, and not a single protest was ever lodged by a single citizen before that board of 19 approving of the expenditures of funds in that State.

That is the kind of a condition, Mr. President, that can be dwarfed and misrepresented; and they want to paint the great mystery: "How is it that the people of Louisiana have ever tolerated or elected HUEY P. LONG?" And Collier's Weekly, under the direction of Mr. Lamont, of the House of Morgan, calls upon the Members of the Senate and the Members of the House to write back their personal reflections as to how any such thing could come about, and sends this specially printed article in advance with a letter to each Member of this House of Congress and to each Member of the other House of Congress.

Mr. President, I will not take any more time of the Senate; and as soon as I can get one set of figures, which I want to put in the RECORD, I will have concluded my remarks.

While I am waiting, I may say that it is said that the ring put me into the Senate. There never was a bigger falsehood ever told. The Democratic organization in New Orleans fought me in my race for the United States Senate and beat me in the city of New Orleans by 4,600 votes. I was defeated in the city of New Orleans by 4,600 votes. When I was elected Governor, they fought me in the city of New Orleans and beat me by 23,000 votes. I overcame the 23,000 votes in 1928, when I was elected Governor, and had 45,000 and some odd to spare. I overcame the 4,600 in 1930, when I came to the United States Senate, and had some 38,000 to spare.

Following that, every candidate elected in the State of Louisiana to a State office was elected on a ticket bearing at the top of it the legend that he had my support, with practically no such thing as enough opposition to hurt us, no opposition of any serious consequence.

Another very damnable and unfair and unscrupulous practice has been resorted to by these scalawags. They have continually pointed out the fact that members of my family have volunteered derogatory political statements against me. If a member of my family holding an office under appointment from me wants to run for political office against my ticket, I cannot help that; and if he does, and I have given my word to support somebody else, am I to be held answerable because I am unwilling to throw another candidate off the ticket, or to change my support from someone whom I promised to support because I have a relative running against him? Am I to be charged and held responsible for everything that may be said because I am unwilling to support somebody else in politics? There is nothing here that has not been presented to the people of Louisiana, except something that is within the realm of imagination.

I have a little record from the Federal Reserve Board—and I want the Senate to take just a little notice of it—of the number of bank failures from January 1, 1928, to February 28, 1933, in five States. I want to show how Louisiana came out during all this crash up until every bank in the United States was closed.

According to this statement, for the whole United States, a total of 491 banks failed in 1928, 642 in 1929, 1,345 in 1930, 2,298 in 1931, 1,456 in 1932, and 389 in January and February 1933, making a total of several thousand banks. Without adding it up, I should say there were some seven or eight thousand banks that failed.

Here is the record of the State of Louisiana: In 1928 there were two bank failures, very little banks, too, no such thing as a big bank. In 1929 we did not have one bank failure. In 1930 there were 9, in 1931 there were 7, in 1932 there were 14, and in 1933 there were 3. Of all the bank failures we had, not one bank was even a third-class bank; and of the insignificant number of banks that failed in Louisiana out of the many thousands that failed in the United States, of the very few that may have been said to have failed in Louisiana, about 30 were small banks, and most of them were amalgamations.

I will compare the record of the State of Louisiana against the record of any other State in the Union. I wonder if I could take the example of some State, just to get an illustration, without having some Senator feel I was reflecting on his State. I will compare the record of Louisiana with the State across the line, Mississippi. There is no comparison. I will compare it with the record of Arkansas. There is no comparison. I use those States because they are right next to my State. The fact that there were bank failures does not reflect upon anybody.

In 1928, 14 banks failed in Arkansas, 4 failed in Mississippi, and 2 failed in Louisiana.

In 1929, 11 failed in Arkansas, 3 in Mississippi, none in Louisiana.

In 1930, 135 failed in Arkansas, 52 failed in Mississippi, none in Louisiana.

In 1931, 57 failed in Arkansas, 60 failed in Mississippi, 7 in Louisiana.

In 1932, 13 failed in Arkansas, 12 in Mississippi, and 14 in Louisiana.

In January and February 1933, 5 failed in Arkansas, 6 failed in Mississippi, 3 failed in Louisiana.

It will be found that whereas the banks which have closed in our neighboring States were the biggest banks they had in the States, the little banks which closed in the State of Louisiana before the bank crisis were banks of very insignificant importance compared with the main banks.

I send to the desk this table, together with a letter which has been furnished me by the Federal Reserve Board, and

ask that the letter and the table be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit A.)

Mr. LONG. Mr. President, I ask further that if I am able today to find the record of the previous article written by the same writer in this very magazine of Morgan & Co., I may have opportunity of putting them in the RECORD at the conclusion of my remarks.

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

(See exhibit B.)

Mr. LONG. Mr. President, I wish to say, in conclusion, that I have not the time to continue answering this kind of thing. I do not have time for such things. I do not suppose any Senator has, if he does anything else.

I want to say, further, that we have paid very little attention to this kind of claptrap in Louisiana. We know the caliber of enemies we have down there. They have been steadily voted out of public office. So far as the ring politicians are concerned who have come over since they have been beaten, and do not fight us any longer, it does not make any difference what they do. We know the people down in that State, and if they want to stay or do not want to stay it makes no difference.

It is said in the article to which I have referred that the political henchmen are ready to jump away from the HUEY LONG organization. God bless them, let them jump. If they jump, they will "stay jumped." We have never tried to keep anybody from jumping yet, and if they want to quit anybody, they do not have to worry about quitting us.

I want to say, in conclusion—and I hope this will be in conclusion; I have been intending to conclude several times—there will not be any elections in Louisiana for a long time. We have had a few. We do not have to elect any more Senators for 4 years, or another Governor for 3 years, and the city election in New Orleans will be a formality. We will not have an election down there for a long time, and our opponents naturally can make a lot of prophecies of the great waning influence, and of the terrible rising rebellion.

Mr. President, there is not one of those fellows just mentioned who could be elected justice of the peace in a single precinct in the State of Louisiana. They could not get a corporal's guard. They cannot even write out the names of enough friends they have in the State of Louisiana to send something to. They have to send their communications to our men.

They have no friends down there, they do not deserve any friends down there, because they had put the State of Louisiana at the bottom of the list in literacy when I became the Governor of that State. Look at the statistics today, and see where it is. The Louisiana State University was a third-rate university when I became Governor of that State. Look at the college statistics today, and you will find it no. 1, with Harvard and Yale. Look at any other institution in any other State on the face of the earth, and see if Louisiana does not top the list, or come close to it. Then compare that with the condition that prevailed when these sabotage skunks were in control, and see what has been done in that State. Then it will be understood why the State of Louisiana wanted somebody like me in the Governor's office and would not want to go back to the clique we put out.

EXHIBIT A

FEDERAL RESERVE BOARD,
Washington, March 27, 1933.

Hon. HUEY LONG,
United States Senate, Washington, D.C.

DEAR SENATOR LONG: In response to your telephone request of today, there is enclosed a table showing the number of bank suspensions in each State, by years, from 1928 to 1932, inclusive, also during the first 2 months of the present year.

Very truly yours,

E. L. SMEAD,
Chief Division of Bank Operations.

Number of bank suspensions, Jan. 1, 1928, to Feb. 28, 1933, by States

	1928	1929	1930	1931	1932	1933 (January and February)
Alabama	------	11	34	36	18	2
Arizona	------	------	5	5	7	------
Arkansas	14	11	135	57	13	5
California	------	4	7	18	33	15
Colorado	3	5	5	21	24	8
Connecticut	------	------	7	10	6	------
Delaware	1	1	------	------	1	------
District of Columbia	------	------	------	------	4	1
Florida	35	63	39	17	11	------
Georgia	26	32	31	35	25	2
Idaho	2	3	1	10	24	6
Illinois	18	30	126	238	209	41
Indiana	24	24	90	96	68	20
Iowa	51	34	86	208	147	21
Kansas	26	12	43	38	69	20
Kentucky	7	2	29	27	38	1
Louisiana	2	------	9	7	14	3
Maine	------	------	------	2	------	------
Maryland	1	1	2	20	4	2
Massachusetts	------	------	3	19	5	------
Michigan	------	9	21	113	87	18
Minnesota	46	31	22	101	62	18
Mississippi	4	3	52	60	12	6
Missouri	31	23	104	122	80	65
Montana	1	1	11	11	8	------
Nebraska	50	149	44	109	51	33
Nevada	1	1	------	2	16	------
New Hampshire	------	------	1	2	------	------
New Jersey	------	1	3	38	8	5
New Mexico	------	1	------	1	1	------
New York	3	5	8	55	10	5
North Carolina	8	18	93	63	31	7
North Dakota	38	36	60	66	14	------
Ohio	11	10	25	115	26	7
Oklahoma	5	20	23	24	32	4
Oregon	3	1	2	14	26	6
Pennsylvania	1	5	19	137	42	3
Rhode Island	1	------	------	------	------	------
South Carolina	22	18	27	34	18	3
South Dakota	7	13	54	73	23	5
Tennessee	4	12	28	31	28	19
Texas	23	10	34	86	35	6
Utah	2	------	3	9	14	------
Vermont	------	------	2	------	------	------
Virginia	7	9	20	37	9	2
Washington	2	7	3	22	28	7
West Virginia	5	14	10	57	6	2
Wisconsin	6	11	24	49	67	17
Wyoming	------	1	------	3	2	1
Total	491	642	1,345	2,298	1,456	389

EXHIBIT B

[From Collier's for Dec. 13, 1930]

YES, YOUR EXCELLENCY!

By Walter Davenport

(HUEY LONG is a born salesman, a fast thinker, and a powerful talker. Louisiana's young Governor has spent a good part of his 37 years selling soap, groceries, a political candidate, furniture, starch, clothing—but his biggest and most successful sales campaign was to convince his State that they simply had to send him to the United States Senate. The Senate is going to hear something.)

There were two candidates for tick inspector in Winn Parish, La., in 1907. HUEY PIERCE LONG, 14 years old at the moment, was not one of them, being denied by his youth the privilege of righting the people's wrongs. On more than a few occasions since then Mr. LONG has given it as his opinion that just because a fellow is a bit shy of his legal majority is no reason why the public should be deprived of his political services.

At the time of this crisis in the history of Winn Parish Mr. LONG was a journalist well on his way into a career which has led him through half a hundred jobs to the Governorship of Louisiana and to the United States Senate. How much farther he is going nobody (not even Huey) knows, although you'll find sane citizens of his State who, like Mr. Last Calloway, of Old Shongaloo, Webster Parish, will take your long odds that Huey won't be President of the United States, King of England, or boss of the South Sea Islands.

"How many Senators are there up there in Washington?" asked Mr. Calloway.

"Ninety-six."

"Shucks", said Mr. Calloway. "That'll be easy for Huey. Only 95 to think faster than."

But when the memorable tick-inspector campaign of 1907 was approaching its climax, Mr. LONG was about nine tenths of the editorial and mechanical staffs of the Southern Sentinel, a weekly newspaper published at Winnfield. He was also the most active half of the advertising department, which left him ample time to superintend circulation and help his father wring a thin living out of a few acres of clay called a truck farm.

Inasmuch as Mr. LONG was debarred by youth from running for tick inspector he chose that aspirant who, in his opinion, would be the better occupant of the office and took stock of his man's chances. They were remote. So Huey went to him and violently

explained that he was certain to be beaten unless he adopted the Long plan. So convinced was the man that defeat was his that he was glad to listen, even to a reedy-voiced boy.

Briefly, the Long plan was that the candidate's campaign should be managed by HUEY PIERCE LONG, who, for the sum of $5 (two fifty down and two fifty when elected), would route and direct his speaking tours, organize and direct a group of reliable applause promoters, plant fearless hecklers in the camp of the opposition, write all speeches, and attend to all the other thousand and one details of a heart-gripping campaign.

On the Long plan Huey's man was elected tick inspector with many votes to spare—12 or 14, to be more specific. But what accomplished his overwhelming victory was a speech written by his manager—a speech still cited as the acme of vote appeal in Winn Parish. Its last paragraph did the work:

"If I am elected, I will inspect every cow, male and female, for ticks. Them that's got 'em will get rid of 'em, and them that ain't got none won't get none."

A POLITICAL BOBCAT

That was 23 years ago. Since that remote day HUEY PIERCE LONG, filled with the same unconquerable confidence, cleaving to the same directness of purpose and speech, overflowing with an energy which flattens weaker beholders, ruthless as a machine gun, a political bobcat, has overcome enough obstacles and achieved successes enough to make up 2 or 3 robust careers. Huey has done about everything except write mystery stories; and his enemies, producing Huey's messages to the legislature and to legislators, his speeches and his defensive alibis, insist he is a master even of that.

Last September 9 he was nominated United States Senator by the Democrats of Louisiana, defeating the incumbent, Joseph E. Ransdell, by 38,000 votes and reducing the far-famed New Orleans ring to a pulp of abject misery. Naturally that means election. But every one of Louisiana's 18 dailies and almost all the weeklies fought him with a bitterness that choked their columns with such epithets as thief, plunderer, demagogue, liar, thug, hypocrite, panderer, corruptionist, and buffoon. I mention only the most prominent, taking them swiftly from the newspaper files. But Huey, ignoring his enemies with a thoroughness that drove them mad, and pursuing a medicine-man campaign wherein he demonstrated that he is one of the greatest salesmen of our times, captured the Protestant north of the State and the Catholic south, although Mr. Ransdell is a Catholic. He even won three wards of New Orleans.

And on the morning of the 10th he sat down to the telephone in his hotel room and began calling up the New Orleans newspapers that had fought him. To the first editor he represented himself as an irate Italian. What did that editor mean by advising him, a poor fruit vender, "that thisa man HUEY LONG no gotta chance? What th' hell, hey? You tella people thisa guy LONG sure gat beat.

"I betta guy feefty dollar on Ransdell because you taal me HUEY LONG ees a bum. And now I loose my money. What th' hell, hey?"

While the editor with becoming dignity was trying to pacify the excited one Huey dropped his voice disguise and with a loud, backwoods laugh roared: "Okay, okay, this is only Huey talking. Happy days, mister."

IN THE BOOKS

To the next editor he represented himself as a Jew who wanted to know whether it wouldn't be a graceful thing for that newspaper to apologize to HUEY LONG for its gross misrepresentation of the new boss of Louisiana. If it did not, the speaker would feel obliged to withdraw his advertising.

Again Huey heard pacific words from editorial lips until, unable longer to restrain himself, he shouted: "Drop in and see me some day, boy. This is HUEY LONG speaking."

And so on down through the newspaper list until he tired of the fun.

Little things like wholesale opposition, like impeachments on 25 counts, running all the way from lack of official dignity to kidnaping, bribery, graft, and moral turpitude—little things like these fail even to give Huey pause. I have met many men, many politicians, but I have never met one so quick to turn an enemy's thrust against the attacker or to convert a mean situation into a personal triumph.

For example, there was the morning Huey was in his tub when somebody knocked viciously on the door. At Huey's roar to enter, a man came in with a bill for printing and electrotyping in his hand.

"Hello, oldtimer", bellowed Huey through lather. "Just the guy I wanted to see. Here, take this brush and soap. Take off your coat and roll up your sleeves. Thata boy. Now scrub the nasty old Governor's back. Allez-oop!"

It may be difficult to believe, but the intruder took the brush and soap and scrubbed the gubernatorial back with a vicious will.

"Thata boy!" shouted Huey. "Thata boy. Hey. Lay off. That's enough."

He leaped to his feet, thrust the scrubber back, and turned on the shower—cold. In a moment the bathroom was a cloudburst and the bill collector, wiping water from his eyes, backed out, blind and speechless. Then, struggling free from the influence of his dynamic Governor, he fled in damp panic, the bill still in his pocket.

Then there was that schoolbook legislation. Distributing public moneys to the schools of Louisiana had been a problem which had robbed Governors of sleep, prestige, and office. The politicians had turned contortionists and acrobats in their wild efforts to dodge the wrecking machine of the school appropriations.

North Louisiana is Protestant. South Louisiana is predominantly Catholic. The children of the upper parishes were cared for by the public schools. The parochial schools receive the majority of the youngsters in the lower part of the State. How, then, was State money to be disbursed for education? Politically it was not healthy to deny State help to the children of Catholics simply because they attended Catholic schools. Politically it was dangerous to antagonize that considerable element which insisted that State funds might not be given to sectarian institutions.

Huey met the situation with characteristic simplicity. Huey is one of earth's perpetual children anyway. A keen but everlasting sophomore. All he did was to draw up a bill which provided that every child in Louisiana should be given free schoolbooks. That's all—schoolbooks. It mattered not where that child went to school, just so long as it was enrolled in a school. Free schoolbooks—and God love 'em.

His opponents, chagrined that so old a problem should be solved by this irreverent upstart, appealed to the courts. Huey had dared the unfriendly legislature to refuse to pass the bill. He dared them to reject it and then to go back and face the parents of the children. They passed it. But the more courageous of Huey's enemies followed it into the courts, demanding that it be declared unconstitutional because it gave State moneys to sectarian schools—indirectly, of course, but still gave it.

And Huey himself, admittedly one of the best lawyers in the South, went along arguing to victory after victory until it appeared in the Supreme Court of the United States. There Huey defended his naive legislation with such conviction and enthusiasm that it was not only declared wholly constitutional, but Huey was commended by Mr. Justice Brandeis.

There's no routine, no uniformity, convention, nor schedule to the Long method. Details are not delegated to clerks and secretaries. Huey attends to all that, making as much furor over a detail as over a whole campaign.

SPEAKING HIS PIECE

If he adheres to his present plan (which he probably won't) Washington will not have the joy of knowing him until after his term as Governor expires—until his successor is elected in the fall of 1931. The reason is that he is much more interested in maintaining his personal dictatorship in Louisiana than in sitting in the Senate; and he is not going to surrender the Governorship to his mortal enemy, Dr. Paul N. Cyr, Lieutenant Governor. Dr. Cyr, a combative dentist, openly declared war on Huey when the latter insisted that Mrs. Ada LeBoeuf hang with her lover, Dr. Thomas E. Dreher, for the murder of the lady's husband. Both were hanged, and Dr. Cyr has since devoted his time to plans calculated to ruin the political career of HUEY LONG. He hasn't succeeded, but Huey pays Dr. Cyr the compliment of declining to turn his back on him.

Huey is 37 years old, about 5 feet 10 inches tall, and a natural light heavyweight. He carries himself like a well-conditioned baseball player, and his reddish hair seems to get redder as he works himself up to his favorite fighting speed. You may not agree with his politics, his methods, or his demagoguery (and Huey's a demagogue), but it's almost impossible for the visitor from outside not to like him. He's a combination of Billy Sunday, Jack Sharkey, Sonny Boy, and the late Harry Houdini. He is also a smart politician.

He was born in lonely Winn Parish. During his childhood food was so close to being a curiosity in the Long home that Huey went to work at the age of 7. Out of his daily wage of 35 cents he saved enough money to buy ragged sets of Victor Hugo, Shakespeare, and Sir Walter Scott. He memorized whole poems and chapters of the Bible. He dared anybody to bet him $10 he couldn't recite all of Pilgrim's Progress, but people fled at the prospect. In rapid succession he became a book peddler, a printer, a salesman of a lard substitute. He sold soap, groceries, furniture, clothing, starch, and Heaven knows what else. He went to school whenever he had money enough to keep himself housed and fed. He tramped the State organizing cooking contests for the makers of the lard substitute, and in Shreveport gave first prize to a girl named Rose McConnell for her bride's loaf cake. Soon thereafter he married her, and he has the grace to admit that she has done more to promote his success than he has.

NO CRIME TOO GREAT

At her urging he borrowed $450 in 1912 and registered at Tulane University as a special student in law. In 7 months (this straight from the records) Huey, taking every class offered him and working day and night, completed the 3-year course and passed the bar examinations. By sheer clamor he induced the supreme court of the State to hold its examinations 3 months in advance of the set time, and he passed that test far out in front of the others.

Even if he weren't a good lawyer, he'd be a prominent one because of his love for a fight. He boasts that he never turned down a case, and would today appear in police court to defend a chicken thief or a liquor toter and tomorrow argue the case of the Standard Oil Co. of Louisiana. He would, too.

At his wife's insistence, he ran for public-service commissioner for northern Louisiana in 1918 and won hugely over four competitors. In 1924 he was defeated for Governor, but even his enemies admit that the weather did it—the rain deluge keeping the farmers at home. Four years later he won by the largest majority ever accomplished for the office—140,000.

Since then practically everything short of hanging has happened to him. He has been accused of all sorts of graft, from taking fees from State contractors to shaking down the Standard Oil Co.; from outright banditry in the State treasury to illegal transfer of public land. He has been accused of bribing legislators with jobs and cash. They have charged him with bargaining with one Battling Bozeman, a heavyweight prize fighter, whom he once retained as his bodyguard, to murder Jared Y. Sanders, one of the most active of his opponents. Mr. Sanders, happily, is alive and well, and Mr. Bozeman is no longer protecting his Governor's person from assault. One Joe Messina has succeeded to Bozeman's old job.

Huey has been challenged to a duel by a septuagenarian legislator, Gilbert Dupré, for saying, "Some men think just because they're deaf they're honest." Huey made it clear that he was talking about Mr. Dupré and Mr. Dupré was quite upset. However, Huey declined the duel. Then an even older man, Judge J. E. Reynolds, 78, expressed himself as eager to punch Huey's nose because Huey was extremely active in having the judge defeated for the State supreme court.

"What's the matter with all these old boys? Ain't there somebody younger than 70 to take a poke at me?"

There was. William G. Wiegand, a newspaper reporter, called on Huey one morning and Huey, being a bit fretful, applied to Mr. Wiegand the most popular of American epithets. Mr. Wiegand, being even younger than Huey, knocked Huey groggy with a magnificent right to the chin. Whereat Huey's guards rushed Mr. Wiegand against a wall and held him there while Huey pulled himself together and socked the reporter, making matters more or less even.

CAPTURING THE GERMANS

One hears all these charges against Huey and asks repeatedly and in vain just why a man guilty of so many crimes (if guilty) isn't sent to jail instead of to the United States Senate, or whether the State, despairing of jailing so desperate a brigand, has compromised on the next best thing. Certainly the celerity with which the politicians dropped their charges against Huey when he demonstrated by 38,000 votes that he was the undisputed boss of Louisiana indicates that their aim was to rid themselves of a tyrant, not a criminal.

He is a one-man machine. He brooks no interference, tolerates no advice, recognizes no other intelligence and won't even listen to the plans of the old party leaders. Huey is the State. The others, in Huey's calm judgment, are a collection of clucks.

Perhaps his most famous exploit involved the reception of the officers of the German cruiser *Emden*. Huey insists that the country didn't get it altogether straight.

"Doggone, boy, I had an awful time explaining green silk pajamas to the folks back in Winn Parish. Pajamas were bad enough; but silk ones! Boy! Listen, after that story folks all over the country, from New York, Chicago, San Francisco, all over, began sending me silk pajamas. I got close onto 500 suits of pajamas now. Want a suit?

"Listen. These German officers came early in the morning. I was just out of the hay. I heard the knock on the door and there they were. Boy! All dressed up. 'Come on in,' I said. They came in but I could see they didn't like it. 'Have some coffee,' I said. They didn't say anything. 'Okay,' I said, 'have some eggs.' But nope, they wouldn't. Boy, I was in bad. I had to apologize because there was no telling what would happen.

"I asked some authorities on this international eat-a-cat how I'd have to dress to go down to the ship and apologize. Boy, I didn't have any such clothes. But I scouted around. You ought to've seen HUEY LONG. Wow! Listen, I borrowed a pair of patent-leather shoes from a guy in a barber shop. The assistant manager of the Roosevelt Hotel lent me a pair of striped pants. One of the waiters slipped me a boiled shirt and a preacher lent me his swizzle-tail coat. Listen, I was wearing a collar so high I had to stand on a box to spit over it. I went down to that ship and told the captain I was damned sorry about those pajamas and in no time they fired 21 guns—21 loud ones for Huey! And we were hot friends. The newspapers bawled me out for being undignified. Sure, I'm undignified.

"And listen, I'm going to be less dignified hereafter. I've got too much Cajun in me to get dignified. This State's full of sapsucker, hillbilly, and Cajun relations of mine and there ain't enough dignity in the bunch to keep a chigger still long enough to brush his hair."

(Cajun is a corruption of Acadian. The Acadians were the French of Nova Scotia, many of whom, when deported by the British in 1755, made their way to the Bayou Teche sector of Louisiana.)

While his amazing energy lasts, he'll rule Louisiana. Let the legislature balk him, as it did for a while on his $68,000,000 good-roads program, and Huey takes his case straight to the people. He's forever campaigning. At 80 miles an hour, with reporters panting far behind, he darts hither and yon like an infuriated hawk, screaming anathema upon refractory legislators and talking so fast that among the simpler minded the impression remains that the people's liberties are about to be snatched out of their hands and that the only way out is to rally hard round HUEY LONG. What he says may have no direct bearing upon the political issue, but when Huey departs with a final roar from a town it is a safe bet that the heart of the town has gone with him.

Defeat HUEY LONG! Of course somebody is going to do it—but not just yet. One of the reasons why he defeated Mr. Ransdell was the weakness of his opposition, Mr. Ransdell included. Or perhaps the opposition only seems weak by comparison. But the truth is that the Long mind is usually 5 or 6 laps ahead of any political rival's.

When the Louisiana House of Representatives moved to impeach Huey, few except Huey believed that the senate would fail to find him guilty. Which would have meant the end of Huey—until the next election anyway. But while his enemies were still gloating over so comprehensive an indictment of the tyrant, an amazing thing happened. Huey had leaped into his bellowing motor car and had crashed up and down the State, screaming hate and derision and calling upon the farmers to look to their liberties. He returned to Baton Rouge, called a conference of a few senators and then announced that the house of representatives had his permission to go to hell.

TRY AND PROVE IT

Almost simultaneously, 15 Senators—more than one third of that body—signed a manifesto wherein they declared that no matter what the evidence was, they would not vote to convict Huey, because they believed the whole proceedings illegal. And there you are. How Huey accomplished this is one of his own secrets. His enemies, licked again, said it amounted to bribery. Very well, replied Huey, prove it. They didn't. They didn't even try.

Presently they dropped the whole impeachment, admitting thereby that Huey was boss. Not only that, they adopted his magnificent road program—a program that will not be carried out in its entirety. Not on $68,000,000 anyway.

His plan is to lay 3,000 miles of concrete roads and 6,000 miles of gravel highways. Somebody discovered that Huey's concrete roads were going to cost $54,000,000 and his gravel $30,000,000. Add to this a $15,000,000 bridge which happens to be an item in his scheme and you've spent $99,000,000. It just doesn't work out.

Not that Huey pauses. He simply refers you to his new tax on gasoline (he raised it from 2 cents a gallon to 4) and says the solution lies there, because with better roads there will be additional motorists and with more cars to consume gasoline the aggregate taxes will * * *. Anyway, you're answered.

Once—at least once—Huey went to a party. The outstanding personality at that party (before Huey arrived) was a lady named Miss Helen Clifford, whose dancing was one of New Orleans' most popular reasons for staying up late. So completely had Huey's enemies lost their political sense that they tried to convince the State that Huey's presence at the lovely Miss Clifford's party was something that the truly God-fearing men and women of Louisiana could not possibly tolerate. This seems to have been a sizable mistake because, according to the votes Huey amassed while his opposition blushingly whispered about the party, large numbers of the best people of Louisiana indicated at the ballot box that their only regret was that they too hadn't been there.

There was nothing in Huey's campaign for the senatorial nomination to indicate that he was interested in national affairs. Hardly once did he mention a national issue. He won on his good-roads issue and his tremendous appeal for the rural vote. To compensate for the enmity of all the daily papers in the State he started a newspaper of his own—a weekly—the Louisiana Progress. In no time it achieved a circulation of fifty thousand and the right to its claim to being the livest and frankest journal in the State.

THE KIDNAPING MYSTERY

As a final desperate and futile effort to discredit Huey, the newspapers surrendered their front pages to the mystery of Sam Irby and James Terrell, who were supposed to have dark secrets about Huey's dealings with the highway commission—secrets of graft that would convict the Governor and forever retire him from politics.

Boldly they accused Huey of kidnaping Messrs. Irby and Terrell (the latter the divorced husband of Huey's secretary, Miss Alice Grosjean, lately appointed secretary of state) to prevent them from testifying before the grand jury.

The excitement was at its height. The election was but a day away. That night Huey addressed Louisiana by radio, promising a nice surprise. And Huey made good. After a brief (for Huey) speech, he introduced Mr. Irby, who proceeded to ruin everything by telling how he'd been taken for a nice airplane ride by Huey's enemies and paid $2,500 to say nasty things about Huey. Being a gentleman of honor, there was but one thing Mr. Irby could do—and thereat he proceeded to do so.

He gave the $2,500 to Huey for campaign uses! They tell me that the screams of anguish from the opposition could be heard for miles. A few of them are still protesting, but in sullen whispers only.

"Listen", says Huey, "there are smarter guys than I am—I guess—but not in Louisiana."

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.

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

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Chair calls the attention of the chairman of the committee to page 8, lines 6

and 7. There has been no reconsideration of the vote by which that amendment was agreed to.

Mr. HARRISON. Mr. President, I move that the language there be amended to conform to the amendment previously adopted.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered, and the question is on agreeing to the amendment.

The amendment was rejected.

Mr. REED obtained the floor.

Mr. HARRISON. Mr. President, may I ask the Senator from Pennsylvania if he will not now offer the amendment he was about to offer before we got into the other discussion?

Mr. REED. That is what I am about to do. I move to amend the bill by striking out the last 5 lines on page 7 and all of page 8, that being the so-called "licensing section."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 7, beginning with line 21, to strike out down to and including line 25 on page 8.

Mr. REED. Mr. President, a moment's thought will show how un-American this section is. The President is given power to fix a code for any industry, and to alter it from time to time. That is a legislative power. The President then is given power to decide whether any particular industry or member of an industry has or has not violated that code. That is a judicial power. Finally he is given power to sentence the particular units to extinction by refusing a license, and thereby is made the executioner of an executive power.

The President writes the law, he decides whether or not it has been violated, and he carries out the sentence of himself sitting as judge by denying to particular Americans the right to carry on their business any longer.

Mr. President, it seems to me that the whole thing is un-American, and that it is repugnant to the form of government under which we live. We have always at least pretended to keep some separation between legislative, executive, and judicial powers. This provision combines all three functions in the President of the United States. It would not work in practice. Whether it would or would not work in practice, it would be vicious, fundamentally wrong, and I ask the Senate to strike it out.

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

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The Clerk will call the roll.

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

Adams	Costigan	Kendrick	Russell
Ashurst	Cutting	Keyes	Schall
Austin	Davis	King	Sheppard
Bachman	Dickinson	La Follette	Shipstead
Bailey	Dieterich	Lewis	Smith
Bankhead	Dill	Logan	Steiwer
Barbour	Duffy	Lonergan	Stephens
Barkley	Erickson	Long	Thomas, Okla.
Black	Fess	McGill	Thomas, Utah
Bone	Fletcher	McKellar	Thompson
Borah	Frazier	McNary	Townsend
Bratton	George	Metcalf	Trammell
Brown	Glass	Murphy	Tydings
Bulkley	Goldsborough	Neely	Vandenberg
Bulow	Gore	Norris	Van Nuys
Byrd	Hale	Nye	Wagner
Byrnes	Harrison	Overton	Walcott
Capper	Hastings	Patterson	Walsh
Caraway	Hatfield	Pope	Wheeler
Carey	Hayden	Reed	White
Clark	Hebert	Reynolds	
Coolidge	Johnson	Robinson, Ark.	
Copeland	Kean	Robinson, Ind.	

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. REED].

Mr. GORE. Mr. President, my attention was diverted when the yeas and nays were ordered. I do not, however, intend to discuss this measure. I merely wish to register my opposition to the provisions in the pending bill which authorize the issuance of a license to carry on a legitimate business and empower any official to revoke such license. I will merely say that to require a free man to take out a license to carry on a legitimate business in a free country is abhorrent to my conception of freedom itself. The two things cannot subsist at one and the same time in the same country. I would be as willing to trust the President of the United States or his nominees with that power as I would any other man or any other men living today or that ever lived within the tides of time. My convictions on this subject are impersonal. My objection to such license is impersonal. I shall resolve every doubt that I can in favor of his policies and his recommendations—grieved when I cannot do so, but license and liberty are, to my mind, incompatible the one with the other; they are mutually exclusive. I feel as deep a desire as any man for the success of the President and his administration. Failure would be a disaster, both national and individual.

I do not intend to detain the Senate, but I do wish to have read into the RECORD two or three authorities which I believe will command not only the attention but the respect of this body. Apart from Jefferson, I will let the Supreme Court speak in my stead. The first extract is from Thomas Jefferson himself in a letter written to Edward Livingston in 1800. The House of Representatives had passed a bill requiring the Government to charter a concern to operate a copper mine in the State of New Jersey; and I wish all Senators, particularly those on this side of the aisle, to give ear and attention to this language from Thomas Jefferson himself.

The VICE PRESIDENT. The clerk will read as requested.

The legislative clerk read as follows:

> The House of Representatives sent us yesterday a bill for incorporating a company to work Roosewell's copper mines in New Jersey. I do not know whether it is understood that the Legislature of Jersey was incompetent to this or merely that we have concurrent legislation under the sweeping clause. Congress are authorized to defend the Nation. Ships are necessary for defense, copper is necessary for ships, mines necessary for copper, a company necessary to work mines, and who can doubt this reasoning who has ever played at "This is the house that Jack built"? Under such a process of filiation of necessities the sweeping clause makes clean work. (The Writings of Thomas Jefferson, lib. ed., vol. X, p. 165; letter to Edward Livingston, Esq., April 30, 1800.)

Mr. GORE. Mr. President, I now wish to have read into the RECORD at this point an extract on a kindred point from a decision of the Supreme Court in the case of *Heisler* v. *Thomas Colliery Co.* (260 U.S. 250). It has to do with the power of Congress or the legislative authority to charge a business with a public interest regardless of the facts. I call the Senate's attention to this point.

The VICE PRESIDENT. The clerk will read as requested.

The legislative clerk read as follows:

> We may, therefore, disregard the adventitious considerations referred to and their confusion, and by doing so we can estimate the contention made. It is that the products of a State that have, or are destined to have, a market in other States, are subjects of interstate commerce, though they have not moved from the place of their production or preparation.
>
> The reach and consequences of the contention repel its acceptance. If the possibility, or, indeed, certainty, of exportation of a product or article from a State determines it to be in interstate commerce before the commencement of its movement from the State, it would seem to follow that it is in such commerce from the instant of its growth or production, and in the case of coals, as they lie in the ground. The result would be curious. It would nationalize all industries, it would nationalize and withdraw from State jurisdiction and deliver to Federal commercial control the fruits of California and the South, the wheat of the West and its meats, the cotton of the South, the shoes of Massachusetts, and the woolen industries of other States, at the very inception of their production or growth, that is, the fruits unpicked, the cotton and wheat ungathered, hides and flesh of cattle yet "on the hoof", wool yet unshorn, and coal yet unmined, because they are in varying percentages destined for and surely to be exported to States other than those of their production. (*Heisler* v. *Thomas Colliery Co.* (260 U.S. 250, 251).)

Mr. GORE. I have another quotation which I wish to have inserted in the RECORD at this point.

The VICE PRESIDENT. The clerk will read as requested.

The legislative clerk read as follows:

It has never been supposed, since the adoption of the Constitution, that the business of the butcher, or the baker, the tailor, the wood chopper, the mining operator, or the miner was clothed with such a public interest that the price of his product or his wages could be fixed by State regulation. It is true that in the days of the early common law an omnipotent Parliament did regulate prices and wages as it chose, and occasionally a colonial legislature sought to exercise the same power; but nowadays one does not devote one's property or business to the public use or clothe it with a public interest merely because one makes commodities for, and sells to, the public in the common callings of which those above mentioned are instances. (*Tyson & Bro.* v. *Banton*, 273 U.S. 438.)

Mr. GORE. The other two extracts are brief. One is from the case of Wolff Packing Co. against Court of Industrial Relations of Kansas, where that State undertook to regulate the wages of a packing plant. The Supreme Court held the power was beyond the competency of the State.

The VICE PRESIDENT. The clerk will read as requested.

The legislative clerk read as follows:

CONSTITUTIONAL LAW—DUE PROCESS—RIGHT TO CONTRACT AS LIBERTY

1. The right of employer and employee to contract with respect to wages is part of the liberty protected by the fourteenth amendment to the Federal Constitution.

* * * * * * *

4. The expression "clothed with a public interest", which gives the right of public regulation of a business, means more than that the public welfare is affected by its continuity or by the price at which a commodity is sold or a service rendered; the circumstances must be such as to create a peculiarly close relation between the public and those engaged in it, and raise implications of affirmative obligations on their part to be reasonable in dealing with the public. (*Charles Wolff Packing Co.* v. *State of Kansas*, 262 U.S. 522, Syl. 1 and 4.)

Mr. GORE. Mr. President, perhaps the latest case on that point is a case coming up to the Supreme Court from the State of Oklahoma. Oklahoma undertook to charge the business of manufacturing ice as being affected with a public interest. It required those engaged in the business to take out a license, and forbade anybody to engage in the business who did not obtain such a license. The Supreme Court of the United States decided the act void, holding that a man has a right to engage in an ordinary business that is not affected with a public interest without let or license from State or Nation. It actually holds that a contrary course amounts to a violation of the due-process-of-law provision in the fourteenth amendment and the fifth amendment of the Constitution.

I have here just a paragraph or two from that decision which I will ask to have read into the RECORD.

The VICE PRESIDENT. The clerk will read as requested.

The legislative clerk read as follows:

CONSTITUTIONAL LAW—LEGISLATIVE DECLARATION THAT BUSINESS IS AFFECTED WITH PUBLIC INTEREST—EFFECT

3. The mere declaration by the legislature that a business is affected with a public interest is not conclusive of the question whether or not its attempted regulation on that ground is justified. (*Chas. Wolff Packing Co.* v. *State of Kansas*, 262 U.S. 522, Syl. 3.)

Also, I would call your attention to the following quotation: "In the endeavor to reach a correct conclusion in respect of this inquiry, it will be helpful, by way of preface, to state certain pertinent considerations. The first of these is that the right of the owner to fix a price at which his property shall be sold or used is an inherent attribute of the property itself. *State Freight Tax Case*, 15 Wall. 232, 278, amd. as sicj. within the protection of the due-process-of-law clauses of the fifth and the fourteenth amendments." (*Tyson & Bro.* v. *Banton*, 273 U.S. 429.)

CONSTITUTIONAL LAW, SECTION 636—DUE PROCESS OF LAW—INTERFERENCE WITH LAWFUL OCCUPATIONS

6. The State has no power, under the fourteenth amendment, arbitrarily to deny or unreasonably to curtail the common right to engage in a lawful private business, such as the manufacture and sale of ice.

CONSTITUTIONAL LAW, SECTION 636—DUE PROCESS OF LAW—EXPERIMENTAL LEGISLATION INTERFERING WITH BUSINESS

7. Unreasonable or arbitrary interference with or restrictions on the common right to engage in a lawful private business such as the manufacture and sale of ice cannot be saved from the condemnation of the fourteenth amendment by calling them experimental. (*New State Ice Co.* v. *Liebmann*, 285 U.S. 262.)

Mr. GORE. Just preceding that quotation in the same volume there is another paragraph in the syllabus, holding that a legislative declaration that a business was affected with a public interest did not make it so. I should like to have the clerk find that place, because I am particularly anxious to have that go in the RECORD. The courts uniformly hold that the power of Congress over interstate commerce is no greater than the power of the State over intrastate commerce. Such powers are equal or equivalent, and Congress cannot exert power over interstate commerce greater than a State can exercise over intrastate commerce. I say that in order to show the pertinency of these decisions, whether relating to Federal or State power.

I may observe in this connection that a few years ago the Legislature of Louisiana undertook to charge a sugar refinery or that business with a public interest, and declared the business of refining sugar was affected with a public interest. The Supreme Court of the United States held that that legislative declaration was of no avail, that it did not affect the fact, and the question as to whether a business is affected with public interest is one of fact and not of law, to be determined by the court and not by the legislature. (*McFarland* v. *American Sugar Refining Co.*, 241 U. S. 78.)

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

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. GORE. I yield.

Mr. COPELAND. I assume from what the Senator has said that he is out of sympathy with the entire measure, even though it starts with the declaration of policy that the present national emergency affects the public welfare, undermines the standards of living, and so forth. On that theory, the same as in a State, by the exercise of the police power, the Congress undertakes to do something unusual.

I have had some experience in the matter of dealing with business by exercising such power as the license section of this act provides. Years ago I was commissioner of health of the city of New York and president of the board of health. It was my duty to enforce certain regulations relating to the so-called "offensive trades or offensive businesses", like horseshoeing shops, slaughterhouses, and organizations of that sort.

We found it utterly impossible for us to enforce our regulations until we determined upon the licensing system. Each one of those institutions had to apply for a license. Then if we found it operated in violation of the regulations we set aside the license, and of course the proprietor was without power to operate.

Here the members of the committee have undertaken in the formulation of the bill to impose certain regulations upon industry, very unusual regulations, of course. The measure is pressed because there is a national emergency.

If we have power actually to impose these regulations upon industry, I cannot for the life of me see how we could enforce them except we had the authority of issuing the licenses and doing away with them in case of violations.

Mr. GORE. Mr. President, this high-sounding declaration of purposes in the preamble or preliminary sections does not create any additional power and vest it in Congress. Congress cannot by such a declaration invest itself with a power which it would not otherwise possess. The Congress of the United States derives its powers from the Constitution of the United States and not from the preamble of its own enactments.

The preamble of an act of the British Parliament rent the British Empire asunder. It created this Republic. I hope this Republic will not be dismantled by another preamble.

The supreme object of our Government, the object of our Constitution, the object of the first 10 amendments, was to place certain rights and certain liberties of the individual beyond the power, beyond the caprice of any government on this earth. If it has failed in that thing, it has failed in all things. I have often said, indeed I have said in the Senate, that one of the chief glories of our free institutions is that the Government of the United States, with all its power and all its majesty, with all its armies and all its navies, cannot strip a street urchin of the rags upon his

back—not without the urchin's consent, except upon the payment of just compensation. The Constitution is the sheet anchor not only of our free institutions but of all our liberties. It is the sheet anchor of our ship of state. If that anchor breaks, all is lost. The Supreme Court is the guardian of this ship of state, the guardian under our Constitution, the guardian unswayed either by popular agitation on the one hand or by Executive power or Executive favor on the other. Upon that narrow isthmus all our institutions, all our liberties, must stand or fall.

The Senator from New York confuses the police power with the power to regulate commerce. The police power relates to public health, public safety, public morals, and it is legitimate to exercise the licensing power in the enforcement or administration of the police power. In a sense that is penal in its character. This principle does not apply with reference to the power to regulate commerce. The courts and the cases make that distinction because the power to license is the power of life and death; and when we revoke a free-born American citizen's license, we destroy his business without trial by jury and without due process of law.

Perhaps my convictions were hardened on this point during the late war when I was waging war against the late President, Mr. Hoover, for the extensive licensing power exercised by him under the food control law. Under that law the wheat farmers of the country were robbed of $1,000,000,000. The cotton farmers were robbed of half a billion dollars. Our farmers who produced livestock were robbed of $1,000,000,000. The venerable Senator from Wyoming [Mr. KENDRICK] will corroborate my statement when I say that that measure virtually broke and ruined every livestock producer in the West. Mr. Hoover's administration of that act beat our farmers down to their knees and they have never stood erect from that evil hour till this.

Obedience or the bowstring! That was the maxim of the sultan. It meant obedience or death. Licensing in a free country, licensing of freemen to carry on their honest business, is placing the life and the destiny of freemen otherwise than where they belong. The Supreme Court of the United States says the freedom of commerce between the States is the object for which the Constitution was adopted, and to convert that right into a privilege and require a citizen to obtain a license to carry it on is annulling both the letter and the spirit of the Constitution itself.

Mr. President, I ask unanimous consent to have printed in the RECORD at the close of my remarks a newspaper clipping containing an expression of opinion by the late Senator Walsh of Montana, concerning the constitutional power of Congress to license a private business. It related to the Davis-Kelly bill, providing for the licensing of operators engaged in the coal business. The late Senator Walsh was appointed chairman of a subcommittee of the Committee on Mines and Mining to prepare a report on the constitutional authority of Congress to enact a licensing law. As his last official act, and perhaps in the last official words that fell from his lips, with the light of another world breaking in his face, he declared against the constitutional power of Congress to compel a private citizen to take out a license to engage in a private business. That report did justice to his long and illustrious career as a jurist.

The VICE PRESIDENT. Without objection, the article will be inserted in the RECORD.

The article is as follows:

SENATORS DECIDE DAVIS-KELLY COAL BILL IS ILLEGAL—REASONS FOR FINDINGS HELD IN ABEYANCE PENDING REPORT TO FULL COMMITTEE—MEASURE CALLED FOR LICENSING PRODUCERS—WAGE FIXING AND PRICE CONTROL ONE OF PRIMARY PURPOSES OF BILL; SPONSOR WILL REINTRODUCE MEASURE AT OPENING OF NEXT SESSION

WASHINGTON, February 21.—The Davis-Kelly coal regulation bill was held unconstitutional today in a report of the Senate Mining Committee by a subcommittee of Senators Walsh (Democrat, Montana), Logan (Democrat, Kentucky), and Robinson (Republican, Indiana).

Reasons for the subcommittee's findings were held in abeyance pending report to the full committee.

The committee is not likely to take formal action before Congress expires March 4, which failure would automatically kill the measure.

Walsh, one of the Senate's outstanding authorities on constitutional law and probably the next Attorney General, told newspapermen the subcommittee's finding was predicated on a belief Congress did not have the power to regulate private industry.

The measure provided for licensing coal producers and controlling their interstate shipments, set up other regulatory machinery, and had as one of its primary purposes wage fixing and price control.

Representative KELLY (Republican, Pennsylvania) sponsor of the bill in the House, said he would reintroduce the measure at the opening of the next session. The House Commerce Committee killed the bill several weeks ago.

KELLY said he "could not understand why Senator Walsh found the bill unconstitutional, in the light of Supreme Court decisions on corporations engaged in interstate commerce.

Support of the Roosevelt administration for his or a similar bill is expected by KELLY.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. REED] on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LEWIS. I wish to announce that the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. McADOO], and the Senator from Nevada [Mr. McCARRAN] are necessarily detained on departmental matters.

Mr. HEBERT. I wish to announce that the Senator from Vermont [Mr. DALE] has a general pair with the Senator from California [Mr. McADOO]. I am not informed how either Senator would vote if present.

The result was announced—yeas 31, nays 58, as follows:

YEAS—31

Austin	Glass	Keyes	Schall
Barbour	Goldsborough	Logan	Steiwer
Borah	Gore	Long	Townsend
Bulkley	Hale	McNary	Tydings
Byrd	Hastings	Metcalf	Vandenberg
Carey	Hatfield	Overton	Walcott
Dickinson	Hebert	Patterson	White
Fess	Kean	Reed	

NAYS—58

Adams	Coolidge	Kendrick	Russell
Ashurst	Copeland	King	Sheppard
Bachman	Costigan	La Follette	Shipstead
Bailey	Cutting	Lewis	Smith
Bankhead	Davis	Lonergan	Stephens
Barkley	Dieterich	McGill	Thomas, Okla.
Black	Dill	McKellar	Thomas, Utah
Bone	Duffy	Murphy	Thompson
Bratton	Erickson	Neely	Trammell
Brown	Fletcher	Norris	Van Nuys
Bulow	Frazier	Nye	Wagner
Byrnes	George	Pope	Walsh
Capper	Harrison	Reynolds	Wheeler
Caraway	Hayden	Robinson, Ark.	
Clark	Johnson	Robinson, Ind.	

NOT VOTING—7

Connally	Dale	McCarran	Pittman
Couzens	McAdoo	Norbeck	

So Mr. REED'S amendment was rejected.

Mr. CLARK. Mr. President, I move to strike out section 5; and I desire to give notice that if that motion prevails I shall then move to reconsider the vote by which the amendment of the Senator from Pennsylvania [Mr. REED] was rejected.

I do that for the reason that it seems to me that the vice of this bill is that, having taken the first vicious step, it is impossible to find any place to stop. The antitrust statutes having been emasculated, there is no logical reason for refusing to impose an embargo on all foreign products coming into the United States as compensation for the artificial jacking-up of prices sought to be accomplished by the monopoly to be created by the repeal of the antitrust acts.

Having done that, having repealed the antitrust statutes, having authorized embargoes, there is then no logical stopping point short of complete Government control of all industry.

For that reason I voted against the amendment of the Senator from Pennsylvania; and for that reason I give notice that if this amendment shall prevail I shall move to reconsider the vote whereby the amendment offered by the Senator from Pennsylvania was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK].

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. ASHURST. Mr. President, I do not know that I am in order just now, but I offer an amendment on page 5.

The VICE PRESIDENT. The Senator is in order. Individual amendments to title I are now in order, the Chair understands, by order of the Senate.

Mr. ASHURST. I have heretofore moved, on page 5, beginning in line 14 with the word "several", to strike out "several district attorneys of the United States, in their respective districts, under the direction of the Attorney General," and insert "Federal Trade Commission", so that, if amended, subdivision (c) will read:

The several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of any code of fair competition approved under this title; and it shall be the duty of the Federal Trade Commission to institute proceedings in equity to prevent and restrain such violations.

Mr. President, as I said a few moments ago, I do not offer this amendment because of any lack of confidence in the head of the Department of Justice. On the contrary, I believe the country is impressed with the many talents and high merits of Attorney General Cummings. I believe likewise that the several district attorneys may be trusted generally to perform their duties impartially; but in view of the other duties laid upon the Federal Trade Commission by this bill, in view of the philosophy of this bill, in view of its mechanics, if we are to have a symmetrical bill which will do justice to all parties and will not be confusing, the Federal Trade Commission should institute proceedings in equity to prevent and restrain such violations.

Mr. COSTIGAN and Mr. WAGNER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arizona yield; and if so to whom?

Mr. ASHURST. I yield first to the Senator from Colorado. Then I will yield to the Senator from New York.

Mr. COSTIGAN. Mr. President, has the able Senator from Arizona determined in his own mind the question whether the Federal Trade Commission is authorized under existing statutes, and, if not, will be authorized under the language he has suggested, to institute proceedings in equity to prevent and restrain violations?

Mr. ASHURST. Mr. President, the esteemed and learned Senator from Colorado was a valued member of the Federal Trade Commission.

Mr. COSTIGAN. Of the United States Tariff Commission.

Mr. ASHURST. He was valued wherever he was. Mr. President, I answer as follows:

The Federal Trade Commission now has some power under the present statutes, but there may be doubt if the present existing power is adequate.

Mr. BRATTON. Mr. President——

Mr. COSTIGAN. If the Senator from New Mexico will permit me to pursue my inquiry further, I should like to ask whether it would not be desirable to add, after the words "Federal Trade Commission" in the Senator's amendment, the words "and it is hereby authorized and directed", and whether there would be objection to such an addition by the Senator from Arizona?

Mr. ASHURST. If I may, I accept the suggested amendment of the Senator from Colorado.

I now yield to the Senator from New Mexico.

Mr. BRATTON. Mr. President, in view of the fact that the Attorney General and the several district attorneys constitute the staff representing the Government in matters of litigation, I wonder if the Senator from Arizona would consider the advisability of inserting the following language after the word "General", in line 16—

upon request of the Federal Trade Commission, or otherwise.

So that it would become the duty of the several district attorneys, under the direction of the Attorney General and upon the request of the Federal Trade Commission, or otherwise, to institute proceedings. That system would leave it first to the Federal Trade Commission to determine whether a suit should be instituted; and if it decided that such a suit should be instituted, and should request the Attorney General to do so, it would become the duty of the Attorney General.

Mr. ASHURST. I am quite impressed with that suggestion; and if I may still further modify my amendment to comply with that suggestion, I shall do so.

In other words, I believe that the Federal Trade Commission, after its searching investigations, should be the moving spirit and power; but quite naturally the mechanics would fall into the Department of Justice.

Mr. WAGNER. Mr. President——

Mr. ASHURST. I yield to the Senator from New York.

Mr. WAGNER. I desire to get clear the amendment which the Senator from New Mexico has suggested. His amendment would mean that the several district attorneys, under the direction of the Attorney General, may institute these proceedings; and that if the Federal Trade Commission so request, they must institute the proceedings?

Mr. BRATTON. That is the effect of the amendment as I intended to suggest it.

Mr. WAGNER. Then I do not quite know whether the Senator wants to agree to that amendment, because then the Federal Trade Commission upon its own initiative will not be authorized to bring proceedings.

Mr. BRATTON. No; my thought was that once the Federal Trade Commission determines that a suit of that kind should be instituted, it makes a request of the Department of Justice; and upon that request being submitted, it becomes the duty of the Department of Justice to institute the suit.

Mr. WAGNER. Mr. President, if I may suggest to the Senator, if we can leave the language as it is in the pending bill, we have language exactly as it appears in the antitrust laws now, which authorizes the Federal Trade Commission, where they find violations in the way of unfair competition, to institute proceedings to compel the violator to cease and desist; and, in addition thereto, the Attorney General and the district attorneys under the Attorney General may also bring proceedings for violation of the antitrust laws; and we have simply transposed into this legislation the power which exists now in the antitrust laws with reference to the institution of actions to enjoin. It has worked very satisfactorily; and I should think that we ought not to change that policy that we adopted away back in the Federal Trade Commission Act, and which has been in force up to the present time. There has been no complaint of it.

Mr. ASHURST. Mr. President, I cannot escape the conclusion—it seems inevitable to me—that if this bill is to work effectively, the Federal Trade Commission, if it is to have functions to perform—and it certainly has—ought to be given the power to perform and carry out such functions and duties.

Mr. WAGNER. And it is given that authority, may I say to the Senator, because it provides that any violation of such standards and 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.

Mr. ASHURST. That is quite true.

Mr. WAGNER. And that act provides that when there is such an unfair method of competition, certain suits shall be instituted by the Federal Trade Commission; so that the authority is clear.

Mr. ASHURST. Mr. President, I do not need to suggest to the astute and able Senator from New York, who won for himself a proud place at the bar of the great State of New York before he went upon the bench, and on the bench was regarded as one of the great judges of our country—I need not suggest to that superb intellect that the other language which he has quoted and the other language of the existing law is probably too general, and this may be a penal statute.

Mr. WAGNER. No.

Mr. ASHURST. Certainly it is wise and expedient that power to institute the proceedings in equity to prevent and restrain violations ought to be in clear, unmistakable language, so that when the Federal Trade Commission institutes proceedings and goes into court with such a suit they can say, "Here is the statute under which we are acting, ita lex scripta est—'thus the law is written.'"

The Senator is too able a lawyer to argue against that. I doubt very much whether, without this language in paragraph (c), the Federal Trade Commission would have the unquestioned power to carry this direction out. I am willing to accept the amendment of the Senator from New Mexico.

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

Mr. ASHURST. As I understand the amendment of the Senator from New Mexico, and he will correct me if I am wrong, if and when the Federal Trade Commission, after its investigation, reaches the conclusion that proceedings in equity ought to be instituted to restrain and prevent violations, the Federal Trade Commission makes its application to the Attorney General, and ipso facto it is the duty of the Attorney General to carry out those instructions. Have I stated the question correctly?

Mr. BRATTON. Exactly so. Under the amendment the Department of Justice would have the power to institute a suit of its own motion.

Mr. ASHURST. Very good.

Mr. BRATTON. But it becomes the duty of the Department of Justice to institute proceedings when requested to do so by the Federal Trade Commission.

Mr. ASHURST. I am content.

Mr. WAGNER. I do not think the Senator is, with all due respect, because under the amendment we would take all power from the Federal Trade Commission to institute an action on its own behalf. It may under the antitrust laws now institute a proceeding, and this limits it to a proceeding brought by the Attorney General. If the Senator is satisfied with that, I shall not quarrel about it.

Mr. ASHURST. Let it go to conference.

Mr. WAGNER. It is contrary to what the Senator is contending for.

Mr. ASHURST. Surely the able Senator from New York sees the advantage of the language offered by the Senator from New Mexico.

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

Mr. ASHURST. I yield.

Mr. SHIPSTEAD. If the Senator from New York is right, the Federal Trade Commission and the Department of Justice both have jurisdiction.

Mr. ASHURST. The Department of Justice has a right to institute a suit, but the Federal Trade Commission requests the Department of Justice to carry on the proceedings.

Mr. SHIPSTEAD. If the Federal Trade Commission so requests, does the Senator think that that takes away from the Federal Trade Commission the right to institute proceedings in its own behalf?

Mr. ASHURST. No; I do not think so, because the language in subdivision (b) points that out.

Mr. WAGNER. If the Senator wants to send it to conference, very well.

Mr. ASHURST. Let it go to conference.

Mr. COSTIGAN. Mr. President, may I ask the Senator from Arizona a further question?

Mr. ASHURST. I yield.

Mr. COSTIGAN. I trust the able Senator from Arizona will not abandon the form of amendment which was originally offered. If, however, the Senator is appealed to by the amendment of the Senator from New Mexico, it would perhaps be proper to add the power indicated by the Senator from New Mexico as an alternative or cumulative but not substitute method of procedure. It is clearly the desire of those who are friends of or connected with the Federal Trade Commission, and who feel that the jurisdiction of that independent establishment is imperative under the pending bill, to support an amendment corresponding to that which the Senator from Arizona has offered. As evidence, with the permission of the Senator from Arizona, I send to the desk and ask the clerk to read a brief statement by the noted and competent counsel of the Federal Trade Commission, Judge Healy, in which he sets out persuasive reasons for that position. I ask that the clerk read this memorandum.

Mr. ASHURST. I yield for that purpose.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

MEMORANDUM RE: H.R. 5755 (SENATOR HARRISON'S NATIONAL RECOVERY BILL)

By paragraph (b), section 3, violation of standards of fair competition established in a code approved by the President is made an unfair method of competition within the meaning of the Federal Trade Commission Act. Ordinarily one would believe that jurisdiction of the Federal Trade Commission to proceed against such a violator for a cease and desist order would automatically attach.

By its basic act the Federal Trade Commission is empowered and directed to prevent unfair methods of competition in commerce. H.R. 5755 (sec. 3, par. (b)), makes a violation of the code an unfair method of competition. Paragraph (c) of section 3 gives the district courts jurisdiction to restrain violations of the codes, and it is made the duty of the district attorneys, under the direction of the Attorney General, to institute proceedings to prevent and restrain such violations.

The question has been raised whether by these provisions the proposed act will not prevent the Commission from proceeding to issue cease and desist orders against violators of the codes, on the theory that the specification of a precise remedy excludes the implied jurisdiction of the Federal Trade Commission.

There is also present a very serious possibility that the codes will forbid unfair methods of competition with which this Commission is dealing every day, such as false advertising, various forms of misrepresentation, commercial bribery, etc., etc. If this is true, and I believe there is great substance to it, the Commission will lose much of its present jurisdiction.

I think it is a mistake to take this jurisdiction from the Commission and give it to the district attorneys. They are not specialists in this work. They are not trained in it. Our men are. Our men have helped to build up the body of the law on the subject of unfair competition. The district attorneys have many other duties. Many of them have their private practices. They are exposed to local political pressure. If the act works out, as I fear it may, the district attorneys will lose this jurisdiction at the end of 2 years, and it will return to this Commission, whose organization in the meantime will have been destroyed.

My suggestion is that paragraph (c), section 3, be amended to read as follows: "The several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of any code of fair competition approved under this rule; and it shall be the duty of the Federal Trade Commission to institute proceedings in equity to prevent and restrain such violations.

Respectfully submitted.

ROBT. E. HEALY, *Chief Counsel.*

JUNE 5, 1933.

Mr. ASHURST. Mr. President, it has been suggested as a sort of compromise that the matter go to conference in the alternative.

Mr. HARRISON. Mr. President, the committee considered this proposal quite fully, but I am perfectly willing, in order to save time, that the matter as suggested go to conference for consideration.

Mr. ASHURST. I thank the Senator.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out "several district attorneys of the United States in their respective districts, under the direction of the Attorney General", and to insert the words "Federal Trade Commission, and the several district attorneys of the United States in their respective districts, under the direction of the Attorney General, upon request of the Federal Trade Commission, or upon their own motion."

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

COMPOSITION OF MUNICIPAL DEBTS

Mr. VANDENBERG. Mr. President, if I may have the attention of the senior Senator from Arizona a moment, he presented a bill a few moments ago to provide for the composition of municipal debts. I asked him a question with respect to that which I think he misunderstood. It is so

exceedingly important that I want to ask him again if this is not a counterpart of the so-called "Sumners bill" which was introduced in the House yesterday?

Mr. ASHURST. The Senator is correct, and I apologize to him for the inconclusive reply I gave an hour or more ago. I was doubtless under a misapprehension.

The bill I introduced today is, so far as I know, a counterpart or rescript of the Sumners bill introduced in the House. The bill provides that it shall be in operation for 2 years, and it proposes to amend the present existing Bankruptcy Act so that municipalities, counties, cities, boroughs, villages, parishes, towns, townships, any unincorporated "tax" or "special assessment district" or political subdivision of a State, a school district, drainage, irrigation, levee, sewer, paving, sanitary, port, or other "taxing district", may avail itself of the Bankruptcy Act and may be brought into involuntary bankruptcy.

Mr. VANDENBERG. Is it not a fact that this proposal has the emphatic endorsement of both the Treasury Department and the Department of Justice?

Mr. ASHURST. I answer the question by saying "yes"; that the Treasury Department and the Department of Justice are earnestly in favor of the bill. I am not able to speak for the White House, but I feel quite certain that this bill is favored by the President.

Mr. VANDENBERG. I thank the Senator from Arizona for his statement, and I want to supplement it simply to this extent: There was considerable dispute over this proposition as to municipal debts in the last session of the Congress. It is my understanding that the bill which the Senator has now introduced represents substantially a meeting of minds respecting those who heretofore have been in disagreement regarding this matter. I know of my own knowledge that it has the endorsement of the large insurance companies, which heretofore have been the chief opponents of this type of legislation. It is absolutely necessary that something along this line shall be done before this session adjourns. I want to urge the Senator, in his capacity as Chairman of the Committee on the Judiciary, that he put every possible emphasis upon action between now and the adjournment.

I wish to urge the Senator, in his capacity as chairman of the committee, to put every possible emphasis upon action between now and adjournment, and I ask, at the present moment, to have printed in the RECORD a telegram carrying resolutions just adopted by the Common Council of the city of Detroit, which typically indicates the desperate nature of the need for this legislation in one of many large cities of the country.

I ask that the telegram which I now send to the desk may be printed in the RECORD.

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

DETROIT, MICH., *June 7, 1933.*

Senator ARTHUR H. VANDENBERG:

Whereas it is necessary that the city of Detroit refund its $400,000,000 bonded indebtedness in order to prevent default and to continue and maintain orderly government, and to preserve the peace, health, and safety of its citizens; and

Whereas the Legislature of the State of Michigan has just enacted appropriate laws providing for such refunding; and

Whereas the plan of refunding such indebtedness cannot be successfully carried out without Federal legislation: Therefore be it

Resolved, That we, the legislative body of the city of Detroit, respectfully urge and request that His Excellency Franklin D. Roosevelt, President of the United States of America, transmit a message to Congress today urging the passage of the so-called "Sumners bill", H.R. 5885, or legislation of a similar character; and be it further

Resolved, that the city clerk be, and he is hereby, directed to immediately transmit copy of this resolution to His Excellency the President of the United States, and to the Senators from Michigan.

Mr. ASHURST. Mr. President, I thank the able Senator from Michigan for his contribution to the discussion of this question; and, if I may be pardoned another minute on this particular subject, I wish to say that I am inundated, engulfed by telegrams from all parts of the country, urging the passage of this legislation. The telegrams have come to me not because of any importance on my part but because I happened in the evolution of affairs to be Chairman of the Senate Committee on the Judiciary. I have examined the proposed legislation with the best lights before me, and it is so important that I have resorted to the unusual procedure—I may have to ask my committee in the morning for forgiveness—I have resorted to the unusual procedure of presuming to appoint a subcommittee to examine this bill before its reference to a committee in the hope that the committee will report at the earliest possible moment. Indeed, I have already appointed on the subcommittee to examine the bill Mr. VAN NUYS, chairman of the subcommittee, and Messrs. MCCARRAN, NEELY, HASTINGS, and HEBERT. I would not be so offensive as to presume to ask that subcommittee any questions. I feel, however, that the subcommittee will proceed with all possible haste and diligence and that they fully realize the enormous importance of this bill as much as the Senator from Michigan or I could appreciate its importance.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendments of the Senate to 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.

The message also announced that the House had agreed to the report of 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.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4589) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate nos. 9, 15, and 28 to the said bill, and concurred therein; and also that the House had receded from its disagreement to the amendments of the Senate nos. 22, 32, and 34, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

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.

The VICE PRESIDENT. Does the Senator from Mississippi desire to return to the amendment which was passed over?

Mr. HARRISON. I was hopeful that the Senator from Nebraska [Mr. NORRIS] would now be willing to have that amendment considered.

Mr. NORRIS. That is agreeable to me.

Mr. COSTIGAN. Mr. President, I want to offer an amendment affecting that offered by the Senator from Nebraska.

The VICE PRESIDENT. The clerk will state the amendment proposed by the Senator from Colorado.

The CHIEF CLERK. On page 5, line 8, after the word "amended", it is proposed to insert a semicolon and the following:

but nothing in this title shall be construed to impair the powers of the Federal Trade Commission under such act as amended.

Mr. HARRISON. I see no objection to that amendment.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BLACK. Mr. President, is the bill open to amendment?

Mr. HARRISON. I hope we may now get through with the labor amendment.

The VICE PRESIDENT. The clerk will state the committee amendment.

The CHIEF CLERK. On page 10, line 13, it is proposed to insert the following proviso:

Provided, That nothing in this title shall be construed to compel a change in existing satisfactory relationships between the employees and employers of any particular plant, firm, or corporation, except that the employees of any particular plant, firm, or corporation shall have the right to organize for the purpose of collective bargaining with their employer as to wages, hours of labor, and other conditions of employment.

Mr. NORRIS. Mr. President, in the first place, I want to thank the Senator from Mississippi for agreeing to a reconsideration of the vote whereby this amendment was adopted in my absence, although I have been trying to watch it as best I could during the entire day. I think Senators realize, most of us—all of us, I presume—especially when we commence the session of the Senate at 10 o'clock and continue until late in the evening, the necessity, unless one is very discourteous, of being called from the floor many times. During my temporary absence this committee amendment was, I think, agreed to as a matter of form only, there being no debate on it. I regard this amendment as a very important one, and I hope I may have the attention of the Senate in the brief time I shall occupy in discussing it. I think I shall ask that a roll call be had on this amendment. If I can be assured of that, I think it will probably shorten the debate considerably.

Mr. HARRISON. May I say to the Senator if that is his desire I shall be glad to cooperate in getting a roll call and having an expression of the Senate on this proposition?

Mr. NORRIS. I thank the Senator.

Mr. President, I am interested in this subject, because for several years the Judiciary Committee, at the time I had the honor of being chairman, had under consideration the so-called "anti-injunction bill" dealing with the labor problem. The committee held extended hearings on that bill. From those hearings and the long consideration given the measure we found that one of the greatest evils we had to provide against was the so-called "company union." This amendment, as I understand and interpret it, legalizes such company unions.

Every man who has studied the question of injunctions in labor disputes and the labor subject generally will, I think, agree with me that it is one of the great evils that must be met in the settlement of the labor problem. We thought we had met it in the bill which finally resulted from our long consideration and is now on the statute books, and that in labor disputes we had made it impossible for a corporation wanting to bear down heavily upon labor, and in effect, under the guise of a union, to make it impossible, as a practical matter, for labor to be represented by organizations of its own choice, to accomplish such a purpose.

This particular provision in the bill, section 7, reestablishes, almost in the identical language of that bill, the right of employees to organize in unions of their own without any coercion of any kind from any source. However, it adds a proviso which I think comes very near to destroying, if it does not entirely destroy, the effect of the language which precedes it. This is the proviso that I am seeking now to strike out. I have no fault to find with the language which precedes it, but the proviso, after giving labor the right of self-organization, the right to be represented in disputes by an organization of its own choice, then imports this language into the bill:

Provided, That nothing in this title shall be construed to compel a change in existing satisfactory relationships between the employees and employers of any particular plant, firm, or corporation, except that the employees of any particular plant, firm, or corporation shall have the right to organize for the purpose of collective bargaining with their employer as to wages, hours of labor, and other conditions of employment.

That looks fair on its face, Mr. President. I think if we were trying to accomplish what at first blush it would seem is sought to be accomplished, all we would have to do would be to strike it out, as it is already in the preceding wording.

Mr. COSTIGAN. Mr. President——

Mr. NORRIS. I yield to the Senator from Colorado.

Mr. COSTIGAN. Is there not ambiguity in the expression "existing satisfactory relationship"?

Mr. NORRIS. Oh, yes; there are all kinds of opportunities there.

Mr. COSTIGAN. Might that language not perhaps be regarded as affirming that all existing relationships are satisfactory?

Mr. NORRIS. Mr. President, in many of these cases the conditions which are not satisfactory will appear to be satisfactory on their face. One of the methods that capital has been using for years to destroy labor unions is to organize unions in the individual plants. The employer pays for the union; he furnishes the money; he controls that union as completely as a man controls his own child. The employees know that to go against the orders of that kind of a union, paid for and maintained by the employer, means dismissal; it means that they will lose their job. So if they were asked whether existing conditions were satisfactory they would say "yes", because to say anything else would mean that they would lose their jobs. There are numerous instances, all the way from New York to California, where this method has been adopted by corporations which wanted to prohibit their employees from joining a union.

Moreover, Mr. President, a union of laboring men, to be effective, must not be confined to the workers in one plant, but must take in its scope and under its jurisdiction all plants engaged in the same industry. Experience has demonstrated that that is the only effective way by which the laboring men may organize. I think the proviso is a direct blow at organized labor.

Some honest people, a great many of them, believe that there ought to be no such thing as organized labor. If their view be the correct one, then we ought to strike out this whole section and say nothing about it; but if we are proceeding on the modern theory, which has been approved all the way from the Supreme Court down, at least in expressions of sympathy for the laboring man, then we ought to provide that the laboring men shall be permitted to organize in their own way without any coercion, without any influence from their direct employers, and that they shall be permitted to select representatives of their own choice to represent them in controversies which they must continually meet with organized wealth. I do not think there is a Senator here but who believes that the right thing to do and the necessary thing to do, if we are to protect labor, is to get away from the company union.

Therefore, Mr. President, I hope the Senate will strike this proviso from the bill.

Mr. COSTIGAN. Mr. President, sharing the critical apprehension of the able Senator from Nebraska as to the committee amendment, may I say to the Senator from Nebraska that I am further concerned over the fact that certain language in line 7, on page 10, of this section differs from similar language in lines 18 and 19 on the same page? It is provided in line 7:

That employees shall have the right to organize and bargain collectively.

In line 18, following the ambiguous reference to "existing satisfactory relationships", it is provided that the employees "shall have the right to organize for the purpose of collective bargaining." In order that this language may be consistent, the language in lines 18 and 19 should provide that the employees "shall have the right to organize and bargain collectively."

Otherwise it may well be argued in the courts that where it is claimed that the relations of employers and employees are satisfactory, the limit of authority permitted to the employees is to organize for the mere purpose of bargaining collectively without any provision in the statute inviting the fulfillment of that purpose.

Mr. CLARK. Mr. President, I should like to say to the Senator from Nebraska that, in my opinion, this proviso does not have any such effect as he is attributing to it. The proviso was adopted by the unanimous vote of the committee. Mr. Richberg, one of the authors of the bill, well known as one of the leading labor lawyers and a leading representative of labor unions, was present and not only accepted the amendment but said he thought it was very beneficial to the bill. He suggested only the insertion of the word "satisfactory" in line 2 of the proviso.

General Johnson, who has been designated as the administrator of the bill, was present and said that he thought the addition of the proviso would be most beneficial, and that he considered it an exceedingly constructive amendment. The right of the employees to be free from coercion, to be free to organize in the way in which they may see fit for collective bargaining is specifically guaranteed in section 7 prior to the proviso.

The only purpose of the amendment, the only purpose of the insertion of the proviso, was to clarify and state in the bill what was the consensus of opinion of practically every witness who appeared before the committee. It was not contended on the part of anybody that it was the purpose to compel the employees to organize in a particular way against their wishes. On the other hand, it was the purpose of all concerned to guarantee to the employees the right to organize in any way in which they might see fit and to guarantee the right of collective bargaining. That is what is done by section 7 as it now stands with the proviso contained in the committee amendment. I hope the motion of the Senator from Nebraska will be voted down.

Mr. COSTIGAN. Mr. President, may I ask the Senator from Missouri whether he would have any objection to the substitution, in lines 18 and 19, of the words "and bargain collectively" for the words "for the purpose of collective bargaining"?

Mr. CLARK. I will say to the Senator that, as I recall it, when I offered the amendment it was in the form in which he now suggests it. It was changed at the suggestion of Mr. Richberg.

Mr. COSTIGAN. It was not my fortune to be in the committee meeting at the time.

Mr. CLARK. So far as I am personally concerned I have no objection.

Mr. COSTIGAN. Unless there is objection I offer the amendment which I have just stated. Is that satisfactory to the Senator from Nebraska?

Mr. NORRIS. I am sorry, but my attention was distracted at the moment.

Mr. COSTIGAN. Is the Senator's motion to strike out the proviso?

Mr. NORRIS. It is not a motion to strike, because the question is on the adoption or rejection of the committee amendment. The way to strike it out is to vote "nay."

Mr. WHEELER. Why does not the Senator from Colorado wait until after the motion to strike is decided?

Mr. CLARK. We do not have to strike it out. The question is on the adoption or rejection of the committee amendment.

Mr. COSTIGAN. I will withdraw the amendment for the present.

Mr. WHEELER. Mr. President, I concur in the statement made by the Senator from Nebraska with reference to the proviso. I am utterly amazed to hear it stated that Donald Richberg, the attorney, has said this amendment would be satisfactory to labor. As a matter of fact, if the amendment is adopted, labor gets nothing under this section of the bill, because, as the Senator from Nebraska has declared, the laboring men who belong to a company union do not dare to say their souls are their own. They would not dare to come before any committee of the Congress of the United States and say to that committee that conditions were not satisfactory, that labor conditions in their particular industry were not satisfactory.

When we had the coal hearings we found that very situation to exist. It will be found, for instance, in the railroad company unions. Members of those unions do not dare to write in here to protest against conditions unless they request secrecy with reference to it. That is true in every section of the country. I have in my files letters complaining about labor conditions, but saying, "My name must not be used, because if it is used I will lose my job."

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

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

Mr. WHEELER. I yield.

Mr. WAGNER. The words employed are "existing satisfactory relationship." The word "relationship" is an all-embracing word and includes hours of labor, wages, methods of employment, and so forth. I fear, and the more I reflect the more the fear grows, that it may be regarded as a nullification of the other provisions of the bill which outlaw the "yellow dog" contract.

Mr. WHEELER. Why, of course!

Mr. WAGNER. This may be a legalization of that contract. I am not sure about it, but that is my apprehension.

Mr. CLARK. Mr. President, where does the Senator find anything in the proviso that could possibly be construed as a legalization of the "yellow dog" contract? We specifically outlaw it in terms.

Mr. WAGNER. The proviso is, "That nothing shall be construed to compel a change in existing satisfactory relationships." If the particular industry is following the policy of employing only those who will agree to join the company union and make that a condition of employment, it may be that this section will be construed as legalizing such contracts, at least so far as that particular industry is concerned, because that is the existing relationship and it would be interpreted as continuing that existing relationship.

Mr. CLARK. In the very next paragraph it is provided specifically that no employee shall be required as a condition of employment to join any company union or refrain from joining, organizing, or assisting in the organization of a labor union.

Mr. WAGNER. I understand the other side of the argument, but it does cast doubt upon the provision, because we say "provided nothing in this title shall be construed to compel a change in existing satisfactory relationships." It may lift that situation right out of the bill and say that those relations shall continue.

Mr. WHEELER. I do not think there is any question, for instance, if we have a situation where there are long hours of labor, that the bill is intended to cover that situation. If it is going to give the laboring people of the country anything at all, it is for the purpose of shortening hours, giving better wages to employees throughout the country. If that is not the purpose of the bill, if that is not what the bill is intended to accomplish, then the laboring people of the country have been grossly fooled in their support of it.

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

Mr. WHEELER. I yield.

Mr. LA FOLLETTE. Some little time ago in the debate a statement was made that Mr. Richberg was representing labor organizations in his presence during the sessions of the committee. I wish to correct that statement, because Mr. Richberg made it perfectly plain, after he had been invited by the chairman of the committee to sit in during the time the committee was in session, that he was not acting in any representative capacity for any labor organization and that he had not so acted in his participation in assisting in the drafting of the bill.

Mr. CLARK. Mr. President, I would like to say to the Senator from Wisconsin that if I created the impression that Mr. Richberg said he was before the committee representing any labor union, it was entirely inadvertent on my part. What I did say was that Mr. Richberg is one of the leading labor lawyers and one of the leading labor representatives in the United States, and that is unquestionably true. I was simply illustrating the fact that he spoke from the viewpoint of labor.

Mr. LONG. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. LONG. Will the Senator from Montana yield to me?

Mr. WHEELER. I yield.

Mr. LONG. Mr. Richberg is a railroad labor attorney, who has been before the Interstate Commerce Commission very adequately protecting the rights of labor. This is beyond the scope of his employment, if I understand it. I happen to know, and I think some of us know who understand trade unions, that the most iniquitous practice we have had to contend with is the company union. It is an organization they set up themselves. It is an organization that is set up to prevent a union that is not controlled by the company. They have their social functions worked out in connection with it. They give dances in which the employers participate. They go through that kind of thing and make it a matter of impossibility for a labor union to exist other than a company union. If we are going to attempt to safeguard the labor union, let us not put a spider in the soup and make impossible the very thing that we are trying to accomplish.

Mr. WHEELER. Mr. President, it is inconceivable to me that Mr. Richberg, being an able lawyer, would for one moment sanction a provision of this kind being written into the bill if he had given it any consideration at all. It would seem that the minute we seek to put these codes into operation for the purpose of getting better conditions for labor, for the purpose of getting better wages and shorter hours or anything of that sort, we then provide that "nothing in this title shall be construed to compel a change in existing satisfactory relations." If that language remains in the bill, labor gets nothing whatsoever out of the bill. Men who are working for a company and who belong to company unions, particularly where conditions are bad, dare not go before any committee, dare not go before any organization or any body and say, "We want shorter hours or we want to do this or that." They will be compelled by their employers to go before committees and say conditions are satisfactory.

We have had examples of that before congressional committees where companies would bring their employees before the committees, paying their expenses, and where the employees would say to the committees that conditions were absolutely all right, that they wanted this or that, when we knew as a matter of fact that they were not their own free agents but were merely speaking at that time for the company which they represented because they knew that if they did not do it they would be put out in the streets and their wives and children would have to go without food and perhaps without shelter.

Let us not try to fool the workingmen of the country by putting in a provision of this kind. Either we mean to better their conditions or to leave them just as they are today. If we mean to better their conditions, then let us reject this amendment. If we mean to leave them in the condition in which they are today, if we mean to keep them in sweatshops and work them 10 and 12 hours a day, then leave the amendment in the bill. But do not go back and tell your constituents that you voted to leave the provision in the bill because you thought you were voting for the rights and interests of American labor. Do not go back and base your vote upon the fact that Mr. Johnson or somebody else came before the same committee and said to that committee, "This is entirely satisfactory to organized labor."

As I said a while ago, I am perfectly amazed to hear the Senator from Missouri say that Mr. Richberg made a statement of that kind. It cannot be possible, it seems to me, that he had read this provision or that he had given it any consideration. It is inconceivable to me that a man who has represented organized labor as long as he has, just because he is going to be taken into the Government service, should completely change his views with reference to the necessity of protecting organized labor. I do not believe that Mr. Richberg would do it; but if he had given this provision careful consideration, and if he had given it careful thought, and then said that it is satisfactory to the organized labor of this country, I should say there was something wrong with Mr. Richberg when he made that statement.

I submit that this section, if we really want to protect labor, should be stricken from the bill.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). The question is on the proviso beginning on line 13, page 10, on which the yeas and nays have been ordered.

The clerk will call the roll.

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

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

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

Adams	Cutting	La Follette	Russell
Ashurst	Davis	Lewis	Schall
Austin	Dickinson	Logan	Sheppard
Bachman	Dieterich	Lonergan	Shipstead
Bailey	Dill	Long	Smith
Bankhead	Duffy	McAdoo	Steiwer
Barbour	Erickson	McCarran	Stephens
Barkley	Fess	McGill	Thomas, Okla.
Black	Frazier	McKellar	Thomas, Utah
Bone	Goldsborough	McNary	Thompson
Bratton	Gore	Metcalf	Townsend
Brown	Hale	Murphy	Trammell
Bulkley	Harrison	Neely	Tydings
Bulow	Hastings	Norris	Vandenberg
Byrnes	Hatfield	Nye	Van Nuys
Capper	Hayden	Overton	Wagner
Carey	Hebert	Patterson	Walsh
Clark	Johnson	Pope	Wheeler
Connally	Kean	Reed	White
Coolidge	Kendrick	Reynolds	
Copeland	Keyes	Robinson, Ark.	
Costigan	King	Robinson, Ind.	

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

Mr. HARRISON. Mr. President, a parliamentary inquiry. Those who are in favor of the committee amendment will vote "yea" and those who oppose it will vote "nay"? Is that correct?

The PRESIDING OFFICER. Yes. The question is on the committee amendment.

Mr. HASTINGS. Mr. President, I desire to propound an inquiry to the Senator from New York [Mr. WAGNER] or to the Senator from Mississippi [Mr. HARRISON]. I wish to see whether I understand definitely with respect to this amendment.

If I am correct in my understanding, under this bill the various industries have a right to prescribe a code, which may be approved and must be approved by the administrator; and if a certain industry does not provide any code, the administrator may himself provide one for that particular industry. Each of these codes will have written in it these provisions set out in section 7, giving to labor the right to organize free from any interference on the part of the employer.

The inquiry I desire to propound is whether, anywhere in this bill, any authority is given to the administrator or to anybody else over the employees of these various industries of the Nation; or is it the purpose of the bill to leave the employees entirely free to do exactly what they please with respect to every industry that has adopted a code under this bill?

Mr. HARRISON. It is not my construction that the employees can do everything they want to do. I may say that the contention of the labor representative before the committee was that if the employers would guarantee to employ labor, they would not object to certain guaranties that were insisted upon on the part of the employers.

Mr. HASTINGS. But it is true, is it not, that the administrator has no power whatever over the labor organizations under this bill, and that they are perfectly free to work or not to work, or to do just exactly what they please with respect to bargaining with the employers?

Mr. HARRISON. There is nothing in the bill that compels labor to work, may I say. The bill does give to labor the right of collective bargaining.

Mr. NORRIS. Mr. President, I did not intend to say anything; but certain Senators have just come in, and I

fear the question of the Senator from Delaware is just a little misleading.

The matter is a perfectly simple one. Section 7 (a) provides as follows:

Every code of fair competition—

That is what is going to be made, a code, under this agreement—

Every code of fair competition, agreement, and license approved, prescribed, or issued under this title shall contain the following conditions:

It is a limitation upon the power of the man who makes the code. That code must contain these conditions, and then, after that, it sets up what the conditions are:

(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing—

And so forth; and then it adds a proviso that they cannot do it! That is the effect of the proviso.

In other words, there is a proviso that makes the company union legal—one of the great evils that labor has had to fight against since the beginning of the war between capital and labor—and the question comes on that proviso. The committee amendment adds the proviso, and we are seeking to prevent the adoption of the committee amendment.

Mr. KING. Mr. President——

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

Mr. KING. Does the Senator construe that as meaning that if a union exists it is petrified, and may not be changed, and must continue to remain?

Mr. NORRIS. This proviso would pretty nearly mean that.

Mr. KING. I do not think so.

Mr. NORRIS. The proviso says:

Provided, That nothing in this title shall be construed to compel a change in existing satisfactory relationships between the employees and employers of any particular plant—

That is a definition of a company union—

firm, or corporation, except that the employees of any particular plant, firm, or corporation shall have the right to organize for the purpose of collective bargaining.

That is what the company does with the company union. It is organized by the company; the expenses are paid by the company; it controls the union just as completely as a master controls a slave; and a member of that company union is beholden to the men who are operating the plant in which he is working. It is a company union. They are not unions of the employees' own choice. They cannot join a union composed of men engaged in that particular craft or business. They are compelled to join a company union. It is an outlaw in the labor world. It is, as Senators said before the roll call here, one of the great reasons why labor in its struggle with capital has been so often defeated. It means the destruction of organized labor; and this amendment preserves those company unions.

Mr. HASTINGS. Mr. President, I did not want to get into any controversy or argument with respect to this particular amendment. I merely wanted to inquire whether I clearly understood this bill.

I might call the attention of the Senator from New York and the Senator from Mississippi to the fact that there is a provision with respect to railroad labor which gives to a board the right to pass upon the disputes that arise between the employer and the employee. That, as I understood, has always been done upon the theory that the railroads being quasi-public corporations, and being used for the benefit of the public, the Congress had a right to regulate them in that way.

If I understand this bill, we have now gone beyond the railroads; we have gone beyond those corporations that serve the public, and we have now entered into an entirely new field; namely, the field of every industry in the country, of every kind. We are undertaking to control them under this bill, and at the same time we are giving labor the right to make their own agreements among themselves, with no authority anywhere, in the administrator or any board or anybody else, to pass upon the questions that may arise between the laborer and the employer.

It seems to me that if we have put all of these various industries in the hands of one man, giving him 100 per cent control of all of them, at the same time it might be well for us to consider whether he ought not to have some control over the people that they depend upon to produce the things that they manufacture.

Mr. KING. Mr. President, the interpretation placed upon the amendment offered by the Senator from Nebraska is not, in my opinion, sound, and it certainly is not the construction given to the language of the amendment when it was being considered by the committee. It was my understanding when the amendment was offered in the committee that it was for the purpose of affording protection to labor and to restrain efforts that might be made by employers to interfere with employees. It was designed also, as I understood, to respect conditions where the relation between the employee and employer were entirely satisfactory. The section as a whole, including the amendment now under consideration, properly interpreted, as I believe, is designed to permit employees to organize and bargain collectively through representatives of their own choosing, and further, to provide that they shall be free from interference, restraint, or coercion upon the part of their employers or any of their agents or any other person. Certainly the language of the section not only recognizes existing unions, and guards and protects the members of unions from any interference or coercion by their employers or any other person, but it also recognizes and, indeed, guarantees the right of employees to organize and to bargain collectively. Existing unions are preserved and protected, and unions to be organized are likewise to be preserved and protected against interference or coercion. In other words, the utmost freedom is provided to all employees to form unions or to refrain from forming unions, and whether employees are unionized or not they are to be free from coercion or interference from employers.

The language criticized by the Senator, properly interpreted as I believe, declares that where satisfactory relations exist between employer and employee there shall be no compulsion to disturb such relations. Under this provision it is obvious that if a plant is unionized the employer may not interfere with such union organization or restrain or coerce in any way the members of such union. The employees are free to maintain their union, free from any interference of any kind at the hands of the employer. The amendment also provides that the employees shall have the right to organize for the purpose of agreeing upon wages, hours of labor, and other conditions of employment. In other words, the whole spirit of the section, as amended, as I interpret it, is to afford the greatest possible protection to labor and to give employees unrestrained and unrestricted right to organize and to collectively bargain as to wages, hours of labor, and so forth.

I do not read into the language of the proposed amendment the slightest interference with labor in its dealings with its employers. Employees may organize or not as they please; they may form unions or other forms of organization if they desire. Any interference upon the part of employers with their employees or with organizations now in existence or that hereafter shall be organized would come within the denouncement of the statute.

I have always believed that labor had the right to organize and to bargain collectively with employers. My recollection is that I organized the first miners' union in my own State, and upon a number of occasions acted as attorney for union labor.

In our capitalistic system there is much to be said in favor of the organization of labor. That labor has derived benefits from union organizations must be conceded by all, and I should vigorously oppose any plan or any legislation that would interfere with the desires of the employees to organize and to collectively act to secure all legitimate rights and benefits.

Mr. WHEELER. Mr. President, let me say that I cannot understand how the Senator from Utah can put that con-

struction on it, because of the fact that it provides, first, that a code shall be set up, and the first thing the code is going to contain is a provision that the employees shall have a right to organize and bargain collectively and shall be free from interference, restraint, or coercion on the part of the employers of labor. Then it provides that nothing in this title shall be construed to compel a change in an existing satisfactory relationship.

There is nothing in the first paragraph which could possibly be construed as changing existing conditions if they were satisfactory, but it simply means that the men themselves shall have a right to go out and organize or join a union if they see fit to do so.

The proviso instead of protecting organized labor, instead of protecting the man who wants to join a union would simply in effect prevent him from joining a union. The proviso would absolutely undo what is done in the first part of the provision.

Mr. CLARK. Mr. President, I submit to the Senator that the proviso would not do any such thing. The proviso is that nothing in this title shall be construed to compel a change. The remaining portion of subparagraph (1) has already provided for the right to collective bargaining, guaranteeing that the employees shall be free from any interference, restraint, or coercion. Subparagraph (2) provides that no employee and no one seeking employment shall be required as a condition of employment to join any company union, or to refrain from joining any organization of his own choice. All the proviso does is simply to say that the statute shall not be construed to compel a change in a satisfactory relationship.

Mr. WHEELER. Of course; but, as I said before, every man in the Senate, I think, wants to see industry compelled to give shorter working hours. Every man in this body and in the other body of the Congress wants to see these sweatshops, which in some instances today are paying to the women and children working in some of those places as low as 25 or 50 cents a day, compelled to stop that sort of thing.

If we put this proviso in, we cannot prevent them continuing those practices. What I want is some power in this land to compel them to stop these sweatshops from working women and children long hours, and it cannot be done if we leave this proviso in, because of the fact that they will simply say the working conditions are satisfactory, and they will get the poor girl who is working long hours, for small wages, to come forward and say that conditions are satisfactory. If she does not do it, she will be thrown out on the street.

Mr. ROBINSON of Indiana. Mr. President, is it not true that the net effect of this committee amendment would be to legalize the "yellow dog" contracts wherever they are now existing?

Mr. WHEELER. I would not be of that opinion, because of the fact that the next subdivision provides "that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing."

Mr. ROBINSON of Indiana. Even so, if we accept this proviso which the committee has inserted, would it not nullify the succeeding statement?

Mr. WHEELER. No; I do not think so. That would not be the interpretation I would put upon it.

Mr. NORRIS. Mr. President, it seems to me perfectly clear that it might be used, if there is an agreement now existing with a company union that has any kind of a contract, and they will say it is satisfactory, which they will, and especially in these times, when to lose a job of most any kind means starvation for the family. It may be the means where one exists now, of continuing a "yellow dog" contract or any other kind of a contract.

Mr. ROBINSON of Indiana. That is precisely what I was getting at. It would permit coercion to be applied by the employers in times like these, which would simply in the net effect mean legalizing the "yellow dog" contract.

Mr. BONE. Mr. President, from a somewhat lengthy experience with organized labor, as counsel for a labor organization, I am compelled to agree wholly with the Senator from Nebraska [Mr. NORRIS] and with the remarks just made by the Senator from Montana [Mr. WHEELER].

I know that labor works always at a distinct disadvantage, and I think we are going to make a very sad blunder if we in any wise hamper the freest expression on the part of organized labor groups. I know what the Senator from Montana says is absolutely true. There are girls and men working in the industries in this country who do not dare to say their souls are their own so far as organization is concerned, and certainly we should not hamper them.

It seems to me the language in the bill, aside from that in the italics, which is the committee amendment, is ample to protect any reasonable employer, and I think it is going to be a tragic blunder if we, in the enactment of so-called "progressive legislation", make it apparent to labor all over the country that we are now trying to hamper these organizations which so far have been the only bulwark of labor in maintaining decent standards of labor and decent working conditions. For that reason I am wholly in sympathy with the effort of the Senator from Nebraska to strike this provision out. I think there is ample left to protect any fair-minded employer.

I do not speak idly about this. I have had long years of experience with these problems as attorney for these groups, and I know the disadvantage under which labor works all the time, and in these tragic and trying times it is going to be infinitely harder for labor to get a square deal because of the economic pressure which compels them to stay on the job whether conditions are fair or not.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the senior Senator from Florida [Mr. FLETCHER] and vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from New York [Mr. COPELAND]. Not knowing how he would vote if present, I withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. WHEELER (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. GLASS]. I transfer that vote to the junior Senator from South Dakota [Mr. BULOW] and vote "nay."

Mr. McADOO (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE], who is not present. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. DAVIS] has a general pair with the Senator from Kentucky [Mr. LOGAN]. I am not advised as to how the Senator from Pennsylvania would vote if present.

I also wish to announce the following general pairs:

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Oklahoma [Mr. THOMAS]; and

The Senator from Idaho [Mr. BORAH] with the Senator from Arkansas [Mrs. CARAWAY].

Mr. LEWIS. I desire to announce that the Senator from Wyoming [Mr. KENDRICK] has a general pair with the Senator from North Dakota [Mr. FRAZIER].

Mr. McKELLAR (after having voted in the negative). Has the Senator from Delaware [Mr. TOWNSEND] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. McKELLAR. I withdraw my vote, having a pair with that Senator.

Mr. LEWIS. I desire to announce that the following Senators are necessarily detained from the Senate on official business: The Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. BYRD], the Senator from New York [Mr. COPELAND], the Senator from Florida [Mr.

FLETCHER], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Arkansas [Mrs. CARAWAY].

The result was announced—yeas 31, nays 46, as follows:

YEAS—31

Austin	Dieterich	Hebert	Reed
Bailey	Fess	Kean	Robinson, Ark.
Bankhead	George	Keyes	Sheppard
Barbour	Goldsborough	King	Steiwer
Barkley	Gore	Lewis	Stephens
Carey	Hale	Logan	Vandenberg
Clark	Harrison	Metcalf	White
Dickinson	Hastings	Patterson	

NAYS—46

Adams	Costigan	McCarran	Shipstead
Ashurst	Cutting	McGill	Smith
Bachman	Dill	Murphy	Thomas, Utah
Black	Duffy	Neely	Thompson
Bone	Erickson	Norris	Trammell
Bratton	Hatfield	Nye	Tydings
Brown	Hayden	Overton	Van Nuys
Bulkley	Johnson	Pope	Wagner
Byrnes	La Follette	Reynolds	Walsh
Capper	Lonergan	Robinson, Ind.	Wheeler
Connally	Long	Russell	
Coolidge	McAdoo	Schall	

NOT VOTING—19

Borah	Couzens	Glass	Pittman
Bulow	Dale	Kendrick	Thomas, Okla.
Byrd	Davis	McKellar	Townsend
Caraway	Fletcher	McNary	Walcott
Copeland	Frazier	Norbeck	

So the committee amendment as amended was rejected.

Mr. WHEELER. Mr. President, I offer an amendment to come in on page 11, line 3, after the word "President", to insert a semicolon and the following:

And (4) that employers shall not transport or assist in transporting employees from one State, county, city, or place to another for the purpose of taking the place of men out on strike.

I will state that the purpose of the amendment is simply this: It proposes to add a new paragraph or a new subject to be inserted in the code. In other words, the bill provides that:

Every code of fair competition, agreement, and license approved, prescribed, or issued under this title shall contain the following conditions.

Then follow clauses (1), (2), and (3), and I have asked that this fourth condition shall be added.

Let me say to the Senate that the reason why I propose to add this clause is because of the fact that when the Senate ordered the investigation, for instance, upon which the Senator from New York was a member, into the coal strike in Pennsylvania, we found this situation to exist: Immediately when there was difficulty between the men and their employers, the great coal companies went down South and brought trainloads of Negroes up to Pennsylvania, shipped them in in box cars and kept them there living almost in slavery, one might say, and taking the place of those white men; in other words, using those Negroes merely as strike-breakers. Of course when the white men returned to work, as they did, agreeing after a while with their employers, those Negroes were thrown out of employment and onto the community.

The purpose of this amendment is simply to prevent that sort of practice by great organizations of wealth throughout the country. In communities where such practices are indulged they only breed disorder and trouble; and it seems to me when organized capital is going to get the opportunities and the privileges which it will get under this proposed law that it ought to be willing to make a part of its code the agreement that in the event it has a disagreement with its employees and the employees cease to work temporarily it will not bring into that community swarms of strike-breakers from outside communities. The bringing in of strike breakers has been the chief source of bloodshed and riot in pretty nearly every community where there have been labor troubles. For that reason, Mr. President, I hope this amendment will be adopted.

The PRESIDING OFFICER (Mr. NEELY in the chair). The question is on the amendment offered by the Senator from Montana.

The amendment was rejected.

Mr. BLACK. Mr. President, I desire to offer an amendment.

The PRESIDING OFFICER. The Senator from Alabama offers an amendment, which the clerk will state.

The CHIEF CLERK. It is proposed on page 10, after line 3, to insert the following:

(d) No trade or industrial association or group shall be eligible to receive the benefits of the provisions of this title unless such associations or groups give an equal voting strength to the industries, trades, and groups of each State, as State units, irrespective of the magnitude of trade, or business of the trades, industries, or associations of the different States.

Nor shall such industrial association or group be eligible to receive the benefits of the provisions of this title unless each individual business enterprise within the association or group is given an equal voting strength to each other business unit, irrespective of the magnitude of such business enterprise or its volume of business.

Mr. BLACK. Mr. President, I desire briefly to explain the effect of the amendment, and I wish to state that, in my judgment, there can be no more important amendment offered during the consideration of this bill. This bill, if it shall pass and become a law, will transfer the law-making power of this Nation, insofar as the control of industry is concerned, from the Congress to the trade associations. There is no escape from that conclusion. That is exactly what has happened in Italy, and as a result the legislation passed by the parliamentary body of Italy, as expressed by one economist, has reached the vanishing point.

As a preliminary, let me state that the effect of this amendment is twofold. It provides that if a trade association of a particular industry shall be formed each State shall have an equal voting strength in that association irrespective of the magnitude of the industry within the State. Secondly, it provides that within the association each particular business unit shall have equal voting strength with every other business unit.

If this bill shall be enacted and shall become effective, Congress will no longer pass legislation controlling industry so long as the law shall remain in effect. It may be that it will remain in effect only for one year, but what we are doing—and make no mistake about it—is that from now on we are transferring from the House of Representatives and the Senate the right to control industry, its hours of labor, its wages, its profits; where a new business shall be established, whether or not a new industry shall be established at all; in what State it shall be permissible to dig a new coal mine; in what State it shall be permissible to establish a new cotton factory. That is the object and purpose of trade associations; that is the object here, to regulate competitive conditions.

After those laws shall have been enacted by trade associations, under the bill they go either to the President or to a subordinate for approval or for veto. Under our present system of enacting legislation they come to the House of Representatives and to the Senate, and then go to the President for veto. Each State is represented in this body by two Senators. It makes no difference about the size of the State, the interest of each State can be protected to some extent by two Senators.

Mr. President, I now call attention to one particular industry. A man was in my office last week who stated that 72 percent of the volume of business in his industry was controlled by one business enterprise. I call attention to the fact that one fourth of all the large manufacturing establishments in America are located in seven counties. With 3,000 counties, one fourth of all the manufacturing establishments in America are located in 7 counties. One half of all the manufacturing enterprises in America are located in 34 counties, and three fourths of all the manufacturing enterprises in America are located in 134 counties. Remember that when this bill shall become a law the rules and regulations controlling industry will not be fixed here during the time the bill shall remain in effect; they will be fixed by the elected representatives of industry itself.

Mr. President, I do not know whether this amendment will appeal to the Senate or not, but I do know this—and I

now warn the Senate of the fact that if there shall not be a provision in some form in this bill protecting the States that do not now have a large concentration of industry, and we leave the voting strength for fixing the rules and regulations for the establishment of a new business enterprise, for cutting off a new business enterprise, for reducing the output of an existing business enterprise, as is now provided—I know that the natural human effect will be that the control will be in the hands of the few counties that control 75 percent of the business activities of this Nation. I am not willing for the bill to be voted upon without first calling this fact to the attention of the Senate.

Secondly, the amendment would provide that the small business enterprise should have one vote each time the large business enterprise had a vote. At first blush that might seem to be unfair, but remember we are transferring to the trade associations the power to make laws. This is no new or novel thing. It is exactly the method of procedure adopted in Italy. The trade associations there regulate industry just exactly as we have proposed to do in this bill.

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

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BLACK. I yield.

Mr. LOGAN. I would call the attention of the Senator to the fact that not only is it nothing new but we are reverting to the old trade rules of Rome of more than 500 years ago and which flourished in England immediately after the feudal days for a good many years. It is not anything new. We are not progressing. We are going back 500 years and taking the old trade laws and writing them into the bill.

Mr. BLACK. The Senator is correct. We fluctuate. We do what we think is progressive for a generation or for a century, and then we progress further by going back exactly to the old situation. There is no question about it. We are now, however, getting back to the idea that the best way to enact laws regulating industry and trade is by means of the elected representatives of industry and trade. Since we are abdicating to that extent the right to enact laws governing industry, and our States have heretofore had a representation in this body, I could not sit quietly by and let the bill go through without calling attention to this very important feature. There is nothing new about the proposal. That is the reason why we have a Senate in the United States. That is the reason why the Constitutional Convention provided that each State should have two Senators. But now, getting away from the Constitution insofar as Congress enacting laws is concerned, we expect to transfer, and I think we will transfer, to elected representatives of industry itself the right to make the laws governing industry.

Where is that industry? Seventy-five percent of it is in 134 out of over 3,000 counties. Fifty percent of it is in 34 counties out of over 3,000 counties. It means that unless we provide legislatively for equal representation of the States in these new law-making trade associations, the great majority of the States will have no voting chance at all.

The second feature to which I want to call attention is the fact that this would give equal voting strength to each industry. I have on my desk a letter from a man engaged in a certain business. He tells me that there is about to be organized in Alabama a trade association in that industry. He tells me they have agreed to allot to each manufacturer a certain proportion of output for their plants. He likewise tells me that according to that allotment he will go out of business the next day after the allotment goes into effect because he cannot possibly operate on such a small allotment. The larger business enterprises can.

In providing for trade associations to enact laws, I believe the small business enterprise is entitled to have one vote every time the large business enterprise has a vote. I concede that the bill itself says that the President is authorized to prescribe rules and regulations designed to insure that any organization availing itself of the benefits of the title shall be truly representative of the trade or industry, but it does not give to the President the right to say what representation each business shall have nor what representation each State shall have in a Nation-wide industrial organization.

I present the amendment because I come from one of the States that is as yet not fully and completely developed industrially. I realize, and I shall vote for the bill fully realizing, that the natural effect of the measure will be for a time at least to freeze industry where it is today. The object is to prevent overproduction. Therefore it would be wholly ineffective if they did not have the power—and they are given the power in the bill—to limit new industries and to limit the output of old industries.

Personally, and speaking for myself, although I desire and expect to go with the administration on every conceivable occasion, I do not desire that the bill shall be passed in its present form without at least calling to the attention of Senators who come from States like mine that unless this provision or a similar provision is inserted in the measure, Senators can rest assured that the control of the law-making bodies of the Nation in the future for commerce and trade will rest not with their States having equal representation, but by reason of our voluntary abandonment of our own right to pass laws we are surrendering that right to representatives of the trade associations. We will have surrendered our equal representation, which our forefathers guaranteed that each State should have in this body, in enacting laws to govern the trades and industries of the United States.

I submit the amendment and ask for its serious consideration by the Senate, with a plea to Senators who have not read the bill to read it carefully before they vote against the amendment. It is the transfer of the lawmaking power of this body and of the House of Representatives to the trade association. I am making no argument against it at the present time. I shall probably not do so under present conditions, but I do want it known that if the lawmaking privilege which we now have is to be voluntarily abandoned by us, then as a representative of the State of Alabama I want my State to have an equal representation in the trade associations that will govern the industries in the State in which I live.

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

Mr. BLACK. Certainly.

Mr. LONG. I have been unable to find any mechanism in the bill for the invoking of a conference, with the exception of the amendment that is offered by the Senator from Alabama. Is there any other method prescribed?

Mr. BLACK. There is.

Mr. CLARK. Mr. President, I can say for the information of the Senator from Louisiana that it was testified before the committee that General Johnson has already called all of these conferences and has all the codes prepared even before he has been appointed.

Mr. BLACK. I call the Senator's attention to page 9, to a provision which perhaps is the closest of any to what he has in mind. It is that "the President is authorized to prescribe rules and regulations designed to insure that any organization shall be truly representative." That is a little different from the statistic system of Italy where they prescribe that a very small percentage can enact rules and regulations. Here it is left to the President to determine what the percentage shall be.

Mr. WAGNER. Mr. President, the bill provides that any association adopting a code must be truly representative of the industry.

Mr. BLACK. That is correct.

Mr. WAGNER. And that the membership in that association must be free.

Mr. BLACK. The Senator is correct.

Mr. LONG. I understand the Senator can issue some pronunciamento or rule or order or something of that kind.

Mr. BLACK. What is meant is that after an association has been formed the President can investigate to see whether or not it is truly representative of the industry, whether there are enough numbers of the association to make it representative of the industry. It would not at all affect the method of organization of the industry. There

is no provision in the bill whatsoever which attempts to prescribe by legislative decree how these associations shall be made up as to their representation.

Mr. LONG. The point I am trying to make, unless we adopt the amendment of the Senator from Alabama, is that I do not see anything in the bill topside or bottom that says whether it shall be according to States, according to capital, or what will be the basis of getting a trade or industry together to write a code.

Mr. WAGNER. Those who meet must truly represent the industry or a subdivision thereof. It must appear, and the President must find, that such associations or groups impose no inequitable restrictions on admission to membership and, as I said, are truly representative of such trade or industry or subdivisions thereof.

Mr. LONG. The President must find it is truly all right. I admit that. But that does not mean anything. It only means that he shall be fair. In other words, we assume he will be fair. I thought probably we would have some light on it, and I waited for someone to offer an amendment relating to it, and I am glad the Senator from Alabama has offered it. But the point I make is that there should be some fair rule. If the Senator from Alabama has not got one, then let us have one that is fair.

Mr. BLACK. Let me say that this may not be the proper way to fix representation. I do not know.

Mr. LONG. I do not know either.

Mr. BLACK. But I do know this: A man was in my office last week and told me the United States Cast Iron Pipe Co. had put him practically out of business by reason of the fact that they manufacture a secondary product and sell it at a price so much below the cost of production that he, a small manufacturer, could not continue in business. That is one of the competitive matters that the Senator from New York seeks to correct, and it is something that should be corrected.

I said to him, "Are you willing to go into a trade association with the United States Cast Iron Pipe Co. and the other pipe companies in order to fix the rules and regulations governing this situation?" He said, "No." I said, "Why not?" He said, "Well, I would have about 1 percent of the business and the United States Cast Iron Pipe Co. will start out with 72 percent of the business, which will give it 72 percent of the voting strength"; and he said, "It will mean that the 72 percent of voting strength will absolutely determine the rules and regulations under which I am to operate down in Birmingham, Ala."

I looked at the bill after that, in order that I might determine for myself how the matter could be remedied. This man stated to me that he would prefer to have the matter left in the hands of Congress, because he knew that his State had two Senators here who would at least try to see that no injustice was done to the smaller industries there. Now, however, since this bill seems to be destined to pass, I want to ask those who desire that it be made successful how we are going to protect the smaller industries from the trade regulations adopted by the larger industries, unless there is somewhere placed legislatively in this bill a provision which will guarantee that the industries in the smaller States, or the smaller industries in the larger States, shall have an equal right in some way to have their voice heard.

Mr. WAGNER. Mr. President——

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

Mr. BLACK. I yield to the Senator.

Mr. WAGNER. I do not see how it is practicable to limit the membership or the voting strength of the trade associations, as the Senator proposes, by mere State representation. I do not think it would be fair that in one State where there might be 10 units of an industry and in another State only 1 the 1 shall have a vote equal to the 10 votes in another State. I do not think State lines ought to be considered in connection with this but only industries.

There is a very definite mandate in this legislation that the President, before he approves a code, shall find that the association represents the industry——

Mr. BLACK. It might do that.

Mr. WAGNER. And also, as I said before, that admission thereto shall not impose inequitable restrictions. The clear implication there is that each industry and member of the association shall have an equal voice at that meeting and in the adoption of a code.

Mr. BLACK. If it means that, then, of course, there is no objection to putting it in the bill.

Mr. WAGNER. That is what it does mean.

Mr. BLACK. Then there should be no objection whatever to this amendment.

Mr. WAGNER. The Senator is not proposing that. The Senator is putting in a great deal more that may seriously hamper the proper administration of this legislation, because he provides here:

> No trade or industrial association or group shall be eligible to receive the benefits of the provisions of this title unless such associations or groups give an equal voting strength to the industries, trades, and groups of each State, as State units.

That might be so disproportionate as to be very unfair to the industries of one State. I think the logical and the sensible way to provide representation is that each unit in the industry shall be represented, and that they shall have equal representation and equal votes in that association; and undoubtedly that is the requirement which will be imposed. That, however, is not at all what the Senator is proposing.

Mr. BLACK. In reply to what the Senator has said—because the Senator has hit the gist of the argument—may I say that if you will go back and read the debates when the Constitution of the United States was written, you will see that the Senator from New York has made exactly the arguments that were made against each State having two Senators. The statement was that it was not fair to give a State with a small population as many Senators as a State with a large population. Nevertheless, that was written into the Constitution; and nevertheless today, when we pass laws governing and regulating industries, those laws are passed by, and must meet the approval of, a body composed of two Senators from each State—the small State of Arizona, and the large and populous and wealthy State of New York. So there is nothing new in that argument.

Mr. WAGNER. I do not think the Senator is citing an analogy at all. I do not think that is involved in this question. Does the Senator think it fair that 2 units in one State may have the power to impose a code upon 10 units in another State, by a vote of 2? I do not think that is fair.

Mr. BLACK. When States have a privilege which has been given them under the Constitution, and which they have enjoyed since the very beginning of the history of this Government, if their representatives in this body deliberately yield that right, divest themselves of the lawmaking power to protect their States, and to that extent turn the lawmaking privilege over to another association where their States do not have their constitutional privileges and their constitutional representation, I think they are abandoning something which their States are entitled to receive; and I think there is an argument in favor of it. I will tell you what it is.

There are certain States in this Union that have been largely developed already. It was not altogether due to the fact that they had any more natural wealth than the others. There were many things that entered into it. For instance, the section from which I come was held back by reason of reconstruction days. The section of the West has been held back. There has been a slow and gradual process of development; but those States have resources of industrial wealth that are as yet practically untouched. I claim that if this bill means what it says, and if I can read it aright, it means that the trade associations can determine hereafter how much a factory in Alabama shall produce, how much a factory in New York shall produce, where a new coal mine shall be dug, how much coal shall be dug in Alabama and how much shall be dug in Pennsylvania.

There can be no question about that. That is the object and purpose of the trade associations. That is exactly what they have done in the countries that have them. Without that it would be useless to pass the law. It would be wholly

useless to establish trade associations unless we were going to restrict extraordinary output and curtail it where it is necessary, and to prevent new developments where necessary.

I claim that those States which do not happen today to have as much population as some others, or which do not happen today to have as many industries, but which have just as much natural wealth, are just as much entitled to an equal representation in the body that makes their laws as are the States that have already been developed in their resources and their population.

This is a fundamental question which I am raising in this amendment. It is a question in which every Senator from a smaller State, as he will realize in less than 6 months, if he does not realize it now, is vitally interested. I have already realized it from my own correspondence, because of the information which has come to me with reference to what is being done with reference to the allotment of output of a mine. I know that it means—and it may be absolutely right that it should mean this—putting a number of small mine operators out of business. It means that they will be thrown into bankruptcy.

If it is necessary to do that in order to advance the general welfare and to conserve our natural resources, that is another proposition; but when this body, which is composed of two Senators from every State, from Arizona to New York, from the small State of Nevada to New York, divests the two Senators from a State of the right to determine how the mines out in that State shall be operated, what shall be their output, and whether or not a new one shall be dug, I claim that those Senators will neglect their duty in this body if they do not attempt to see that their State has an equal representation in the new legislative body which we are setting up by this measure.

Mr. TRAMMELL. Mr. President, as stated by the Senator from Alabama [Mr. BLACK], I think his amendment does raise a very serious question, and one that should be given serious consideration at the hands of the Senate.

One feature of the legislation which we have been considering and are now considering that has caused me considerable apprehension has been the fact that unless it was safeguarded there would be manipulations within the trade groups and within the organizations that would be the to the detriment of the smaller industries in the country.

There is one thing that we have not yet done, and it is illustrated upon every question that comes before the Senate: We have never yet driven out of the human breast a spirit of selfishness, and a desire to promote first the interests of those who are engaged in a particular industry.

If anyone doubts that, trace, if you will, the provisions of every piece of legislation that comes before the Senate, and you can easily point your finger to indications—although they may be veiled or shielded more or less in the measure—of selfishness, where someone is endeavoring to get the advantage of someone else.

That was true in our bank catastrophe that occurred about March 4. The banks were all closed, presumably for a commendable purpose, and for the purpose of safeguarding the public; but when we reached the point, in the process of reopening the banks, of enacting new legislation governing the banks—there is no use of going into that question—everyone knows what happened.

The first legislation that was passed here gave absolutely no recognition to the interests of the State banks. It gave no recognition to the interests of their depositors, to their security, or the localities in which they were situated. I voted for that legislation, because we had to do something; but I stated upon the floor, and the RECORD will disclose that I stated, that I was sadly disappointed in that legislation which was being hurried through the Senate, because there had been a total ignoring of the interests of more than a majority of the bank depositors of this country.

That was thoroughly established. Of course, if anybody had deigned to offer an amendment on that evening, when we passed that first bill, he would have been accused of being a traitor to his country; yet on the day following amendments were proposed, and within 5 days three different amendments had been proposed to this holy legislation, and in the course of time we succeeded in getting more or less amendments.

Mr. LONG. Mr. President——

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

Mr. TRAMMELL. I do.

Mr. LONG. I desire to say to the Senator that I offered an amendment that day, when it looked as though a man would be murdered if he did; and we messed around here 2 or 3 weeks, enacting into law the substance of the amendment that I offered to that bank bill.

Mr. TRAMMELL. Yes; I recall that.

Mr. LONG. And as the result of failing to carry out that amendment, we have been fiddling around and trying to get a bank bill ever since.

Mr. TRAMMELL. Yes. We have a very desirable provision, as I understand, that is liable to be eliminated by the conference committee—a provision which provides a guaranty protection for patrons of State banks and depositors of State banks. Why should they not have a guaranty, the same as the national banks of this country?

Therefore we see plainly the spirit of selfishness running into our banking legislation; and it has happened, so far, that the national-bank crowd has predominated, and that the State banks have gotten only the crumbs that the national-bank crowd were willing to give them.

Whatever purpose may be behind this legislation—and I attribute to it a commendable purpose, a desire to help and assist our country in its hour of distress under the conditions which exist today—that commendable purpose can be effectuated and accomplished only if the details of the legislation are properly embraced within the measure which may be enacted. What I want is to see the industries generally protected. I want to see such safeguards thrown around these different groups that every other group may be fairly treated, and that the public may be fairly treated. Of course, if I had been endeavoring to frame legislation to take care of the situation among the industries, I would not have abolished the antitrust laws, I would not have placed the industrial affairs of this country in the hands of the men who carry on the industries, each one of whom will be inspired to do the best he can for his.

We witnessed here during the war somewhat of a condition of this character, when the Government turned over practically everything to organizations known as "war councils", and the Council of National Defense, and we used the dollar-a-year man quite a good deal, and I see this bill authorizes the use of the dollar-a-year man.

During war times, of course, we attributed patriotism to the person who aspired to be on the roll as a dollar-a-year man. He was a patriot. I observed a good many of them in 1917 who were patriots, but upon the other hand I observed a great many of them who absolutely used the positions into which they had wormed themselves under the guise of patriotism for their self-aggrandizement, for their enrichment, and if we do not watch the situation, there is going to be a good deal of that going on under this legislation.

I had fresh in my mind years ago some instances, a great many of them, in fact. A fellow would get on a council, or on a board, who sold shoes. Some other man would get on the same board who sold clothing. Some other man would get on the board who sold hardware. Perhaps every member of a board composed of five would have some business coming before him in which he was specifically interested. The law provided that he must not vote on the particular transaction which affected his own business. He would stand aside, and the other four would vote to give him a large contract, probably give the shoe man a contract involving two or three million pairs of shoes. The shoe man would be able to say that he had nothing to do with that. If it was a question of buying 3,000 suits of clothing, the clothing man would stand aside and the others would fix him up a nice order. There was every character of manipu-

lation of that kind going on in Washington. More or less of it was discovered, as we recall, following the war, but we did not discover anything like what transpired on the part of these patriots who worked for a dollar a year.

I do not think we ought to have anything of that kind in this bill. Many of the dollar-a-year men will be honest and conscientious, but, on account of the policy, there will be sufficient of those dollar-a-year men to make it an expensive and extravagant proposition ever to appoint one of them, because those who are inclined to use the Government for their own benefit will by extravagance and by poor business application obtain sufficient from the Government to make the whole transaction one of loss to the Government.

Personally, I would not criticize what happened here recently about the kits for the conservation camps. I do not care anything about that particularly, except that the Government lost $100,000 by a departure from an ordinary business method that would have applied to the average business man.

When I was Governor of Florida, I had to remove some county commissioners, not on account of sins of commission, but on account of sins of omission. In one instance a board had allowed $100,000 to slip away, and three or four of them said, "Well, this other man suggested that." I said, "It was your duty to have known whether it was proper or not for that $100,000 to have gone in that direction. As you failed in your duty in the way of a sin of omission, I see nothing to do except to suspend you with the remainder of the board who were guilty of that sin of commission." Of course that brought on a great deal of controversy.

That is what ought to happen to somebody in regard to this kit business. Somebody has been negligent, grossly negligent, in that transaction, or the taxpayers of the United States would not have had a loss of over $100,000 on account of it.

What I am apprehensive about is that the same selfish spirit is going to prevail if we give too much control to a certain group or unit, that the others are not going to have much of a chance for a fair deal.

We may talk all we want to about a fair deal, but I have observed that, as a rule, those in power in industry, when they have the authority, have used it for their own self-enrichment; and, if to enrich themselves, and to promote their interests and their business, though it slaughters and ruins some other people who have not the strength, they proceed, regardless of the wrecks they leave strewn along the avenues of those who could not defend and protect themselves.

I have had the hope there was something in the bill which would give every State some protection, and the amendment offered by the Senator from Alabama is better than nothing of that kind. I know the purpose and intention are absolutely right, and there is call for such legislation. With that before me, and nothing else, I would gladly support it. I know the Senator's intentions are just as good as mine, and in my opinion the set-up is along proper lines to bring about an administration of the law that would be fair and just, instead of having it dominated and controlled absolutely by the Standard Oil interests, or by the General Motors interests, or by the packing interests of the country. I hope the amendment will be agreed to.

The paragraph referred to in the discussion has nothing to do with the point raised by the Senator from Alabama. That paragraph does not provide that the President shall issue a code of instructions in regard to who shall participate in the question, but it provides that the President is authorized to prescribe rules and regulations designed to insure that any organization availing itself of the benefits of this title shall be truly representative of the trade or industry or subdivision thereof represented by such organization. It does not provide that he shall issue rules and regulations to see that every group has a fair representation in the consideration of questions which may be involved. It does not do that, but there is a clause which provides that the President, by rules and regulations, can purge and investigate the entire list of those trying to get representation, and, if he does not think they are entitled to it, then they do not get representation. It does not bear upon the question of the rules and orders to see that every locality, according to State lines, has representation, or that every group has representation. It has no bearing whatever upon the point raised by the Senator from Alabama, and unless someone else can point out something else in the bill which attempts to give them representation, certainly the best we have—and I do not know but that it is perfectly all right—is the amendment offered by the Senator from Alabama, and I hope it will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. BLACK].

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, with the consent of the Senator from Mississippi, I ask unanimous consent of the Senate to call up the conference report on the District of Columbia appropriation bill. It will take only a moment, I think, to dispose of it.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the conference report.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Connally	Hebert	Robinson, Ark.
Ashurst	Coolidge	Kean	Robinson, Ind.
Austin	Copeland	Keyes	Russell
Bachman	Costigan	King	Schall
Bailey	Cutting	La Follette	Sheppard
Bankhead	Dickinson	Lewis	Smith
Barbour	Dieterich	Lonergan	Steiwer
Barkley	Dill	Long	Stephens
Black	Duffy	McCarran	Thomas, Okla.
Bone	Erickson	McGill	Thomas, Utah
Bratton	Fess	McKellar	Trammell
Brown	George	McNary	Tydings
Bulkley	Goldsborough	Murphy	Vandenberg
Bulow	Gore	Neely	Wagner
Byrd	Hale	Norris	Walsh
Byrnes	Harrison	Nye	White
Capper	Hastings	Overton	
Carey	Hatfield	Pope	
Clark	Hayden	Reed	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present. The Senator from Oklahoma is recognized.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Was unanimous consent granted to take up the conference report on the District of Columbia appropriation bill?

The PRESIDING OFFICER. Unanimous consent was granted for that purpose.

Mr. THOMAS of Oklahoma. Then, I ask for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read the report as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4589) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 6, 10, 11, 17, 20, 21, 23, 24, 25, 30, and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 12, 13, 14, 16, 18, 19, 26, and 27, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert "Director of the Bureau of the Budget"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: "$1,300,000, to be immediately available"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Director of the Bureau of the Budget"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 15, 22, 28, 32, and 34.

ELMER THOMAS,
WILLIAM H. KING,
HENRY W. KEYES,
Managers on the part of the Senate.

CLARENCE CANNON,
THOMAS L. BLANTON,
J. P. BUCHANAN,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. COPELAND. Mr. President, this report involves a material reduction in the lump-sum appropriation, does it not?

Mr. THOMAS of Oklahoma. It does.

Mr. COPELAND. And likewise it necessitates the District of Columbia paying a million dollars toward the reimbursement of the park fund. It was understood that for this work the Federal Government should advance $12,000,000; was not that the total amount?

Mr. THOMAS of Oklahoma. I think it was $16,000,000 altogether.

Mr. COPELAND. It was $16,000,000 altogether; and that the District should pay back at the rate of one sixteenth per year. As a matter of fact, the District has paid back $4,000,000; and our committee thought that this year, in view of their overpayment, they might well be relieved of the necessity of making the payment.

Then, too, the lump-sum appropriation has been materially reduced under that of last year, which was less than that of the year before. I am frank to say that in my opinion the District of Columbia is not having a fair deal from the Federal Government.

I realize how useless it is to protest at this time and I know how nobly our conferees have labored. I also realize the embarrassment under which they have labored, because I myself have served upon a similar conference committee. I can see nothing for us to do except to accept the report and to agree to the amendments of the House to the Senate amendments, but I do feel that a voice ought to be raised, at least, in protest against the abuse of the District.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, the House of Representatives has agreed to the amendments of the Senate nos. 22, 32, and 34 with amendments. I ask the Chair to lay before the Senate the amendments of the House to the Senate amendments.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
June 8, 1933.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 9, 15, and 28 to the bill (H.R. 4589) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 22 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"BUILDINGS AND GROUNDS

"Not to exceed $570,000 of any unexpended balances of appropriations contained in the District of Columbia appropriation acts for the fiscal years 1932 and 1933 for the Municipal Center is hereby reappropriated and made available for the construction of public-school buildings as follows:

"For the erection of an 8-room building on a site already appropriated for in the vicinity of the Logan School, $95,000;

"For beginning the construction of a senior high-school building at Forty-first and Chesapeake Streets, NW., in the Reno section, $475,000, and the Commissioners are authorized to enter into contract or contracts for such building at a cost not to exceed $1,150,000;

"In all, $570,000, to be immediately available and to be disbursed and accounted for as "Buildings and grounds, public schools", and for that purpose shall constitute one fund and remain available until expended: *Provided*, That no part of this appropriation shall be used for or on account of any school building not herein specified."

That the House recede from its disagreement to the amendment of the Senate numbered 32 to said bill and concur therein with the following amendment:

Restore the matter stricken out by said amendment amended to read as follows:

"SEC. 6. No part of the appropriations contained in this act shall be used to pay any increase in the salary of any officer or employee of the District of Columbia by reason of the reallocation of the position of such officer or employee to a higher grade after June 30, 1932, by the Personnel Classification Board or the Civil Service Commission, and salaries paid accordingly shall be payment in full."

That the House recede from its disagreement to the amendment of the Senate numbered 34 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"SEC. 8. When specifically approved by the Director of the Bureau of the Budget upon recommendation of the Commissioners of the District of Columbia, transfers may be made between subheads of appropriations provided in this act for the free Public Library, public playgrounds, public schools (except buildings and grounds and repairs to buildings), health department, and public welfare, respectively: *Provided*, That such transfers under this section shall not be made between appropriations for the several municipal services named; and all transfers, whether approved or contemplated, shall be reported to Congress in the estimates of the District of Columbia for the fiscal year 1935."

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate nos, 22, 32, and 34.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT

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

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. HARRISON. Mr. President, may we not now have a vote on the pending amendment?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama [Mr. BLACK].

Mr. McGILL. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The yeas and nays are demanded. Is the demand seconded?

The yeas and nays were not ordered.

The PRESIDING OFFICER. As many as are in favor of the amendment will say "aye"; those opposed "no."

Mr. LONG. I ask for a division.

The PRESIDING OFFICER. The "noes" seem to have it.

Mr. LONG. Mr. President, I am a little bit surprised at the announcement of the Chair. I do not believe Senators understood the amendment. May we not have the amendment again stated?

Mr. HARRISON. I ask that the amendment may be read, if the Senator so desires.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 10, after line 3, it is proposed to insert the following:

(d) No trade or industrial association or group shall be eligible to receive the benefits of the provisions of this title unless such associations or groups give an equal voting strength to the industries, trades, and groups of each State, as State units, irrespective of the magnitude of trade, or business of the trades, industries, or associations of the different States.

Nor shall such industrial association or group be eligible to receive the benefits of the provisions of this title unless each individual business enterprise within the association or group is given an equal voting strength to each other business unit, irrespective of the magnitude of such business enterprise or its volume of business.

Mr. BLACK. Mr. President, I think a sufficient number of Senators demanded the yeas and nays, and I do not think the question was understood. I should like to have the question put and see if a sufficient number desire the yeas and nays. If they do not, it is all right. I ask for the yeas and nays.

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LA FOLLETTE. Mr. President, I have been requested to announce the unavoidable absence of the senior Senator from Virginia [Mr. GLASS], and the senior Senator from Montana [Mr. WHEELER]. Those two Senators are paired.

Mr. TYDINGS (after voting in the negative). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I transfer that pair to the junior Senator from Indiana [Mr. VAN NUYS], and let my vote stand.

Mr. McADOO. I have a general pair with the senior Senator from Vermont [Mr. DALE]. I see he is not present, and, as I do not know how he would vote, I withhold my vote.

Mr. FRAZIER. On this question I have a pair with the senior Senator from Wyoming [Mr. KENDRICK]. Not knowing how he would vote, I withhold my vote.

Mr. HEBERT. I desire to announce that the junior Senator from Pennsylvania [Mr. DAVIS] has a general pair with the Senator from Kentucky [Mr. LOGAN].

I also wish to state that the Senator from Missouri [Mr. PATTERSON] is detained from the Chamber. If present, he would vote "nay."

I also desire to announce a general pair between the Senator from Connecticut [Mr. WALCOTT] and the Senator from Colorado [Mr. COSTIGAN].

Mr. McKELLAR (after having voted in the affirmative). I have a pair with the junior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the junior Senator from North Carolina [Mr. REYNOLDS] and allow my vote to stand.

Mr. LONG. Mr. President, so that I may be able to move a reconsideration, I change my vote from "yea" to "nay."

Mr. WAGNER (after having voted in the negative). I inquire if the senior Senator from Missouri [Mr. PATTERSON] has voted.

The PRESIDING OFFICER. That Senator has not voted.

Mr. WAGNER. I have a general pair with the senior Senator from Missouri. I transfer that pair to the senior Senator from Florida [Mr. FLETCHER] and allow my vote to stand.

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from South Dakota [Mr. BULOW], the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Texas [Mr. CONNALLY], the Senator from Colorado [Mr. COSTIGAN], the Senator from Illinois [Mr. LEWIS], the Senator from South Carolina [Mr. SMITH], the Senator from Nebraska [Mr. THOMPSON], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Montana [Mr. WHEELER] are detained from the Senate on official business.

The result was announced—yeas 25, nays 41, as follows:

YEAS—25

Ashurst	Bone	Clark	George
Bachman	Bratton	Dickinson	McCarran
Bankhead	Byrd	Dill	McGill
Black	Capper	Erickson	McKellar
Murphy	Robinson, Ind.	Schall	Thomas, Okla.
Neely	Russell	Stephens	Trammell
Overton			

NAYS—41

Adams	Cutting	Hebert	Sheppard
Austin	Dieterich	Kean	Steiwer
Bailey	Duffy	Keyes	Thomas, Utah
Barbour	Fess	King	Tydings
Barkley	Goldsborough	La Follette	Vandenberg
Brown	Gore	Lonergan	Wagner
Bulkley	Hale	Long	Walsh
Byrnes	Harrison	McNary	White
Carey	Hastings	Pope	
Coolidge	Hatfield	Reed	
Copeland	Hayden	Robinson, Ark.	

NOT VOTING—30

Borah	Fletcher	Metcalf	Smith
Bulow	Frazier	Norbeck	Thompson
Caraway	Glass	Norris	Townsend
Connally	Johnson	Nye	Van Nuys
Costigan	Kendrick	Patterson	Walcott
Couzens	Lewis	Pittman	Wheeler
Dale	Logan	Reynolds	
Davis	McAdoo	Shipstead	

So Mr. BLACK's amendment was rejected.

Mr. LONG. Mr. President, I send to the desk an amendment and ask that it may be read and considered at this time.

The PRESIDING OFFICER. The Senator from Louisiana offers an amendment, which will be stated.

Mr. LONG. I wish to insert it on page 9, after line 7, as a new subsection.

The CHIEF CLERK. The Senator from Louisiana proposes, on page 9, after line 7, to insert the following:

(b) Nothing in this act, and no regulation thereunder, shall prevent an individual from pursuing the vocation of manual labor and selling or trading the products thereof; nor shall anything in this act, or regulation thereunder, prevent anyone from marketing or trading the produce of his farm.

Mr. LONG. That was substantially, with the exception of the Borah amendment adopted this morning, what the Senator from Maryland [Mr. TYDINGS] caused me to say this morning when he proposed that with the Borah amendment——

Mr. HARRISON. Mr. President, if the Senator will permit me to interrupt him, I will state that if there is no other objection, so far as I personally am concerned I have no objection to the amendment.

Mr. LONG. All right.

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

The amendment was agreed to.

The PRESIDING OFFICER. The Chair inquires whether the Senator from Mississippi desires to return to the amendments passed over?

Mr. HARRISON. Mr. President, there was an amendment passed over giving the President power to stop the entrance of goods into this country; but I do not see the Senator from Pennsylvania [Mr. REED] present at this moment, and I do not desire to bring it up in his absence.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from South Carolina offers an amendment, which will be stated.

The CHIEF CLERK. The Senator from South Carolina proposes, on page 11, line 1, after the word "pay" and before the word "and", to insert "maximum machine load of employees", so as to read:

That employers shall comply with the maximum hours of labor, minimum rates of pay, maximum machine load of employees, and other conditions of employment approved or prescribed by the President.

Mr. BYRNES. Mr. President, this is only an additional factor of safety——

Mr. WAGNER. Mr. President, if the Senator will permit me to interrupt him, I think it is already covered; but if the Senator is apprehensive about it, I have no objection.

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

The amendment was agreed to.

Mr. BYRNES. I offer the same amendment on page 11, in line 10.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from South Carolina proposes, on page 11, line 10, after the word "pay" and before the word "and", to insert "maximum machine load of employees", so as to read:

(b) The President shall, so far as practicable, afford every opportunity to employers and employees in any trade or industry or subdivision thereof with respect to which the conditions referred to in clauses (1) and (2) of subsection (a) prevail, to establish by mutual agreement the standards as to the maximum hours of labor, minimum rates of pay, maximum machine load of employees, and such other conditions of employment as may be necessary in such trade or industry or subdivision thereof to effectuate the policy of this title; and the standards established in such agreements, when approved by the President, shall have the same effect as a code of fair competition approved by the President under subsection (a) of section 3.

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

The amendment was agreed to.

Mr. WALSH. Mr. President, I move a substitute for the committee amendment on page 6, subsection (e), which I send to the desk and ask to have reported.

The PRESIDING OFFICER. The Senator from Massachusetts offers a substitute for the committee amendment, which will be reported for the information of the Senate.

The CHIEF CLERK. The Senator from Massachusetts proposes to strike out the committee amendment, being section (e), page 6, lines 4 to 25, and page 7, lines 1 and 2, and insert in lieu thereof the following:

(e) On his own motion, or if any labor organization or any trade or industrial organization, association, or group which has complied with the provisions of this title shall make complaint to the President that any article or articles are being imported into the United States in substantial and increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of any code or agreement under this title, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he may, in order to effectuate the policy of this title, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under this title. In order to enforce any limitations imposed on the total quantity of imports in any specified period or periods of any article or articles under this subsection, the President may forbid the importation of such article or articles unless the importer shall have first obtained from the Secretary of the Treasury a license pursuant to such regulations as the President may prescribe. Upon information of any action by the President under this subsection, the Secretary of the Treasury shall, through the proper officers, permit entry of the article or articles specified only upon such terms and conditions and subject to such fees, to such limitations in the quantity which may be imported, and to such requirements of license as the President shall have directed. The decision of the President as to facts shall be conclusive. Any condition or limitation of entry under this subsection shall continue in effect until the President shall find and inform the Secretary of the Treasury that the conditions which led to the imposition of such condition or limitation upon entry no longer exist.

Mr. WALSH. I should like to have read at the desk in this connection a letter from Mr. John Dickinson, who has represented the Secretary of Commerce in negotiation and preparation of this title to the pending bill. It will explain the reasons for the amendment.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read the letter, as follows:

JUNE 8, 1933.

Hon. PAT HARRISON,
United States Senate, Washington, D.C.

MY DEAR SENATOR: My attention has been called by a prominent industrialist to the provisions of section 3, subsection (e), of the national industrial recovery act as reported to the Senate from the Finance Committee. This subsection, as you know, is the one dealing with restriction of imports where such imports threaten to obstruct the effectuation of the purposes of the bill. Assuming that the bill is to contain such a provision at all, I should like to suggest for your consideration whether or not the subsection as it now stands is not too broad in one direction and too narrow in another. As the language now reads, it provides for absolute exclusion of the imported articles. The absoluteness of this provision might be tempered by providing that the President might permit the entry of the articles upon terms and conditions which would obviate their interference with the policy of the act.

Secondly, I should like to raise the question whether in another particular the subsection is not too narrow. As the language now stands, proof is required that the imports have already driven some of the American producers into a course of unfair competition before the President may act. In other words, the only way to bring into effect the operation of the section is for some of the American producers to violate their codes of fair competition or licenses if they are to have the benefit of a Presidential determination. This might well operate as an inducement to such violations and would probably do so. The difficulty could be obviated by providing that the President could act whenever he finds the imports are coming in on such terms or conditions as to obstruct or impede the effectiveness of codes or agreements in accomplishing the purposes of the act.

I attach a suggested redraft of the subsection which I believe obviates the difficulties of the subsection as it now stands. I have consulted the Secretary in this matter and find that he agrees with my suggestions.

Cordially yours,

JOHN DICKINSON.

Mr. WALSH. Mr. President, the committee amendment was originally proposed by the Senator from Pennsylvania [Mr. REED]. The committee felt that the effectiveness of the measure would be greatly restricted, if not destroyed, unless there were some provision giving the President authority to restrict imports that would be in competition with the domestic producers who were obliged to comply with codes fixing limited hours of labor, with a minimum wage, and sell their products at a fixed price not incompatible with the public interest. The proposal of the Senator from Pennsylvania gave the President the power of embargo. He could declare that particular imports were tending to destroy the effectiveness of the measure and prevent their being imported into the country.

The substitute which I have proposed has been submitted to the Senator from Pennsylvania and meets with his approval. It has been submitted to the Senator in charge of the bill [Mr. HARRISON]. We all believe that it is preferable to the committee amendment. It retains the power for the President to embargo when necessary, but also gives him, which he does not possess under the committee amendment, the power to impose limitations upon the amount of imports that may be permitted to enter the country, and also gives him the power to compel importers, where imports are restricted, to take out a license, so that he can prevent their violating his regulations.

So far as I understand, everyone interested in this particular phase of this bill is in accord; and I assume the amendment will be adopted.

Mr. VANDENBERG. Mr. President, may I ask the Senator just one question?

Mr. WALSH. Certainly.

Mr. VANDENBERG. Without changing in any degree the ultimate authority of the President to control the entire situation, would the Senator object to changing the first verb—it is not numbered, and I cannot identify it particularly—when the sentence says:

The President may cause an immediate investigation—

About eight lines down on the first page. Would the Senator object to making that read:

The President shall cause an immediate investigation?

In other words, simply at that original point to make an inquiry mandatory.

Mr. HARRISON. I do not think there is any objection to that, Mr. President.

Mr. WALSH. In view of the fact that the Senator from Mississippi has no objection, I accept the amendment. Therefore I modify my amendment by inserting the word "shall" instead of the word "may" at the place suggested by the Senator from Michigan.

The PRESIDING OFFICER. The question is on the modified amendment of the Senator from Massachusetts to the amendment of the committee.

Mr. REED. Mr. President, I am willing to accept this substitute for that which I had offered in the committee. Frankly, I do not believe part of it is constitutional.

The amendment now pending gives the President power to impose fees on the importation of the foreign article. That means, in plain words, power to put a tax upon the importation; or, in other plain words, it means that we are trying to give the President power to put on additional tariffs, and we are not giving him any rule to guide his action. It is left to his free discretion under all the circumstances, with no rule to control his action.

I do not think Congress can delegate that power in that fashion. The amendment does give the President power to establish total or partial embargoes. In my judgment that is what we shall have to do, although it may be that for a time he will attempt to collect these additional tariffs.

It is a strange contrast with the platform promises of the majority party. We now find this to be necessary, but, unfortunately, the "new deal" has to use the old multiplication table. The eternal verities of mathematics remain the same.

Mr. LONG. We are going to repeal that. [Laughter.]

Mr. REED. We might repeal it; we might try it; but the whole effect of this bill is going to be to raise American costs and American prices.

We cannot compel the foreigner to unionize his labor. We cannot compel the foreigner to pay minimum rates of wages. We cannot compel the foreigner to cut down his workday to 30 hours a week. We cannot compel him to join a code of fair competition. The effect of the bill, without some such protection as this, would be to hand over to the foreigner the entire American market.

Therefore, I am very glad that the Senator from Massachusetts is offering an amendment that will go as far as we constitutionally can go.

Mr. GORE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. We have a rule of the Senate which provides that a Senator shall not use language unbecoming a Senator. The Senator from Pennsylvania has referred to the eternal verities of mathematics. I submit, sir, that that is language unbecoming a Senator. [Laughter.]

Mr. TYDINGS. Mr. President, I rise not to discuss the amendment but only to make an observation.

If these powers are employed by the President, and foreign goods are further excluded from the United States, of course the chances of collecting the war debts will be just that much more minimized. So I hope those who are now voting for these new tariffs will not insist too heavily, as they have in the past, upon payment in full of the war debts, because the two policies will not go hand in hand.

Mr. GORE. Mr. President, I should like to ask the Senator from Massachusetts a question. I did not fully understand his amendment. Does this amendment authorize the President to reduce duties as well as to increase duties?

Mr. HARRISON. No, Mr. President; may I say to the Senator that this amendment does not?

Mr. GORE. Would the Senator from Massachusetts be willing to commit to the discretion of the President the power and privilege, if we can do that, to reduce duties that are excessive, as well as to raise duties which he regards as insufficient?

Mr. LONG. Mr. President, somebody else would want to talk about that.

Mr. WALSH. Mr. President, I shall be glad to answer the Senator's inquiry.

The amendment proposed by me is simply to make effective the purpose of title I of this act. It is inconceivable that hours of labor can be reduced, and wages fixed, and prices of commodities established by a governmental agency and no power given to the same agency to prevent a flood of imports into this country. Without such an amendment, the whole act would be ineffective.

How is it possible to reduce working hours, increase wages, put more people to work, and fix the price of commodities so that wages will be higher, without some restriction or some control over the importations into this country that are to compete with labor and wages that are regulated under this bill? The purpose of the amendment is to give the President the same authority over these imports that he is assuming over domestic production and products.

Mr. GORE. Mr. President, the Senator's observation involves an intimation that Congress cannot repeal the laws of economics, cannot repeal the laws of Nature, cannot repeal the laws of human nature, cannot suspend the laws of mathematics. In other words, he charges indirectly that Congress cannot achieve an impossibility.

I merely wish to challenge that statement. [Laughter.]

Mr. McKELLAR. Mr. President, for fear that we may not have a record vote, I desire to be recorded as voting "no", and I want the RECORD so to show.

Mr. CLARK. Mr. President, adopting the expedient of the Senator from Tennessee, I should like to say, for the purposes of the RECORD, in case there shall not be a record vote, that I intend to vote for the amendment of the Senator from Massachusetts to the committee amendment, and then to vote against the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts, as modified, to the amendment of the committee.

The amendment, as modified, to the amendment of the committee, was agreed to.

Mr. LONG. Mr. President, perhaps I misunderstood something here. What did we amend? [Laughter.] I understood that the Senate committee amendment authorized the President to declare embargoes.

Mr. HARRISON. This was an amendment to the so-called "Reed amendment" that was recommended by the Finance Committee, giving to the President the right to keep commodities from importation into this country where the domestic prices have gotten so high as to cause an unjust competition.

Mr. LONG. That is all?

Mr. HARRISON. That is all.

Mr. LONG. That is all right.

Mr. HARRISON. Now, may I make an inquiry? There is one amendment remaining—the oil amendment.

Mr. CLARK. Mr. President, a parliamentary inquiry: Do we not have to vote on the committee amendment as amended?

The PRESIDING OFFICER. The question is on the adoption of the committee amendment as amended by the modified amendment offered by the Senator from Massachusetts.

Mr. McKELLAR. Mr. President, on that I desire to be recorded also as voting "no."

Mr. CLARK. I ask for the yeas and nays.

Mr. TYDINGS. I should like to be recorded as voting "no" on the amendment as amended.

The PRESIDING OFFICER. The yeas and nays are demanded. Is the demand sufficiently seconded? [A pause.] The demand is not sustained.

Mr. McNARY. Mr. President——

Mr. HARRISON. Mr. President, if there is going to be some politics played, I submit that I have been going along in this matter in the hope that we might get together and get this bill out of the way. If there is a disposition on the other side to play the game of politics now, we might just as well know it, and we can have a record vote on the matter. It was declared by the Presiding Officer that the demand for the yeas and nays was not sufficiently seconded.

Mr. LONG. I make the point of order that the vote has been cast and declared, and we cannot have the yeas and nays.

Mr. CLARK. I made the request for the yeas and nays before the question was even put.

Mr. TYDINGS. I call for the yeas and nays.

Mr. McNARY. Mr. President, no one on this side desires to obtrude politics into this situation or any other. This is

a very important amendment. It has been offered and debated. I think a sufficient number of hands were raised to secure a yea-and-nay vote. I think the Senator from Mississippi is willing to have a yea-and-nay vote. I ask at this time for a yea-and-nay vote.

The PRESIDING OFFICER. As many as favor a yea-and-nay vote——

Mr. HARRISON. Mr. President, I submit that there was a request for a yea-and-nay vote, and there were not a sufficient number of hands raised to get a yea-and-nay vote, and it was so declared by the Presiding Officer.

Mr. McNARY. Mr. President, that is not the point at all. I do not want to raise any technical parliamentary question; but the Senator, in frankness, ought to be willing for the Senate to express itself by a vote. I am sure he is fair enough to do that.

Mr. HARRISON. If there is a disposition to get along with this bill, as I thought there would be, there would be no necessity for that, when I had understood we had pretty well agreed to this proposition.

Mr. McNARY. There is a disposition to get along with the bill.

Mr. HARRISON. No; the disposition is to try to put some Members on record on this side who have stood against high tariff rates; and this is a high tariff. This would go to the matter of an embargo. I voted against the proposition in the Committee on Finance; but I am clearly convinced that if this proposal is to increase the purchasing power in this country and lift the prices of things, which is the intention of the legislation, some commodities from other countries might sneak in here because of the high domestic cost of those commodities, and there may be a necessity for the President to take some action to restrain importations.

So we have worked here in order to try to get together on that question. I thought the amendment of the Senator from Pennsylvania was too drastic. I voted against it in the committee; but I have had an expert here trying to work out the matter in a modified form, using the Tariff Commission as a means of ascertaining these differences in cost, and so forth. Everybody was for the proposition except a few who are not going to call for a yea-and-nay vote, and a few who are calling for it in order to put somebody on record on the matter, which, in my opinion, is pure political stuff.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, as amended.

Mr. McNARY. Mr. President, I have no desire to embarrass the Senator who is in charge of the bill, nor to suggest the absence of a quorum in order to secure a roll call. I think, however, that on this important measure every Senator should be recorded. I am astonished that the Senator should say that there is any partisan feeling. We on this side of the aisle have gone along splendidly, using every effort to speed the progress of the bill. I have asked only for this one thing, that we may have a record vote.

Mr. President, I ask for the yeas and nays.

Mr. HARRISON. All right; let us give the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, a parliamentary inquiry: Are we voting over again on the Walsh amendment? Is that what we are voting upon?

Mr. WALSH. We are voting upon the committee amendment, as amended by myself.

Mr. LONG. Authorizing embargoes on foreign products? All right; that is what I want to know.

The legislative clerk resumed the calling of the roll.

Mr. McADOO (when his name was called). I transfer my pair with the senior Senator from Vermont [Mr. DALE] to the senior Senator from Florida [Mr. FLETCHER], and vote "yea."

Mr. STEPHENS. On this vote I have a general pair with the Senator from Indiana [Mr. ROBINSON], which I transfer to the Senator from Indiana [Mr. VAN NUYS], and vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce that Mr. BACHMAN, Mr. BONE, Mr. BULOW, Mrs. CARAWAY, Mr. DILL, Mr. GEORGE, Mr. MCCARRAN, Mr. OVERTON, Mr. PITTMAN, Mr. REYNOLDS, Mr. VAN NUYS, and Mr. WHEELER are absent on official business.

Mr. HEBERT. I desire to announce that the Senator from Connecticut [Mr. WALCOTT] is necessarily absent. If present, he would vote "yea."

Mr. LEWIS. Mr. President, I desire to announce the following general pairs:

The Senator from Montana [Mr. WHEELER] with the Senator from Virginia [Mr. GLASS];

The Senator from Colorado [Mr. COSTIGAN] with the Senator from Connecticut [Mr. WALCOTT]; and

The Senator from Kentucky [Mr. LOGAN] with the Senator from Pennsylvania [Mr. DAVIS].

The result was announced—yeas 59, nays 12, as follows:

YEAS—59

Adams	Copeland	Kean	Robinson, Ark.
Ashurst	Dickinson	Kendrick	Russell
Austin	Dieterich	Keyes	Sheppard
Bailey	Duffy	La Follette	Shipstead
Bankhead	Erickson	Lewis	Steiwer
Barbour	Fess	Lonergan	Stephens
Barkley	Frazier	Long	Thomas, Okla.
Bratton	Goldsborough	McAdoo	Thomas, Utah
Brown	Hale	McNary	Townsend
Bulkley	Harrison	Metcalf	Trammell
Byrnes	Hastings	Murphy	Vandenberg
Capper	Hatfield	Neely	Wagner
Carey	Hayden	Nye	Walsh
Connally	Hebert	Patterson	White
Coolidge	Johnson	Reed	

NAYS—12

Black	Gore	McKellar	Smith
Byrd	King	Norris	Thompson
Clark	McGill	Pope	Tydings

NOT VOTING—25

Bachman	Cutting	Logan	Schall
Bone	Dale	McCarran	Van Nuys
Borah	Davis	Norbeck	Walcott
Bulow	Dill	Overton	Wheeler
Caraway	Fletcher	Pittman	
Costigan	George	Reynolds	
Couzens	Glass	Robinson, Ind.	

So the committee amendment, as amended, was agreed to.

So the amendment was agreed to.

Mr. KING. Mr. President, I returned to the Chamber a moment ago from a committee meeting and voted in the negative upon the question last presented. Not knowing the parliamentary status of the matter, I supposed that an opportunity would be afforded, after disposing of the substitute, to vote upon the provision dealing with embargoes as reported by the Senate committee. The substitute is objectionable but has some merits not possessed by the provision reported by the committee.

I am opposed to the substitute and also to the Senate provision and regret that no opportunity is afforded to have a direct vote upon the Senate provision which authorizes embargoes. I regret that Democrats are giving support to embargo measures. That party has been opposed to prohibitive tariffs and embargoes and has favored policies promotive of international trade. The Democrats have denounced the extreme protective policies of the Republican Party and tariff duties which have menaced our foreign trade and commerce and seriously injured not only the agriculturists of the United States but also all branches of industry. In the face of this record we abandon our views and signify our willingness to have erected walls to prevent commodities from other countries entering the United States. I wonder if the Democratic Party is forgetting the principles for which it has battled so courageously in the past.

Mr. LONG. Mr. President, I just want to make a moment's comment, which I would have made before the vote had it not been for fear that it might have been interpreted as delaying the vote.

I want to compliment the Democratic Party. It is a glad moment in my life when I see my party lining up

and coming over to the good old Louisiana sugar-tariff standpoint, for which we have contended so long. The party is getting sensible on this question.

Mr. HARRISON. Mr. President, I will ask that we now recur to page 14, the oil regulation provision, and I ask the attention of the Senator from Oklahoma [Mr. THOMAS].

The PRESIDING OFFICER (Mr. BYRD in the chair). The clerk will state the committee amendment.

The LEGISLATIVE CLERK. On page 14, after line 5, the committee proposes to insert the following section:

OIL REGULATION

SEC. 9 (a) The President is further authorized to initiate before the Interstate Commerce Commission proceedings necessary to prescribe regulations to control the operations of oil pipe lines and to fix reasonable, compensatory rates for the transportation of petroleum and its products by pipe lines, and the Interstate Commerce Commission shall grant preference to the hearings and determination of such cases.

(b) The President is authorized to institute proceedings to divorce from any holding company any pipe-line company controlled by such holding company which pipe-line company by unfair practices or by exorbitant rates in the transportation of petroleum or its products tends to create a monopoly.

(c) The President is authorized to prohibit the transportation in interstate and foreign commerce of petroleum and the products thereof produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by any State law or valid regulation or order prescribed thereunder, by any board, commission, officer, or other duly authorized agency of a State. Any violation of any order of the President issued under the provisions of this subsection shall be punishable by fine of not to exceed $1,000, or imprisonment for not to exceed 6 months, or both.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment proposing to strike out a portion of subsection (c), on page 14, lines 20 to 25, inclusive, and a portion of line 1, on page 15. I will ask that the clerk read the substitute for those lines.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. The Senator from Oklahoma proposes to strike out, on page 14, lines 20 to 25, inclusive, and line 1 on page 15, ending with the word "State", and to insert in lieu thereof 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.

Mr. THOMAS of Oklahoma. Mr. President, this amendment embraces but 10 lines. It contains four separate and distinct propositions, which I can explain in a very few moments.

The first part of the amendment proposes to give the President power, not directory, not mandatory, but permissive, to prescribe regulations to supplement State conservation laws regulating the production of crude petroleum. That is the first proposal.

Some States have made provision by law for controlling the production of oil in such States. My State has such a provision on its statute books, Texas has such a provision, and other States have provisions of that character.

Some States do not have any law even attempting to protect and regulate the production of petroleum within such States. This amendment proposes to give the President power to supplement existing law in States which have undertaken to control the production of petroleum.

The second part of the amendment proposes to give the President power to allocate equitably the national market demand for crude petroleum and the products thereof among the oil-producing States. It simply provides that if the States cannot get together and allocate among themselves satisfactorily the correct amount of petroleum to be produced, but fail in that endeavor, the President will have the power to step in and say to the several States, "You can produce so much, and no more."

The third power conferred, which is permissive, is that the President may allocate production of petroleum and petroleum products between domestic production and importations. That means that if some person, firm, or company proceeds to bring into this country a flood of oil sufficient to run down the price and interfere with the prosperity of the oil industry and thereby demoralize, if not destroy, vast sections of this country, the President may step in and say to such importing concerns, "You are importing too much oil. You must act within reason and with regard to the interests of the oil producers in this country." The President will have the power to make an appropriate order and to enforce such order if made.

The fourth provision of the amendment would give the President permissive power 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.

Mr. President, in some of the oil-producing States there are individuals, firms, and companies who will not obey the laws passed by the States and will not obey the regulations prescribed under and by the authority of law. In my State we have a corporation commission. The rules, regulations, and orders of our commission have been violated. Other States have regulatory bodies, and such commissions have the same trouble we have in Oklahoma.

We have no effective Federal law and some of the oil producers will not obey either State law or State regulations. The oil business is prostrate and thousands of oil producers are bankrupt. Today oil is selling in many places for from 10 to 18 cents per barrel and the average price throughout the country is 25 cents per barrel. Prosperity cannot return to our country when the third largest industry is in such deep distress.

Mr. President, I represent a State of tremendous oil resources and a State in which probably a larger proportion of citizens are interested in the production of oil than in any other State in the Union. Not only this, but I represent a State where the oil interests are peculiarly those of the small landowner and the small independent producer, and the welfare not only of my State but the people of the State individually are sorely affected by the chaotic and unstable conditions that have existed in the oil industry for many years last past.

Naturally I am keenly interested in the subject matter. In the study of the oil problem I have gathered data from many sources and I have come to the conclusion that had the warnings and advice given the country, the Federal Oil Conservation Board, and the Congress, been heeded, and followed, the present ills of the oil industry could all have been easily avoided and the industry would not be in the deplorable condition in which it today finds itself.

I find that there has been an overproduction of oil in the United States of America as a whole since about 1920, and the conditions which brought about this overproduction of oil and the remedy therefor was laid before the directors of the American Petroleum Institute many years ago. The facts that we all now know to be true were denied and all remedies offered to cure the ills of the industry were opposed by the representatives of major oil companies. These large oganizations felt that they profited from the misfortunes of the smaller and independent people in the oil business. These companies that did not want to see stability in the oil business exerted all their influence and power to frighten the smaller producers and landowners and to make them believe that they should resist anything in the nature of new legislation or Government control of the industry. We have now reached the point where the oil industry is on the verge of collapse, and we all recognize that even a prohibitory import duty would not be sufficient alone to take care of the situation, nor is it possible for the States either acting jointly or severally to correct these evil conditions.

I am reliably informed that the records of the American Petroleum Institute will show that the conditions that have

confronted the oil industry for several years were foreseen and could have been guarded against. I also know that the records will show that these facts were laid before responsible agents of former administrations as early as 1924.

The period of loss and chaos, so harmful to the small producers of oil, and which has been a tremendous factor in bringing about the present instability of all business in this country, could have been corrected and would have been corrected except for these big interests in the petroleum industry who believed they could profit from the hardships of the smaller landowners and independent operators. After this matter was brought to the attention of the Federal Government any change in the methods, procedure, and policies of the industry was strenuously opposed by the large oil interests and the men who argued and pleaded for a measure of Government regulation were met with ridicule, sarcasm, and opposition. The records of the Conservation Commission will disclose that there was abundant proof before that body that action should have been taken, and my conclusion is that the agents dealing with this matter for the administrations of both President Coolidge and President Hoover were intimidated from taking any action in this matter for fear of arousing the opposition of rich and powerful interests.

I have before me literature from the files of the Federal Oil Conservation Board representing the testimony offered by different men in the petroleum industry to the officers of the Federal Government and to the Federal Oil Conservation Board. I am advised that as early as 1920, and perhaps sooner, one man of the petroleum industry who has been the leader in this effort toward reform worked patiently for several years with the men of the oil industry to induce them to bring about necessary reforms and conditions in the oil business which would be such as to make it safe for the small capitalist and the small producer. After every suggestion of reform had been rejected by the representatives of the large companies that then controlled the oil industry an appeal was made to the Federal Government. The facts relating to the oil industry were summed up in a letter under date of August 11, 1924, from Henry L. Doherty to President Coolidge, which is as follows:

AUGUST 11, 1924.

Subject: Conservation of petroleum oil.

The PRESIDENT,

Executive Mansion, Washington, D.C.

SIR: For a long time I have viewed with great alarm the rapidity with which we are depleting the petroleum oil reserves of this country.

Under our present system we are bound to become a pauper nation so far as oil is concerned before the oil resources of many other countries have been seriously drawn upon.

When I became thoroughly convinced, several years ago, that many, and probably most, of our oil pools could be located and mapped out by surface observations without putting a drill into the ground, I realized that this might mean the early and premature exhaustion of our American oil reserves.

Developments in the science and practice of oil production since then have increased the fears that were born in my mind at that time, and the developments of the past 18 months have convinced me that remedial measures must be adopted at once. I therefore conceived it to be my duty to evolve practical plans for conservation and to find some agency sufficiently powerful in influence to put these plans, or such better ones as may be evolved by others, into operation with the least possible delay.

I have been forced to the conclusion that only through the efforts of our Federal Government can the oil problem be solved, for time is the essence of this problem, and there will be no satisfactory solution unless it is done promptly.

After reaching the conclusion that there was no other agency capable of handling this problem other than our Federal Government, I was still at a loss to know how to proceed. As no branch of our Federal Government is charged with the specific responsibility of conserving our natural resources, and also on account of the magnitude and importance of the problem, I felt I was justified in addressing you upon this subject. In my opinion, it has gotten beyond a mere departmental problem and has become a real administration problem of the first magnitude. When I decided to put this problem up to our Federal Government I did not believe the Federal Government had jurisdiction over it, but I am now convinced the Federal Government has this power.

The United States Geological Survey estimates the entire recoverable oil reserves of this country at 9,000,000,000 barrels. This is based on our present wasteful methods of operation. Last year we took from the ground approximately 750,000,000 barrels. This represents depletion at such an alarming rate as to terrify anyone who will give these figures 5 minutes of sober thought. Many industries are absolutely dependent upon petroleum oil, and oil is a prime war necessity.

Conservation measures should have been adopted long ago, for the ultimate result has been obvious for many years, but it has been only recently that the rate of depletion has increased so rapidly as to become a matter of acute alarm as to whether conservation measures can be adopted quickly enough to avoid embarrassment. Unless something is done we must soon face an enormous deficit in oil production as against our current consumption.

Oil is not only a war resource but the mere possession of an abundance of it is a serious discouragement to any other nation to become involved in war with us. A deficiency of oil is not only a serious war handicap to us but is an invitation to others to declare war against us.

If war must come again, it is apt to be in every instance a world war. If our oil supply is deficient, we will not be so eagerly sought by other nations as an ally, and those countries having an abundance of oil will be so sought. If we become involved in such a war we may not have a single country as an ally which has an abundant supply of oil. Even if we do have allies able to supply oil, nevertheless our oil supply will be at the risk of ocean transportation.

The shocking depletion that has characterized our oil reserves is not due to the ease with which we can locate new pools, but is due primarily to the fact that under our present unfortunate laws each pool, as discovered, must be immediately devastated. No other property, or product from property, is subject to similar laws except wild birds and animals—and what has happened to our wild birds and animals is rapidly happening to our oil.

Practically every evil of the oil business, and everything about which the public complain, is due to the fact that oil does not follow the usual law of property rights, but belongs to the man who can capture it. Other mineral products are located and blocked out, but are only taken from their ground reserves as the market needs them. The discovery of an oil pool means that every landowner or lessee can take as much oil from this common pool as he can get, and there is always a frenzied scramble to bring the oil to the surface before somebody else can get it, regardless of whether the market needs it or not.

Under present conditions oil must be consumed practically as fast as it is found, whether it is needed or not. Therefore the exhaustion of our oil resources is not based on our market needs for oil but on the rapidity with which our remaining reserves can be uncovered.

Our present methods are necessarily wasteful. In some cases we do not recover more than 10 percent of the oil in the sand, and practically all of the natural gas that accompanies it is wasted. This natural gas, which is largely wasted, is sometimes of a total energy value in excess of the oil recovered.

For 4 years we have been continually producing more oil than is being used, and this in spite of the fact that a large quantity of oil is being used for purposes which could be as well supplied with other cheaper and more abundant fuels. In other words, we are producing and selling large quantities of oil which is simply displacing, on an energy basis, the equivalent amount of coal. The oil is a total loss to those industries which must have oil and which cannot use coal or other forms of fuel.

In spite of the fact that we now have a large overproduction of oil, nevertheless should the army of geologists now at work in the field prospecting for oil succeed in locating enough additional pools to increase our production by 1,000,000 barrels per day, you would see our consumption increase correspondingly. The amount of oil that can be tanked is almost microscopical in relation to the amount that represents the real overproduction. Practically all of this overproduction must be forced to a price where it can displace other fuel and is as much of a loss to those purposes which can only use oil as it would have been had the oil been burned at the mouth of the well.

Our production has for several years been so high that no attempt is made to refine all of our oil. There is as much lubricating oil and waxes run to our fuel tanks and sold and burned as fuel oil as is recovered. What is the excess by-product of today may become the much-sought-for primary product in the near future.

I will undertake to convince any intelligent and unprejudiced commission—

First. That our present methods are viciously wasteful in every way.

Second. That the first step in conservation must be to provide that ownership shall be determined otherwise than by capture.

Third. That if our laws are changed to make oil and gas conform to the laws governing all other property its division among the different landowners can be made with a greater relative degree of equity than now prevails.

Fourth. That if we can develop our pools without undue haste we can recover at least double as much oil as we do now and raise much more of it to the surface without the cost of pumping by merely preventing unnecessary waste of gas.

Fifth. That we can greatly prolong our supply of natural gas to the cities now being supplied.

Sixth. That this country could, if necessary and under normal peace conditions, adjust itself without much hardship to the use of petroleum oil to not more than half of that produced in 1923.

While I have claimed above that we could recover double as much oil as we do now, I think it is reasonable to presume that if we could work methodically and scientifically, instead of being governed primarily by haste, possibly we might in many instances recover all of the oil in the sands instead of recovering from 10 to 35 percent, as is now estimated by the Bureau of Mines. I further think that I can show the omount of oil we do recover under present methods is overestimated rather than underestimated. If we can curtail our consumption by one half and increase our production by two, it will increase our oil reserves for a period four times as long as under our present methods.

If the laws governing the production of oil are made to conform with the laws pertaining to all other property, we will, by the very nature of things, develop our oil pools in the same manner as other mineral resources. That is, we will always have large bodies of oil located and blocked out, and in event of war we can draw on these ground reserves very quickly to supply either our increased needs occasioned by war or to take the place of oil which at that time was being imported from foreign countries.

No conservation plan can succeed that does not abolish the system we now work under, whereby oil belongs to the man who can capture it, and while I think the abolishment of this system will give all the relief we need, nevertheless, if it does not, we can adopt other conservation measures as their need is demonstrated.

I am satisfied that Congress has power under the Federal Constitution to pass laws specifying how oil shall be produced. Section 8 of the Constitution provides: "The Congress shall have power to * * * provide for the common defense * * *." To provide for the common defense, it is essential that our oil be conserved. I am satisfied that Congress not only has power to enforce conservation, but that the Federal Government is charged with the responsibility of doing whatever is necessary to "provide for the common defense." However, I would not recommend that Congress legislate to specify how oil shall be produced, except that the separate States refuse or fail to do so.

If the separate States would pass legislation providing for oil districts, similar to the laws that have been passed and sustained by our courts for irrigation and drainage districts, this would make possible the handling and conserving of an oil pool under the same conditions as now pertain to other mineral bodies.

What I would recommend is that you should delegate to a committee of lawyers the formation of uniform legislation for every State providing for the conservation of oil; that you would then call a conference of Governors and request them to pass this uniform legislation in their States, and say that unless it is done by a certain date that you will be compelled to request Congress to pass legislation taking jurisdiction of oil production throughout the United States.

I am aware of the fact that you have appointed a Commission to consider means to insure a supply of oil for our Navy, and I have discussed certain features of this matter with Dr. George Otis Smith, chairman of this Commission. I have told him that, in my opinion, it is easier to solve the entire oil problem than it is to simply provide oil for our Navy under the present system. I have also told him that the setting aside of naval reserves will prove entirely inadequate and will also be demonstrated a colossal failure if the emergency arises whereby they must be called upon. Teapot Dome would have proved a terrible disappointment, and any unknown deposits of oil hundreds of miles from tidewater would in case of war prove more of a liability than an asset. The people who talk so glibly about our naval reserves or our shale beds as a source of oil in case of war may see a war come and go before either succeeds in giving a substantial contribution to our needs for oil.

While the country can adjust itself to the utilization of a smaller amount of oil if worked out under normal peace conditions and in an evolutionary manner, it cannot, however, adjust itself to the use of less oil in a revolutionary manner, as would necessarily be required should we become engaged in war, without seriously handicapping our industrial efficiency in prosecuting the war. If war comes, our Navy must be provided with oil. Under present conditions this oil can only be provided by taking it away from the industries that are now getting it; but under the conditions I recommend, every oil pool will then represent a large ground reserve which can be drawn on very quickly, and, if this policy had been in vogue for a long enough period before the war, we should then have a large enough ground reserve of oil to carry us through a long war.

I thoroughly believe, and respectfully represent to you, that this oil problem is one of the most important matters needing your attention. I also think a declaration from you that you intended to take steps to conserve oil would immediately be commended by a very large number of our most intelligent citizens and, when accomplished, would for all time thereafter be regarded as a great credit to you.

On the other hand, if the public some day in the near future awaken to the fact that we have become a bankrupt nation so far as oil is concerned, and that it is then too late to protect our supply by conservation measures, I am sure they will blame both the men of the oil industry and the men who held public offices at the time conservation measures should have been adopted.

The men in the oil business who appreciate the seriousness of this situation feel that they cannot be blamed, as they are compelled to work under the laws made by the courts and the State legislatures. They also feel that it is up to the Bureau of Mines or the United States Geological Survey to say when conservation measures should be adopted and what these conservation measures should be.

I am an oil producer myself and therefore am unavoidably a party to this vicious system. I intend to do all I can to reform this system, but, failing in that, I want to frankly admit that I intend to make a record to which I can point whenever the inevitable time arrives when an indignant public asks for an explanation.

Every business and industry is controlled largely by its conservative and standpat element. Governmental changes largely come from the radical and irresponsible element. Every industry fears to invite Government interference for fear of the radical and irresponsible element and the impractical reformer. For 50 years our banking business was carried on under laws which had no merit and were vicious in their effect, causing frequent but irregular money stringencies, which often climaxed into business panics that caused widespread depression and unemployment. The laws under which we then operated were never passed in the interest of the banking business or labor, but were passed to force the sale of Government bonds under the stress of war and when bonds could be sold in no other way. Many bankers knew the vicious effect of these laws, but they not only did not recommend rational laws, but endeavored to prevent all agitation for rational laws for fear of the radical and irresponsible members of our legislative bodies, and believed any change might be for the worse rather than for the better.

Repeated efforts were made of a statesmanlike character during every succeeding administration after the Bryan silver issue of 1896 to change these laws, but they did not succeed; not simply because they were not supported by the bankers, but because through fear they were secretly opposed by many bankers. Had the mass of our bankers had their way we would still be working under our old banking system. The Federal Reserve System was created by statesmen or politicians, as you may choose to call them. If it had not been for the firm determination of the first Wilson administration to pass a reserve bank law, I do not think we would yet have had such a law. Without our Federal Reserve Bank System I know we would never have gone through the war without much more serious hardships than we experienced.

I am satisfied the attitude of the men in the oil business will be no different than the attitude of the bankers except in degree, and that for the worse rather than for the better. You need only recommend to a group of oil men that they should themselves seek legislation and the mere suggestion will throw them into a panic. Many of the oil men are afraid of our Government. They see all the foreign governments stand firmly behind and support their oil industry and yet many oil men feel that they can expect only chastisement at the hands of our Government. They see the radical element in foreign governments demanding even that which is unfair but in favor of their country's oil industry. They see these foreign governments trying to help their oil interests reach the goal, but they see the politicians of our Government regarding our oil industry merely as a political football. Everybody takes a kick at it, in spite of the fact that American oil men have blazed the trail for the whole world, and no matter where oil is produced, and no matter what language is spoken, or no matter what diseases men die of, whether in the Arctic or the Tropics, it is there you will find the American oil man, and not as the workman, but as the expert or the boss on the job. If the problem I have presented to you is to be solved, I fear it will have to be done by our Federal Government without much help from the men in the oil industry, and with the determined opposition of some of the men in the oil industry.

There are three members of your Cabinet that I think are charged with a particular responsibility in this matter. I refer to the Secretary of War, the Secretary of the Navy and the Secretary of the Interior. There are two scientific departments of our Government that also have a particular responsibility in this matter. I refer to the Bureau of Mines and the United States Geological Survey. The Bureau of Standards is also capable of contributing much of value to this problem.

I will send you under separate cover 6 extra copies of this letter so you can, if you wish, give them to the 3 Cabinet officers referred to and to the 3 scientific bureaus. I do not expect any one of the three scientific bureaus to agree with all that I say; for if they felt as I do, they would have already had these statements before you. I have nothing but admiration and praise for the high standing of all of these scientific bureaus; and if you must choose between my opinions and theirs, I would naturally expect you to be guided by their opinions. However, I prize my reputation for scientific accuracy as highly as they do, and if after full conference they cannot agree with me on this matter, I will stake every shred of my professional reputation that I am right and they are wrong, in spite of their number and their standing in the scientific world.

There is not one of these bureaus that does not know of my work in engineering problems—or, if they do not, they can easily acquaint themselves with it. Whether they disagree with these views now or continue to disagree with me, I know they will not dismiss my views as those of a man who has the habit of merely seeing ghosts which are entirely devoid of either form or substance.

This will seem a long letter to you, and it is, but it is short in relation to the importance of the subject of which it treats.

It is probably unnecessary, but it may be well for me to state that I will not show this letter to anyone or state that I have written such a letter unless I first ask your permission to do so.

Respectfully yours,

HENRY L. DOHERTY.

Mr. President, this amendment was thoroughly discussed before the Finance Committee. I will not consume additional time in support of the proposal. I do, however, ask permission to insert in the RECORD copies of letters, telegrams, and editorials following the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

The matters referred to are as follows:

EXTRACT FROM A LETTER FROM ONE OF THE MOST NOTED CONSTITUTIONAL LAWYERS OF THE COUNTRY

* * * * * * *

Recently the Secretary of the Interior held conferences with the Governors, and other representatives, of the several oil-producing States, and with representatives of the oil industry, in an effort to bring about a mutual agreement for controlling production. My observation is that it all amounted to nothing. Texas and Oklahoma are periodically at war with each other in the matter, and with the oil producers in their respective territories. The petroleum industry, or some parts of it, are not only ruining the industry from a commercial standpoint, but are taking from the Government a property which it owns. Bear in mind that I claim that the Government can overcome this condition by a wave of the hand, so to express it.

In support of my position allow me to point out that the Constitution was adopted by the people of the several States, expressly to provide for the common defense, etc. In it they imposed upon Congress, among others, two mandatory provisions, i. e., "To raise and support armies", and "To provide and maintain a navy", and in connection therewith empowered Congress "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers."

Obedient to this command, Congress did "raise" armies and did "provide" a Navy, but is continuously confronted with the problem of supporting the former and maintaining the latter, equally mandatory injunctions. The people did not reserve or withhold to themselves anything which would make it impossible for Congress to carry out these provisions. It was not the intention that the provisions should later be emasculated by individual enterprise.

The Navy visualized by the people was one sufficient for defensive purposes. This is equally true of the contemplated armies. At the time, wooden ships with no propelling force other than wind were visualized. Today a battleship cannot leave its moorings without the aid of petroleum; without it the Navy could not function; without it the three most important branches of our armies and Navy, namely, airplanes, tanks, and submarines, would be powerless. Today over 90 percent of the horsepower of the Navy (ships) is provided by the use of petroleum, to which must be added 100 percent for the horsepower of submarines, tanks, and airplanes. However, the Constitution is not rendered impotent, nor is the Government, by being confronted with a demand for petroleum instead of wind, for the United States Supreme Court has held that while the Constitution does not change, it meets and provides for all the changes which occur in our national life. By the Constitution the Government gained a right and interest in the property of all individuals, which might be necessary to enable it to function within the provisions and limitations of the Constitution. Our Supreme Court has held that all privately owned property is a qualified ownership and does not carry dominion with it.

The interest which the Government acquired in petroleum, which in my opinion is a property, was the right to have petroleum when and as required by it to support and maintain its armies and its Navy. During the entire history of the petroleum industry the producers of petroleum have been taking from the Government that which was given it by the people, namely, the power to maintain its armies and Navy. They have been engaged in the production of petroleum by the pursuit of methods wantonly wasteful. If petroleum is today being produced by wasteful methods to such an extent as to impair the right of the Government to have an adequate supply of petroleum when it requires it, the Government has the right to institute proceedings to restrain not the production of petroleum per se but the wasteful production of petroleum.

Under the eighteenth section of article 1, the Congress has the power to enact laws to restrain waste, if congressional action was thought to be better than for the Government to proceed by injunction.

An Oklahoma statute defines waste in the production of petroleum to exist when the supply or production thereof exceeds the reasonable market demand. Our Supreme Court has upheld this statute. True, this statute is an exercise of a police power, but measuring waste by reasonable market demand was not held by the Court to be an exercise of the police power to restrain waste, but market demand was sustained as a general measure of what constitutes waste.

In case of a war, and that is what these provisions of the Constitution contemplate, armies and a navy which did not have an adequate supply of petroleum would be at the mercy of armies and a navy which did have. Petroleum, though an unknown, is a fixed quantity. It is a question of time only when this country's deposits will be exhausted. True, South America is known to have large deposits available in times of peace, but if this country were engaged in a war with a European power, every barrel of oil obtained by us from South America would mean either a naval or an aerial engagement, because the easiest way to win the war against us would be to prevent us from having an adequate supply of petroleum. Nothing of this sort was contemplated by the Constitution.

The Government, of course, has the right to take with compensation any property of the individual which it requires, but this problem does not present that condition. The Government already owns the right to have petroleum preserved for it; that is to say, that it shall not be so wastefully produced as to impair the Government's right. The question of a taking and/or compensation is not involved.

If no other methods than those now pursued in the production of petroleum were known, the Government could not be heard to say that the methods were wasteful. Present methods leave in the ground 80 percent, approximately, of the recoverable petroleum. Improved methods which require the restoration to the ground of the natural gas make approximately 100 percent of the petroleum recoverable. The Bureau of Mines, I believe, will support this statement. If the Government should enjoin one operator from continuing the wasteful production of petroleum, the power of the Government would, undoubtedly, be recognized by the entire industry, and the matter of overproduction would be, at least to the extent of controlling waste, in the hands of the Government.

* * * * * * * *

Mr. THOMAS of Oklahoma. The following communication was received this morning:

THE SECRETARY OF THE INTERIOR,
Washington, June 7, 1933.

Hon. ELMER THOMAS,
United States Senate.

MY DEAR SENATOR THOMAS: I am sending you a copy of an interesting telegram which has just reached me. I thought you would like to read this just for the slant on the situation that it gives. This, of course, is only one of many, many telegrams and letters from the principal oil-producing States which have come to me during the last few weeks.

Sincerely yours,

HAROD L. ICKES,
Secretary of the Interior.

[Telegram]

MEXIA, TEX., *June 7, 1933.*

Secretary of the Interior ICKES:

We notice in the press Senator MCADOO has introduced a measure to investigate the oil business. Unless some relief is given immediately to the law-abiding small independent producers, few will be left to tell the tale. With oil prices averaging below 25 cents a barrel, it does not take any further investigation to tell this means ruin not only to the little fellow but fast and certain waste and dissipation of one of the Nation's greatest natural resources. We plead for help before it is too late. Our State authorities in charge of oil have proven themselves totally unequal to regulate and give us any relief. From here it seems to us many suggestions and much lobbying has been done in Washington by a certain group to delay any action looking to Government control until Congress has adjourned, thereby defeating the cause.

E. L. Smith Oil Co., Inc., E. L. Smith, president; J. K. Hughes Oil Co., J. K. Hughes, president; Prendergast Smith; National Bank, Mexia, Tex., Jack Womack, president; City National Bank, Mexia, Tex., Blake Smith, president; Farmers State Bank, Mexia, Tex., John H. Sweatt, president.

The small oil producers are supporting this amendment. The following resolution is self-explanatory:

Whereas the delegates to the stripper-well conference, composed of representatives of oil and gas associations and individuals from the States of Kansas, Texas, and Oklahoma, convened in the city of Oklahoma City, Okla., on the date of May 24, 1933, and acting as a committee of the whole, adopted the following resolution:

"Whereas because of ruthless and uneconomic overproduction of crude oil the price structure has collapsed and thousands of wells of the stripper class, numbering more than 300,000, are on the threshold of being abandoned; and

"Whereas there is pending before the Congress of the United States a bill known as "the Marland-Capper bill", the purpose of which is the conservation of crude petroleum and to preserve the same as a national resource, not only for the future welfare of the Nation but as a very vital item in national defense; and

"Whereas Federal intervention is welcomed as a means toward correcting the evils and corrupt practices which have driven the oil industry from a secure and profitable business into a state of chaos and bankruptcy; and

"Whereas failure to delay the imposition of Federal control at this critical period will render definite and certain the loss of a valuable natural resource in the form of the stripper-well production, essential to the future welfare and prosperity of many individuals, cities, and towns, and State governments who are directly or indirectly dependent on the prosperity of the petroleum industry: And now, therefore, be it

"*Resolved*, That the stripper-well conference go on record in an affirmative manner, endorsing the Marland-Capper bill in its entirety; and be it further

"*Resolved*, That copies of this resolution be forwarded to the Secretary of the Interior, Secretary of War, to the United States Senators and Representatives of the States wherein petroleum is produced, and to the Chairman of the House Ways and Means Committee, and to the press for publication, with the admonition to all that the vigorous administration of the bill, if enacted into law, will elevate the industry from bankruptcy to peace and prosperity and contribute in a large degree to the general recovery of all business in the entire Nation."

NORTH TEXAS OIL & GAS ASSOCIATION.
OKLAHOMA STRIPPER WELL ASSOCIATION.
KANSAS STRIPPER WELL ASSOCIATION.
SOUTH OKLAHOMA OIL & GAS ASSOCIATION.

The following is a sample of hundreds of letters received:

THE PETROLEUM CO.,
Los Angeles, Calif., May 29, 1933.

Hon. ELMER THOMAS,
United States Senate, Washington, D.C.

DEAR SENATOR: Enclosed please find an editorial that appeared in the Los Angeles Saturday morning Times in regard to the crude-oil situation here.

Of course, you know the same conditions prevail wherever crude oil and natural gas is being produced, with Texas as the greatest violator of them all, having the greatest potential production and no effective State control, with the Governor wiring Secretary Ickes that it is necessary for Federal control and that she will support it.

That is due perhaps to the fact that there are political factions in Texas that want the oil-and-gas industry for a political plaything. * * *

I spent most of the month of April in east Texas, and at Austin, and know whereof I speak, and am inclined now to think that the Marland-Cooper bill is slated to stay in committee until Congress adjourns, unless you Members of the Senate who are in favor of this bill will see that such a thing does not happen.

This bill must come out of committee; it must be passed with 1-man Federal control; otherwise there is not even a living in the crude-oil and natural-gas business for the small independent operator, whose small wells are now absolutely worthless to him or the community in which he operates.

With highest regards and the hope that in the passage of this bill you will please and help your constituents, as well as your friends in California, I am,

Very truly yours,

M. H. MOSIER, *President.*

The editorial referred to is as follows:

FEDERAL OIL CONTROL

Since the oil industry is not permitted by the antitrust laws to organize so as to regulate itself effectively, and since State regulation has largely broken down, regulation by the Federal Government, as proposed by President Roosevelt, seems to be the only alternative to continued chaos and waste.

Federal regulation may succeed if it is kept free from politics. Unfortunately State regulation has not been so kept, particularly in Texas, where the readvent of the Fergusons to power resulted in a virtual removal of restrictions in the east Texas field—with the result that crude prices there fell promptly to 10 cents a barrel. The Fergusons went into office pledging a more "liberal" oil policy and the pledge has been kept. It is to be hoped the oil operators who favored this policy are satisfied; it is not likely that anybody else is.

The other oil States cannot compete with Texas crude at 10 cents.

What overdrilling and overproduction have done to the east Texas field—the greatest producing field in the world just now—are plainly evident in the announcement that within 60 days, if production is not shut down or greatly curtailed, the wells will have to be put on the pump because of the failure of gas pressure. Since this costs $5,000 per well for equipment, an investment that cannot pay for itself at present crude prices, an automatic shutdown of a considerable part of the field is in prospect. In some quarters it is said the Texas Oil Commission is deliberately trying to bring this situation about to solve the overproduction situation. It is a heroic remedy to throw away ultimate assets to help a temporary situation.

In this situation alone there seems to be sufficient justification for Federal interference—either that, or for throwing all the restrictions, including the Sherman and Clayton Acts, out of the window and letting nature take its course. The oil industry can be regulated in either of two ways—"the good old rule, the simple plan, that he shall take who has the power and he shall keep who can," or by a Federal arbitrator, and both plans have serious defects.

Either is preferable to the present planlessness, however. The oil industry has all, or most, of the characteristics of what economists call a "natural monopoly", which means that, if let alone, it will tend to gravitate into a single powerful control which, if benevolent, would work out to the public interest, and if grasping would require the intervention of Government to protect the public.

But it has not been let alone. It has been treated like two cats with tails tied together and hung over a clothesline.

At a meeting in Washington a few weeks ago, the majority of industry representatives voted for Federal control. A minority held out for no control whatever and a removal of all restrictions, voluntary or State-imposed, except the antitrust laws, which is precisely the situation that brought about the present mess and made control measures necessary.

These "independents", it seems probable, have never examined their own program with a really critical eye, or they would discover that it is mainly composed of unintelligent self-interest. Some of the "independents" want the major companies to continue to curtail overproduction, while they remain free to produce and sell at the increased prices curtailment makes possible. That this would soon result in the abandonment of curtailment and a flood of oil that would drown them is apparently not realized by most of the group.

This is not to say that the independents have no genuine complaint. Some of them unquestionably have been shabbily treated under various forms of control, and the major companies, or some of them, are probably not guiltless of promoting some of this unfairness. But this is not an argument against the principle of control—it is merely an argument against some control methods.

Under Federal supervision there is at least a probability that unfairness may be eliminated. The Federal supervisor will be very much in the public eye; he will be less likely to be influenced by local considerations; and if the act is properly drawn, it will provide a right of court appeal from injurious and oppressive orders—indeed, the Constitution being what it is, such a right probably will exist no matter what the statute says. Property cannot be taken for public use without due process of law.

Further justification for Federal control lies in the fact that oil is an irreplaceable natural resource, in which conservation is important. It cannot be said what future generations will use for fuel or lubricant, though probably the ingenuity of chemists will provide a substitute for petroleum when it is needed, but no good substitute is now known; so it is sensible to make wise use and prevent waste of what we have.

Mr. CAPPER. Mr. President, I desire to speak briefly in support of the amendment offered by the Senator from Oklahoma [Mr. THOMAS], which proposes to give the President powers during the emergency to regulate the production of petroleum, to allocate production among the oil-producing States, and if necessary to prorate among the oil pools.

Nearly 3 months ago, as I remember, the Secretary of the Interior, with the approval, as I understood, of President Roosevelt, called a conference of representatives of the Governors of the oil-producing States, of the major group of oil companies, and of the independent producers. This conference was presided over by Gov. Alfred M. Landon, of Kansas, himself an independent oil producer, who, I believe, has a very complete and intelligent understanding of the problems of the oil industry.

That conference, while admitting that control of the oil industry is essential for the welfare of both the industry and the country as a whole, especially as a conservation measure, declined to take the responsibility of recommending Federal control of production. It did make other recommendations, the more important of which are included in the pending measure as it came from the Senate Finance Committee. But the Governors' conference in effect recommended that the control of production be left to the States and to the industry for a reasonable period, say 2 or 3 months, before asking for Federal control.

Nearly 3 months have elapsed since that conference met. Nothing has been done to correct the situation, particularly as it is affected by uncontrolled production from the flush fields. It s apparent to me, and to most of those who have made a study of the situation, that if there is to be any effective control of petroleum production in time to save the economic lives of the smaller producers—I refer especially to the stripper-well production—and in time to conserve the oil reserves and prevent the ruin of the entire industry except possibly some of the larger companies which can afford to stand the gaff for another year or two and depend upon acquiring control of oil reserves and storage oil at cheap prices at the present time—if there is to be any effective control of oil production, it will have to be control exercised by the Federal Government, or some agency of the Federal Government.

If it were possible even to preserve the industry in status quo while a plan for control could be worked out, I might not favor simply giving the President power to control the situation. The more constitutional and logical way probably would be through a compact of the oil-producing States. But, Mr. President, there is no time for consideration of such a program.

The oil industry practically has collapsed. Oil is selling at ruinous prices. The States cannot control the situation, either singly or by concerted action. It is very evident that the industry cannot take care of the situation.

So it seems to me, Mr. President, that the only course of action remaining is to give the President power to regulate the production of oil. In effect, that power is no broader than the power we are giving him over other industries.

This problem is slightly different in a few respects. The proposed grant of authority over the production, refining, transportation, and sale of petroleum and its products undoubtedly takes those powers from the States which produce oil. But it is taking those powers in the national interest, and in the interest of a natural resource whose conservation is of vital importance to the welfare of the Nation as a whole.

It is necessary only to point to the production figures to show the need of control, somewhere, of the agencies of oil production. At the March conference there was a general agreement—except among a group who insist upon the right to produce without reference to either consumptive demand or any principle of conservation—that the actual consumptive demands of the United States do not exceed what could be served by the production of 2,000,000 barrels of crude per day.

Mr. Harold Ickes, Secretary of the Interior, who appeared before the Senate Finance Committee on this matter, reports that the total production, exclusive of imports, is close to 3,500,000 barrels a day. Neither the country nor the industry can afford to tolerate that situation.

Under these circumstances, Mr. President, it seems to me that there is only one sensible thing to do. That is to give to the President the necessary powers to try to save this great industry, second only to agriculture, from destroying itself and imperiling the national defense at the same time.

It certainly is not in the public interest to allow the oil reserves to be depleted in the criminally prodigal manner in which they are being depleted.

It certainly is not in the public interest to ruin the small producers and refiners as these are being ruined today by overproduction of the flush pools.

There are certain big oil interests that stand to consolidate what already is too close to a monopoly of the oil reserves, through purchasing storage oil and oil leases at bargain-sale prices under present conditions, and that will not be in the public interest.

Mr. President, I sincerely hope that the amendment will be adopted, and that the suggested emergency powers be given the President to handle this situation.

Mr. LONG. Mr. President, I hope this amendment will not be adopted. We do not need this amendment. Let us go along with the bill and try to pass it. If we mess it up with this kind of an amendment, it is going to dump the cards. I hope the amendment will be voted down.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma to the amendment reported by the committee. [Putting the question]——

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. The amendment is rejected.

Mr. THOMAS of Oklahoma. Mr. President, I was trying to get the floor to ask for a record vote.

The VICE PRESIDENT. The Senator from Oklahoma demands the yeas and nays. Is the demand seconded?

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

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

The amendment was agreed to.

The VICE PRESIDENT. The clerk will report the next amendment.

The next amendment was, under the heading "Title II—Public works and construction projects: Federal emergency administration of public works", on page 16, line 1, before the word "of", to strike out "administrator" and insert "board."

Mr. LA FOLLETTE. Mr. President, I understood that a number of Senators are interested in offering a motion to strike out title I. I desire to ask the Senator from New York whether under any unanimous-consent agreement such a motion would be in order later on.

Mr. WAGNER. I understand not; but I ask, as a parliamentary inquiry, whether title I has been disposed of, including all amendments to it which have been offered?

The VICE PRESIDENT. There is nothing pending to title I.

Mr. WAGNER. If we go to title II, I want to inquire whether or not any Senator may thereafter offer an amendment to strike out title I?

The VICE PRESIDENT. The Chair thinks, under the custom of the Senate, Senators can do anything they want to with reference to offering amendments to any portion of the bill, but in other parliamentary bodies when title I is passed it is passed for good, and that would be the Chair's holding at the present time that the Senate is through with title I.

Mr. LONG. Is it the ruling of the Chair that we are through title I?

The VICE PRESIDENT. Yes.

Mr. LONG. So far as I am concerned, I have no motion to offer.

The VICE PRESIDENT. The Senate is on title II now.

Mr. McNARY obtained the floor.

Mr. LONG. I do not wish to make a motion myself, but I see the Senator from Missouri [Mr. CLARK] is not here.

Mr. HARRISON. May I state to the Senator——

The VICE PRESIDENT. Just a moment. Let the Senate be in order and proceed in order. The Senator from Oregon has the floor. Does he yield; and if so, to whom?

Mr. McNARY. I will not yield to anyone for a moment.

Mr. President, I uniformly go along with the rulings of the Chair, but I am not in a position to coincide with the view that we have passed title I finally. I think a motion may still lie to expunge title I from the bill.

The VICE PRESIDENT. The custom of the Senate is not to foreclose any amendment to any portion of the bill during its consideration, so that the Senator from Oregon is correct, and at any time any Senator desires to go back to any portion of the bill he has a right to do so.

Mr. McNARY. I have not any personal desire in the matter, but I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Oregon suggests the absence of a quorum. The clerk will call the roll.

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

Adams	Coolidge	Kendrick	Robinson, Ark.
Ashurst	Copeland	Keyes	Robinson, Ind.
Austin	Costigan	King	Russell
Bachman	Cutting	La Follette	Schall
Bailey	Dickinson	Lewis	Sheppard
Bankhead	Dieterich	Lonergan	Smith
Barbour	Duffy	Long	Steiwer
Barkley	Erickson	McAdoo	Stephens
Black	Fess	McGill	Thomas, Okla.
Bone	Frazier	McKellar	Thomas, Utah
Bratton	George	McNary	Thompson
Brown	Goldsborough	Metcalf	Townsend
Bulkley	Gore	Murphy	Trammell
Bulow	Harrison	Neely	Tydings
Byrd	Hastings	Norris	Vandenberg
Byrnes	Hatfield	Nye	Van Nuys
Capper	Hayden	Overton	Wagner
Carey	Hebert	Patterson	Walsh
Clark	Johnson	Pope	Wheeler
Connally	Kean	Reynolds	White

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

Mr. CLARK. Mr. President, I move to strike out title I.

The PRESIDING OFFICER. The question is on the motion of the Senator from Missouri.

Mr. CLARK. Mr. President, the bill in its present form again illustrates the new practice in legislation, against which I have heretofore protested, of loading down a meritorious measure with indefensible and totally unconnected matter. There is no logical or reasonable connection on the face of the earth between the meritorious and desirable pro-

visions of title II, for improving the unemployment situation by a public-works program, and the provisions of title I, for the emasculation of the antitrust laws, the imposition of embargoes, the establishment of an industrial dictatorship, and the requirement that citizens of the United States may be required to obtain a license from some bureaucrat in order to conduct a legitimate business in a free country. In company with other Senators, I would willingly and gladly support the beneficent provisions of title II, if given the opportunity, but I cannot do so while it is loaded down with the vicious and obnoxious provisions of title I. It is for the purpose of divorcing these two independent propositions and allowing an unhampered opportunity for voting for the public works bill that my amendment to strike out all of title I is directed.

Mr. President, from the time of my very earliest recollection I have considered myself a militant member of the Democratic Party. I am a Democrat by inheritance, by association, by training, and by conviction. As a boy of tender years I was present on the memorable occasion when William L. Wilson, of West Virginia, closed his stirring plea for a Democratic tariff bill in the Fifty-third Congress 40 years ago, and while I was too young at that time to retain a definite mental picture of Mr. Wilson, I still retain a vague remembrance of seeing his frail figure lifted on the brawny shoulders of my father, John De Witt Warner, William J. Bryan, and several others of his husky followers and carried in triumph around the hall.

Further along, Mr. President, I can clearly remember debates in this Chamber and in the Chamber at the other end of the Capitol which are written in letters of fire in my memory. I was a witness to the question between Speaker Reed, of Maine, and Minority Leader Bailey, of Texas, which led to a challenge to a duel on the part of the one and a refusal on the part of the other. In the House I heard repeated debates between the two renowned triumvirates of congressional debaters—Joseph G. Cannon, William Peters Hepburn, and Charles G. Grosvenor on the one hand and John Sharp Williams, David A. De Armond, and my own father on the other. I have heard the gospel of democracy expounded in the days of our ascendancy by Champ Clark and Oscar Underwood as responsible leaders of a great House majority.

In this Chamber, Mr. President, I sat in the gallery as a lad entralled by the eloquence of John W. Daniel, "the lame lion of Lynchburg", and of George Graham Vest, "the little giant from Missouri." I heard the sage wisdom of those old nestors of the Confederate service—Cockrell, of Missouri, Morgan and Pettus, of Alabama, Blackburn, of Kentucky. I heard the patriotic and sagacious advice of William J. Stone, John W. Kern, and Ben Shiveley. I thrilled to the fiery eloquence of James A. Reed.

In addition to this, Mr. President, I have heard the distinguished Senator from Arkansas [Mr. ROBINSON] the majority leader in this body, and the eloquent Senator from Mississippi [Mr. HARRISON], Chairman of the Finance Committee, speak in tones of thunder demanding strict enforcement of the antitrust laws of the United States.

In addition to these eloquent pronouncements ex cathedra, Mr. President, I had thought that I had studied the messages and pronouncements of our great party leaders—the acknowledged patron saints of the party—to some advantage. Familiarity with the principles promulgated by Jefferson, Madison, Monroe, Jackson, and other great leaders had impressed upon my mind the idea that it was by no means difficult for one to identify himself as a Democrat through communing with the works of these masters, and that by the same token it would always be easy for a Democrat to give the reason for the faith within him by reference to these august sources.

Moreover, Mr. President, I witnessed the Democratic National Convention at Kansas City in 1900, and have attended every subsequent national convention. I listened to memorable oratorical struggles in this Capitol, on convention floors, and on the hustings as to what constituted the fundamental principles upon which we all must stand. When I came to this body, Mr. President, I have no hesitation in saying that I thought I myself knew something of Democratic doctrine. I had been trained in a good school. By strict adherence to the old faith and by vigorous denunciation of certain practices of the party then in power, it was possible for me to come to the Senate. But if title I of this measure is the kind of legislation to which a believer in fundamental Democratic principles may properly subscribe, then I am incapable of understanding the English language or realizing the effect of legislative pronouncements.

Mr. President, for 40 years the Democratic Party has stood, without variation or shadow of turning, for the strengthening of the laws against trusts and monopolies and for their rigid enforcement.

Forty-one years ago that masterful man, Grover Cleveland, was elected President in a landslide as great for its day and time as that of 1932 upon a platform which declared in part:

> We recognize in the trusts and combinations, which are designed to enable capital to secure more than its just share of the joint product of capital and labor, a natural consequence of the prohibitive taxes which prevent the free competition which is the life of honest trade; but we believe their worst evils can be abated by law, and we demand the rigid enforcement of the laws made to prevent and control them, together with such further legislation in restraint of their abuses as experience may show to be necessary.

Cleveland's administration came to grief, not upon the antitrust issue but upon a party strife over the money question. Four years later, in 1896, William J. Bryan led the party upon a platform which contained the following forcible declaration on the subject:

> The absorption of wealth by the few, the consolidation of our leading railroad systems, and the formation of trusts and pools require a stricter control by the Federal Government of those arteries of commerce. We demand the enlargement of the powers of the Interstate Commerce Commission and such restriction and guaranties in the control of railroads as will protect the people from robbery and oppression.

By 1900 the country was beginning to feel the vicious effects of the failure of the McKinley administration to enforce the antitrust laws, and in Bryan's second campaign the Democratic Party declared:

> We pledge the Democratic Party to an unceasing warfare in Nation, State, and city against private monopoly in every form. Existing laws against trusts must be enforced and more stringent ones must be enacted, providing for publicity as to the affairs of corporations engaged in interstate commerce, requiring all corporations to show, before doing business outside the State of their origin, that they have not water in their stock and that they have not attempted, and are not attempting, to monopolize any branch of business or the production of any article of merchandise; and the whole constitutional power of Congress over interstate commerce, the mails, and all modes of interstate communication shall be exercised by the enactment of comprehensive laws upon the subject of trusts.

In 1904 the party somewhat changed its position on the money question by permitting Alton B. Parker to remain its nominee after the sending of his famous gold telegram, but its position upon the question of monopoly remained unaltered. So we find in the platform of 1904 the following:

> We recognize that the gigantic trusts and combinations designed to enable capital to secure more than its just share of the joint products of capital and labor and which have been fostered and promoted under Republican rule, are a menace to beneficial competition and an obstacle to permanent business prosperity. A private monopoly is indefensible and intolerable.
>
> Individual equality of opportunity and free competition are essential to a healthy and permanent commercial prosperity and any trust, combination, or monopoly tending to destroy these by controlling production, restricting competition, or fixing prices should be prohibited and punished by law.

In 1908, in the third Bryan campaign, the party declared:

> A private monopoly is indefensible and intolerable. We, therefore, favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

By 1912 the Supreme Court had handed down its famous decision designed to hamstring the Sherman Act by its "rule

of reason", and in the triumphant campaign of 1912 Woodrow Wilson ran upon a platform pledging the party to close the gap thus created. I quote from the Baltimore platform:

A private monopoly is indefensible and intolerable. We, therefore, favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust and its failure to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undisputed facts in the record they had violated the criminal provisions of the law.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Little did anyone think, in that convention in 1912 which nominated Woodrow Wilson for the Presidency and adopted that platform, that the time would come when a Democratic President would recommend and a Democratic Congress would enact a provision for compelling the emasculation of every law which has ever been placed on the statute books for the control of the trusts and monopolies.

In 1916, in the second Wilson campaign, the party boasted of its accomplishment in the enactment of the Clayton Act and the creation of the Federal Trade Commission, as follows:

We have created a Federal Trade Commission to accommodate the perplexing questions arising under the antitrust laws so that monopoly may be strangled at its birth and legitimate industry encouraged. Fair competition in business is now assured.

In 1920, when Governor Cox was the nominee of the party, this principle was again enunciated, as follows:

The Democratic Party heartily endorses the creation and work of the Federal Trade Commission in establishing a fair field for competitive business, free from restraints of trade and monopoly, and recommends amplification of the statutes governing its activities, so as to grant it authority to prevent the unfair use of patents in restraint of trade.

John W. Davis in 1924 was nominated upon a platform which declared:

We declare that a private monopoly is indefensible and intolerable, and pledge the Democratic Party to a vigorous enforcement of existing laws against monopoly and illegal combinations and to the enactment of such further measures as may be necessary.

I call the attention of the Senate to the fact that in every one of these platform declarations there was never a murmur or suggestion of the repeal or emasculation of the laws against trusts and monopolies; but there was a demand in every one, on every occasion, for the strengthening of those laws and the enactment of such further laws as might be necessary.

In his gallant fight of 1928, Alfred E. Smith repeatedly stressed the outright declaration of the party upon this question:

During the last 7 years, under Republican rule, the antitrust laws have been thwarted, ignored, and violated, so that the country is rapidly becoming controlled by trusts and sinister monopolies formed for the purpose of wringing from the necessaries of life an unrighteous profit. These combinations are often formed and conducted in violation of law—encouraged, aided, and abetted in their activities by the Republican administration—and are driving all small tradespeople and small industrialists out of business. Competition is one of the most sacred, cherished, and economic rights of the American people.

"Competition", said the Democratic platform of 1928, "is a sacred right." I am sorry my friend from New York, Mr. WAGNER, is not here in order to be reminded of the platform adopted by a convention to which he was a delegate, recommended to the convention by a committee on resolutions of which he and I were both members.

We demand—

That was the position of the Democratic Party 5 short years ago—

We demand the strict enforcement of the antitrust laws and the enactment of other laws, if necessary, to control this great menace to trade and commerce, and this to preserve the right of the small merchant and manufacturer to earn a legitimate profit from his business.

Not a word there, Mr. President, of the syndicalism which is to be set up under the terms of this act.

And now, Mr. President, we come to the platform of 1932, upon which President Roosevelt and the Democratic Party swept this Nation from ocean to ocean. That great document, with the force and succinctness which distinguished it, laid the blame for this depression squarely at the door of the Republican administrations since 1920 for their failure to adequately enforce the antitrust laws. I quote from the platform upon which President Roosevelt, Vice President Garner, all of the House of Representatives, and a large number of Senators were elected:

In this time of unprecedented economic and social distress, the Democratic Party declares its conviction that the chief causes of this condition were the disastrous policies pursued by our Government since the World War of economic isolation, fostering the merger of competitive businesses into monopolies and encouraging the indefensible expansion and contraction of credit for private profit at the expense of the public.

Now, this was the platform upon which the Democratic Party went to the country in the last election, upon which we received from the people the mandate under which we are now operating:

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.

Mr. President, I have gone back 40 years to read the platform declarations of the Democratic Party. If I wanted to be tedious with the Senate to any greater extent than I have been, I could have quoted from the declarations of the Republican Party to almost the same extent. I could have quoted from the declarations of the Progressive Party in 1912. I could have quoted from the party headed by the distinguished father of the Senator from Wisconsin [Mr. LA FOLLETTE] and by the Senator from Montana [Mr. WHEELER] in 1924 to the same effect. No party has ever dared, since the Sherman antitrust law was placed upon the statute books, to go to the people except upon a declaration in favor of the preservation and strengthening of the antitrust laws of this country.

Mr. President, I believed in my heart when I ran upon that platform before the people of Missouri last fall that the declaration of that platform stated but the simple truth. I had no doubt that it set forth baldly and without equivocation the policy which would govern the party if it were intrusted with power. I have never been of the number of those who believe that a platform is simply an entrance for getting into office. On the contrary, I have been taught from my youth up that a platform is a declaration of principle upon which honest men should stand during the period of their candidacy and upon which they are in honor bound to remain standing after their election. Title I of this bill, Mr. President, is a flat, open, and sweeping repudiation of the platform declarations of 40 years. It is a repudiation of the last national platform, of the State platform upon which I ran in Missouri, and of the personal platform upon which I was nominated.

Mr. President, like many another, in the years since my graduation from college, I have been so unfortunate as to lose almost all of the familiarity with the Latin language which I acquired as a student. But there still comes back to me occasionally across the years a fugitive memory of some Latin quotation which I heard my father use when I was a little boy. One quotation which he was fond of using was from Virgil: "Facilis descensus Averno"—easy is the descent into hell. Now, mark you, Senators, in title I of this bill, how the initial premise of the destruction of the antitrust laws inevitably leads to other excesses abhorrent to our institutions and obnoxious to the tenets of the Democratic Party.

Assuming the premise of the destruction of the antitrust laws for the purpose of price fixing designed to artificially jack up prices and you have no logical answer to the demand for embargoes to absolutely exclude the goods of

foreign nations from entering at this artificial level. And then, Mr. President, the fact that we have emasculated our antitrust laws and that we have constructed another Chinese wall around our boundaries in the form of embargoes is used to enforce the demand that any citizen engaged in legitimate business may be prohibited from continuing it unless he can obtain a Federal license from an administrator appointed by the President. Having once started on the downward path by the reversal of our antitrust policy there is no logical stopping point short of a Federal dictatorship of every character and description of business, with an appointive officer possessing despotic power over every means of earning a livelihood, with power so sweeping as to wipe out every vestige of distinction between interstate and intrastate business. "Facilis descensus Averno."

In the language of a distinguished lawyer of my own State, the proposal for the suspension of the antitrust laws "will usher in and substitute for the reign of law the rule of men only. Not the equal power of law but the arbitrary will of the man with cash will govern."

Mr. President, the purposes of the antitrust legislation were perhaps never better stated than in the luminous language of that great jurist and statesman, the late Mr. Justice Harlan, when he said:

> All who recall the condition of the country in 1890 will remember that there was everywhere, among the people generally, a deep feeling of unrest. The Nation had been rid of human slavery—fortunately, as all now feel—but the conviction was universal that the country was in real danger from another kind of slavery sought to be fastened on the American people, namely, the slavery that would result from aggregations of capital in the hands of a few individuals and corporations controlling, for their own profit and advantage exclusively, the entire business of the country, including the production and sale of the necessaries of life. Such a danger was thought to be then imminent, and all felt that it must be met firmly and by such statutory regulations as would adequately protect the people against oppression and wrong.

That situation, Mr. President, was the occasion for the passage of the Sherman antitrust law, later strengthened by the Clayton antitrust law, which is to be repealed tonight if a vote is taken on this bill.

To the repudiation of that doctrine, to the reversal of the whole policy of our Government for nearly 50 years, I find myself totally unable to agree. To my mind, title I is as revolutionary as anything which has happened in Russia.

Let me add just one word in conclusion, and that is to invite the attention of the Senate of the spectacle which will be presented by the United States after solemnly proclaiming to the world that the hope of civilization lies in the success of the pending economic conference and the negotiation of trade agreements for the reopening of the normal channels of world trade, calmly slapping every other nation in the face by the imposition of embargoes.

Mr. President, it is enough to make a Democrat sick at heart when, instead of the bill promised by our national platform for a reduction of the prohibitive robber tariffs, we find the place of that bill being filled tonight, on the eve of adjournment, by a measure for the imposition of absolute embargoes!

Mr. FESS. Mr. President, I shall support the motion of the Senator from Missouri [Mr. CLARK]. While the temptation is very great to make a long speech, or to enter into an exhaustive discussion of this revolutionary proposal, I assure my colleagues that I will be satisfied simply to state in brief terms why I will vote for the motion to strike out title I, and if it is not stricken out, why I will have to vote against the bill itself.

It is disheartening, as well as very disappointing, that, under the name of emergency, we are led to take such steps as we are to take when we enact this proposal. The Senator from Missouri has quoted from the platform of his party, representing the thought in this country for a period of 40 years, directly pronouncing in unambiguous terms the policy of that party, which is now to be entirely repudiated. When we realize that that view represents the sentiment of a great proportion of American citizenship, not only in the Senator's party, but in other parties, and then when we see this double somersault in a month's time, in repudiation of everything that has been announced upon this subject for 40 years, I say it is disheartening; disappointing is too mild a term. It causes mental distress.

Mr. President, this proposal is not unlike the proposal for the relief of agriculture recently presented to the Congress. That was another revolutionary move. It matters not what the American people have stood for heretofore, it does not matter what is the genius of American institutions of which we are so proud; here, in a day's time, we can repudiate all that we have defended for 150 years and do it without blinking.

The only defense is that there is an emergency. Under the plea of "emergency" we would be justified, according to that argument, in suspending the Constitution of the United States. Men would claim that that would be our right and our duty if they could put it on the basis that there was an emergency.

I could not vote for the agricultural proposal for the same reason which prevents me from voting for title I in this bill. I have sympathized with the efforts of the administration to meet this great problem. I was in sympathy with the last administration in its constructive program, representing step after step to pull us through this economic world break-down. Many of the proposals—many of them drastic—I have supported with sympathy because they seemed to be the only way out. I voted for the economy program, and would do so again, in the belief that that was the only possible way for us to secure any substantial economy. I voted for the emergency bank bill, not believing that it would do all its proponents thought it would do, but that it would help. I do not include what is known as the "Glass bill", because that was a measure which we supported at the last session and supported at this session, not primarily as an emergency measure, but I think it is a piece of wise, constructive legislation, and I shall regret exceedingly if it fails to become a law.

I voted for the reforestation bill with some hesitation, knowing that Government operation is wasteful, extravagant, and inefficient, but the unemployment problem was great, and that seemed to afford an opportunity to relieve it in a degree, and for that reason I supported that measure.

I supported the railroad bill, together with my friend the chairman of our committee and the ranking member of the committee, not because it was, as permanent legislation, wise, but because it seemed to be essential, and I hope that when it is reported tomorrow from the committee on conference it will be accepted without much delay.

Mr. President, I cannot, however, vote for such legislation as that now proposed. I gladly supported a bill looking to the relief of home owners, which was presented here by my colleague the junior Senator from Ohio [Mr. BULKLEY]. I do not believe that the situation is such that we are under any command to abandon everything that is American and go to the extent, on the one side, of sovietizing, as in Russia, and, on the other hand, to fascism, as in Italy. I see no need for any such extravagant legislation as that.

Mr. President, I have simply been amazed at the urgent messages which have come to me, not only from my own State but from other parts of the Nation, urging me to support this legislation. They come from the highest-minded business men of my State and of other States. They come from the most progressive and aggressive labor organizations of my State. Both sources of the messages are for the bill for opposite reasons. Business has but one objective in supporting the legislation—to be free of the antitrust legislation. The messages from business men remind me that for the last 20 years there has been urgency of relief, in a degree, from the inhibitions of the antitrust legislation. Amendments to the antitrust laws have been offered from many sources, but never has there been any concrete proposal in the form of an amendment which could meet with the approval of either the House or the Senate. It has been impossible to get through an amendment of antitrust legislation which would afford any relief.

Now comes what appears to be an open way to reach what the country has been unable, in its legislative branch, to accomplish; and business men are urging me, for no other reason under the sun than that the bill contains provisions which would permit agreements resulting in a release from the inefficiency of the antitrust legislation, to support this measure as wise, constructive legislation. They do not seem to realize that the forces which have prevented amendments will prevent agreements. Yet in the face of that they are insisting that I should join in affording the opportunity by my vote of doing what they ought to know cannot be done.

On the other hand, labor is urging me to support this measure because they hope that union forces will be more effective; that they can secure a shorter work week and a shorter workday. I am very frank to admit that I think that that is a possibility through the legislation, but that is only one item. I have insisted, and I now insist, that we will be compelled, because of the methods of mass production, ultimately to adopt a shorter workweek. I think that is absolutely essential. But I cannot see how it can be done by a rigid law. I would not vote for a shorter workweek that would be inelastic, without any exceptions covering emergencies; but I would vote for an opportunity for industry, representing management and labor, to get together and work out the shorter workweek, and that is the way it ought to be done. That, I think, is capable of accomplishment under the agreements which may be entered into under this legislation.

Labor, however, will want to adopt the closed-shop principle, which they believe is in their interest. Labor has insisted right along for the recognition of the democratization of industry, and that is coming to be a policy which is more favorably discussed from day to day. The time will probably come when any industry doing interstate business will be required to have on the directorate of that industry a representative of union labor. That is an objective toward which labor is leaning in order that it might have a voice in the management of industry.

Labor, on the one side, is looking through this legislation to get better results from the standpoint of unionization, not only to secure the shorter workweek but also a more perfect unionization that will reach to the closed shop, including the next step, the democratization of industry. That is an objective of labor, and labor is not in favor of the abolition of the antitrust legislation. While industry is for relief from antitrust legislation, it is not for the closed shop or the democratization of industry.

Here are the two great forces in this battle of the ages going now into voluntary agreement, the one thinking it is going to get this side and the other thinking it is going to get the other side, and both in a degree will be unsuccessful, if, perchance, agreements cannot be reached, and licenses must be resorted to; and that is precisely what will take place.

Mr. President, never in the history of any civilized country, outside of Russia and Italy, has there been such a proposal as this one. First it deals with codes, indeterminate, undefined, with nothing definite. Nobody knows what will be in the codes. The President himself cannot know what will be in them.

Second, regulations and rules; third, agreement; fourth, licenses; all burdening American industry, whose chief function is to employ American labor.

The code is what? Whatever the President may see fit. What will he see fit to make it? He does not know, and no one else knows. When it is once made, as an experiment, then he may modify it, not simply alter it, but he may entirely repudiate it. Listen to this language:

> 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.

What is the code to be? What the President may see fit to make it. When he makes it, what can he do? He can exempt from the operation of the code anyone that he desires or sees fit to exempt. In other words, blanket authority so broad in character is conferred that nobody, including the President, knows what it will be, and to make it more uncertain there is written in the provision authority to make exceptions to it and exemptions from it. That is to be the law.

The next step under the measure is:

> After the President shall have approved any such code, the provisions of such code shall be the standards of fair competition.

The code which is indeterminate, indefinite, which may be or may not be what it purports to be and from the provisions of which, when promulgated, exemptions may be made, is to be established as the standard, and anybody violating the standard is subject to penalty. Never in a civilized country would one expect to find such a provision as that written into the law; and yet it is being written into law under an administration whose party has always, from the beginning, stood for no encumbrances on the individual, especially upon his liberty to act and to do the things which his ability and talents would justify.

When this indeterminate standard is made, then the courts of the country are authorized to enforce these regulations; and the courts, under the appointment of the President, would probably feel impelled to effect prosecutions, if prosecutions should be necessary.

That is not all; listen to this, my colleagues:

> (d) Upon his own motion, or if complaint is made to the President * * * the President, after such public notice and hearing as he shall specify, may prescribe and approve a code of fair competition for such trade or industry or subdivision thereof, which shall have the same effect as a code of fair competition approved by the President under subsection (a) of this section.

Mr. President, the difficulty of legislation of this kind is its uncertainty, its indefiniteness; and yet we are to give this uncertain thing, not yet hatched out, the force of law, making it a standard, for the violation of which the penalty of law is to be imposed.

After the code shall be adopted, then come these agreements. What are included in the agreements? Will they represent what can be agreed upon by the conflicting parties to the agreement? The agreement is in reference to prices and production.

The Socialists have always claimed that there is no possible way to maintain the stability of prices without making a contact somewhere between what is produced and what is consumed; that unless production can be kept within the limits of consumption, there is not any such thing as stability of prices. With unregulated production in industry, overproduction cannot be prevented; and when overproduction has reached the point where men can lose their employment because business cannot go on, then is reached the point of underconsumption rather than of overproduction. Socialists advocate, as a fundamental principle, the regulation of production. In similar manner this socialistic agreement is provided for, under which industry in any particular line is permitted to agree as to how much it will produce, under what conditions it will produce, and at what price it will sell its product. Then in some way production may be regulated to the point where it can be kept within the limits of consumption. That is the basis of the argument for the agreements provided for. The agreements, however, will be broad enough, after determining how much production there shall be, to provide what the price shall be, and there we have the price-fixing element.

Not only that, but we have the wage element. The first thing we know we will be called upon not only to legislate to maintain a minimum wage, but we will be called upon to direct and control contracts between industry and labor, not only as to the hours of work, but as to the terms of employment and as to the price paid for labor. What has become of the proud boast of America that an individual can organ-

ize his industry, employ his own labor, and sell his product in the market? In order that he may do that under this proposed legislation, he will have to have the aprpoval of the President of the United States, and will have to comply with whatever terms the President may see fit to prescribe, otherwise he may not continue in business.

If, Mr. President, the agreements provided for shall be entered into, no matter what their terms may be, no matter what the President may require before giving his approval, then if they shall be violated the business must either stop or else the proprietor of the business must secure a license from the Government of the United States.

Mr. President and Senators, I think no one ever dreamed that we in the United States should reach the point where no man could enter into a business of an interstate character without first coming to Washington and securing a permit, and then, after securing such a license, would not be able to continue in business unless agreeing to produce only so much, so that his output should be limited. If anybody had ever suggested such a thing happening in America, it would have been thought that he was of unsound mind, that there was something the matter with his brain. Yet here we are facing that very thing today.

When the suggestion was made that no one should be allowed to practice medicine without first obtaining a license, and that no one should be allowed to be admitted to the bar without obtaining a license, there was an outcry against it. Now, however, we are listening to arguments that there ought to be a tax on the lawyer as such and a tax on the physician as such, and the time is coming when if an individual desires to enter into some business he will have to pay a tax for the privilege of going into that business, and when he does go into the business he will have to conduct it under the direction of some bureau in Washington or else lose the privilege of continuing in business. That is the point to which America has come today on the ground of an existing emergency, and, as my friend from Michigan [Mr. VANDENBERG] suggests to me, under the auspices of the party of Thomas Jefferson.

Mr. President, I am delighted that the very distinguished junior Senator from Virginia [Mr. BYRD] is at the present moment presiding over the Senate. I have always maintained that Thomas Jefferson was the greatest exponent of individual liberty and of free government the world has ever known. I have said publicly on the platform and in writings that he was the finest exponent of local self-government, of the rights of the States and of the liberty of the citizens, who ever lived at any time in this or any other country. Thomas Jefferson announced principles antagonistic to those of Alexander Hamilton, but I have never in my life depreciated the value of the principles advocated by Thomas Jefferson.

I took it as a great honor to be invited years ago to become one of the board of governors in charge of the restoration of Jefferson's famous home at Monticello, and I had hoped to be able to introduce and have passed by this body a joint resolution providing that the Federal Government should participate in that restoration to the extent at least of rebuilding the shops on one side of the quadrangle which had been allowed to fall into decay, the others all having been restored, but under the force and stress of economy it has not been thought wise to do that. Recently I had the great privilege of looking over the plans of the famous architect of Monticello. As the Senate knows, that architect was Thomas Jefferson himself, and those plans are preserved and are extant today.

I cannot allow anyone to depreciate the value to America of the man who proclaimed liberty as one of the cornerstones of American Government. Alexander Hamilton represented the other foundation stone—Jefferson, liberty on behalf of the individual; Hamilton, authority on behalf of order. Jefferson's ideas, too far unrestrained, might lead to anything; Hamilton's, too far restrained, would lead to despotism. It took both of them to lay the foundation that underlies the ark of American Government as we now know it—the one foundation, liberty, and the other, authority. If we weaken one of them, our structure is gone. While Hamilton represented power, Jefferson represented liberty unrestrained by power. Jefferson feared Hamilton. Hamilton feared Jefferson. Either by himself would have been dangerous, but both of them, held together by Washington, gave to us the structure we now have built upon authority, on the one hand, in behalf of order, and liberty; on the other hand, in behalf of the individual citizen.

Jefferson was much more of a publicist than Hamilton. Hamilton wrote, it is true, but not so copiously as Jefferson. Hamilton was not the letter writer that Jefferson was, although I think that in the few letters he wrote he represented as fine a type of talent as there was in America.

I agree that his was probably the most constructive mind North America had produced. Jefferson wrote on all subjects. He not only penned the Declaration of Independence, but he wrote his famous autobiography, the wonderful work Anas, which is virtually a history of Virginia, and then his 20 volumes that have been published, representing a discussion of a wider range of governmental subjects than can be credited to any other man of his day.

Mr. President, Senators will recall that when the Constitution was being considered Jefferson was in France and did not happen to be a member of the convention, but his splendid representative, James Madison, was in the convention. Jefferson, from France and when he came home, was very copious in his expression on behalf of the new form of government.

Men overlook the fact that Hamilton did not emphasize liberty as did Jefferson. Jefferson did not emphasize power as did Hamilton. Hamilton would have kept out of the Constitution some of the elements of liberty; but, in accordance with the Jefferson idea, represented by Madison and others, the elements of liberty were written in the first 10 amendments to the Constitution, known as the "bill of rights".

The fundamental philosophy of Hamilton might be regarded as the constructive element in the Constitution, but the fundamental philosophy of Jefferson is contained in the first 10 amendments to the Constitution. That is the finest bill of rights, outside of the old Virginia bill of rights, of which we have any knowledge. It might be of value—and I am not doing more than simply refreshing the memory of Senators who are sitting by me—to remember that the original Bill of Rights, the finest document of its kind that ever came from the pen of any man, was the Virginia bill of rights that was written by the famous George Mason, an intimate friend of Jefferson. Those two men thought alike on that subject. Therefore the Bill of Rights, which comprises the first 10 amendments to our Constitution, represents the philosophy in government of Thomas Jefferson; and he emphasized this all the way through from the days the Constitution went into effect until 1826, when he left this world.

Mr. President, I know how perfectly futile it is for anybody to quote Thomas Jefferson on an occasion such as this today. The very distinguished and able Senator from Oklahoma [Mr. GORE] took the time to quote from Jefferson today, and also took the time to refer to four decisions of the Supreme Court of the United States.

I wondered whether the distinguished Senator realized the futility of quoting such authority—Jefferson, the founder of American Democracy, the Supreme Court, the interpreter of the laws of the Nation—on an occasion such as the present one. They do not have any effect at all, not the slightest, because now we are operating under the fetish that this is an emergency; and it makes no difference how drastic, how revolutionary, how totally abdicating it is for the American Congress to turn everything over to the President and allow him to do the most indefinite things—nobody knows just what, not even including the President himself.

Being dominated by that situation, we are going to pass the bill without blinking; and when we are asked what we

are doing, the reply will be, "I do not know." When a Senator is asked, "Where are you going?" his reply will be "To hell!" [Laughter.] That is the answer that came to me two or three times today from Senators. That is the spirit in which we are operating today.

Mr. President, Jefferson in 1792, just 3 years after the Constitution went into effect, wrote in his famous annals his interpretation so far as the Jeffersonian philosophy goes:

I told Washington that the Hamilton Party had now brought forward a proposition far beyond every one ever yet advanced and to which the eyes of many were turned, as the decision which was to let us know whether we live under a limited Government or under an unlimited Government.

Then he went on to comment upon what he feared in the centralization of power from giving too much authority to the President of the United States.

In 1800, 8 years later, he wrote to his famous friend, Gideon Granger:

You have seen the practices by which the public servants have been able to cover their conduct, or, where that could not be done, delusions by which they have varnished it for the eye of their constituents.

Notice this from the pen of Jefferson to his friend Granger:

What an augmentation of the field for jobbing, speculating, plundering, office building, and office hunting would be produced by an assumption of all the State powers into the hands of the General Government.

Someone on the Democratic side of the Chamber this afternoon called attention to the drift away from the States into supreme authority on the part of the Federal Government. One of the things about which Jefferson was very fearful was the intrusion of the judiciary. He wrote copiously upon that subject, merely because the tenure was for life, and it was independent of the people.

While I think Jefferson was unduly afraid, I think it is worth while to quote what he said back in 1821, just 5 years before he died. This was to his friend Mr. Hammond. Referring to the Federal Government, through the judiciary, usurping the rights of the States, he said:

To this I am opposed; because when all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it will render powerless the checks provided of one government on another, and will become as venal and oppressive as the government from which we originally separated.

That is the language of Jefferson in 1821, when he was ripe in old age and matured in judgment, that this sort of thing of centralizing everything in Washington would lead to corruption and jobbery.

Mr. President, if I should say these things, people would ridicule me. I am reading from Jefferson; and I do not believe we are justified in ridiculing Jefferson. He was afraid that this movement to centralize power would entirely obliterate liberty; and this is what he said to his friend, John Taylor, in 1798:

It is a singular phenomenon that while our State governments are the very best in the world, without exception or comparison, our General Government has, in the rapid course of 9 or 10 years, become more and more arbitrary and has swallowed more of the public liberty than even that in England.

That was said by Thomas Jefferson in 1798. His fear is my fear, and ought to be the fear of other Senators, that when we once open the door for legislation like this it will be difficult, if not impossible, for us ever to close it again.

This is what he said to his friend Gordon the very year that he died, in 1826. The letter was written in January, and Senators will all recall that he died on the 4th of July 1826, the very day on which John Adams died. This is what he said:

It is but too evident that the branches of our foreign department of Government—executive, judiciary, and legislative—are in combination to usurp the powers of the domestic branch, all so reserved to the States, and consolidate themselves into a single Government without limitation of powers. I will not trouble you with details of the instances which are threadbare and unheeded. The only question is, What is to be done? Shall we give up the ship? No, by heavens, while a hand remains able to keep the deck.

This was the language of the old apostle of liberty, the writer of the Declaration of Independence, in the very year in which he died.

The other day we passed the agricultural bill, putting into the hands of an appointive officer the details of the farm. I want my good friend the distinguished Senator from South Carolina [Mr. SMITH] to listen to this. I am reading this especially for the benefit of my friend from South Carolina. This is from Jefferson's autobiography, penned in the last days of his life:

Were we directed from Washington when to sow and when to reap, we should soon want bread.

Let that soak in! [Laughter.]

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Delaware?

Mr. FESS. I yield.

Mr. HASTINGS. I desire to inquire of the distinguished Senator, who is a student of the life of Jefferson, whether he intends to intimate to the Senate and to the country that title I of this bill in any way violates any of the teachings of Jefferson.

Mr. FESS. It violates all of them. [Laughter] There is not any that is exempt; and that, Mr. President, is the disheartening thing to me: There is absolutely no consistency in the face of an emergency.

Mr. HASTINGS. Does the Senator think it would be possible to get the Democratic administration to admit that fact?

Mr. FESS. They will all admit it. They admit it here but say it is necessary. There is not a Democratic Member on this floor who wants to vote for this thing—not one.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. FESS. I do.

Mr. WALSH. I will state to the Senator that I intend to vote for the bill; and I think it gives the most promise of improved conditions of any measure yet presented.

Mr. FESS. Mr. President, I did not say there would not be a Democratic Senator who would vote for the bill. I know that almost every Senator on the Democratic side will vote for it, though there are some who will not. I said there was not a Democratic Senator here who wanted to vote for it. There is not a Democratic Senator in this body who does not apologize for voting for it.

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

Mr. FESS. I yield.

Mr. BARKLEY. I not only want to vote for this bill, but I am so anxious to do it that I wish the Senator would desist and let us do it. [Laughter.]

Mr. FESS. Well, Mr. President, I want to be kind to all of my Democratic friends and especially to my Democratic friend from Kentucky, who wrote the prohibition law in the House and who now is out espousing the repeal of the prohibition law. [Laughter.] I can see how a Senator like the Senator who is interrupting me can change as easily as a chameleon can change, if the public sentiment seems to be that way.

Mr. BARKLEY. Mr. President, that statement is not justified by anything in my record either in the House or in the Senate.

Mr. FESS. Then I withdraw it. I will not say anything to offend the Senator.

Mr. BARKLEY. I thank the Senator.

SEVERAL SENATORS. Vote!

Mr. FESS. Mr. President, I promised my friends on the other side that, while this subject is such that one could talk for 3 hours on it, I would take only time enough to say why I cannot support the bill. I have said that, and I am ready to quit.

Mr. WALSH. Mr. President, we have all listened with admiration and general approval to the political principles announced in the able speech of the Senator from Missouri [Mr. CLARK]. The Senator from Missouri, however, as it

seems to me, omitted to state the circumstances and the conditions under which these sound political principles were enunciated.

No one will contend that if a plague spreads through a community, the same governmental agencies and the same governmental restraints and the same governmental rights should be applied as in normal times. A mild conflagration does not call for the exercise of the destruction of property to prevent its spread that a sweeping conflagration requires.

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

Mr. WALSH. I would rather not.

No one will claim that if an earthquake rocks the land and destroys life and property the militia should not be called on to augment the police force and to restrain personal liberty and check the abuses that that new condition creates.

The trouble with the able Senator's speech is that he argues now for the same political philosophy that was appropriate when America was prospering, when greed and selfishness were rampant in the exploitation of the natural resources of our country, and when our political party was pleading for laws and regulations to restrain the excesses and economic errors that have resulted in the chaos and economic destruction of this hour.

The trouble with the Senator's philosophy, and with the philosophy of the Senator from Ohio [Mr. FESS], is that they have failed to realize the present conditions in America, and that these conditions cannot be corrected by reciting old political maxims, or resorting to the political philosophy of normal conditions.

What are the conditions in America today?

The Senator from Ohio states that under this bill no man can expect or hope to engage in business without a license from the Government. Omit this bill: Does not the Senator from Ohio know that no man in America today can engage in business except the sweatshop or industrial scalping business? Does he not know that this depression has destroyed legitimate business; that the legitimate producer is ruined? Does he not know that wages have gone down and down and down, and does he not know that hours of labor have increased and conditions of employment become intolerable? Does he not know, that in competition with our great industries sweatshop after sweatshop has sprung up, and men and women are toiling long hours for a few pennies? That unemployment is bad, but employment that means slave conditions is intolerable? Is this condition one to be met with the recitation of the political philosophy of the past?

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

Mr. WALSH. I prefer not to be interrupted.

Mr. CLARK. The Senator is asking me a question, and I should be glad to answer it.

Mr. WALSH. I have not asked the Senator a question. [Laughter.]

Does this condition permit the recitation of the political principles of bygone times, when we were dealing with a prosperous people and a prosperous nation; when wealth was accumulating, and was gradually and steadily being concentrated in the hands of a few? Very properly our party raised its voice in protest, and raised its voice in condemnation of the political philosophy that was making for the ruin and desolation that surrounds us today.

Mr. President, can you imagine a worse economic condition in all the history of our country than exists today? I fail to find any record of a condition approximating the deplorable economic chaos that has come about as a result of the depression of the past few years. What efforts have been made to change these conditions? What philosophy has been employed?

"Leave it alone."

"Do not touch it."

"Nature will remedy conditions."

"Wait! Wait!"

"Laissez faire! Laissez faire!"

"Do not act. Do not act."

"Just reiterate the old political philosophies of the past, and do not make any change."

"Time, and time alone, will remedy matters."

We waited until the 4th day of March; and what happened? Down and down and down we slipped. Since the 4th of March, thank God, under the leadership of a President who has promulgated a political philosophy to meet new conditions, to meet the problems of this depression, a ray of hope and of promise and of new opportunities has at last appeared upon the horizon.

What is proposed here?

It is proposed in this measure to increase the miserable, contemptible wages that American men and women are obliged to work for at the present time. It is proposed in behalf of our people to give the support of the Government to the legitimate, honest producer and manufacturer, and to prevent him and his investment from being ruined by ruthless, unconscionable competition upon the part of those who resort to sweatshop methods and miserable wages—to those who take advantage of the suffering and destitution of the people.

What a remarkable fact it is that industry has asked for this measure! What a remarkable fact it is that the labor organizations have asked for this measure. Why?

Industry has asked for it because it realizes that in certain particulars the once-necessary antitrust laws, under present conditions, were resulting in giving the advantage in business to the ruthless competition which was forcing down prices below the cost of production, and was forcing down wages, and resorting to sweatshop methods.

Labor has asked for it, realizing that against this condition the only hope it had of a living wage, of the enjoyment by the working class of the frugal comforts of life, was for the Government to step in and become, as it proposes to do in this bill, a partner with business—to become a protector of the worker and the decent employer.

I agree that under normal times this measure would be unthinkable; but these are not normal conditions or times. That is the trouble with the philosophy of the Senator from Missouri. That is the trouble, for we agree with every platform policy that he has read, and every political principle he has enunciated. We are not dealing with a prosperous era. We are not dealing with the ordinary conditions in America. We are dealing with an economic war—a war that has gone on for 3 years, that is still going on, that threatens serious consequences, that threatens possibly the very destruction of our political institutions.

"Oh, leave conditions alone! Leave them alone! Leave them alone!"

That is what we heard for 3 years. No! Under the new leadership of the present President of the United States it is proposed that industry, capital, and labor shall join hands under the direction of our Government, and that we shall find out what is the trouble with business conditions, that we shall give support to legitimate industry, that we shall fix maximum hours of labor, that we shall fix minimum wages, that we shall give workingmen a decent living, that we shall end unemployment to a degree by spreading out the opportunities of employment through shorter working days.

This bill is not a bill in favor of any class. This bill primarily is a bill to relieve unemployment, to remove and to end the economic debacle that has gone on in this country for the past 3 years. Why have we voted for the Reconstruction Finance Corporation? Why have we voted for measure after measure to prevent the financial ruin of banks and of railroads and of insurance companies and the loss of the savings and homes of our people? Now we propose to grant this extraordinary, this extreme power; and I concede that the danger is not so much in the enactment of the powers granted here as in the administration of these powers. I am not unmindful of the fact that the situation is fraught with grave danger; but the situation deserves and is entitled to and necessitates desperate means.

I am willing and ready to vote for this measure. I welcome it because I believe it is the measure of all others that gives the most hope of ending the most fundamental causes of conditions at the present time; namely, unemployment, low wages, long hours of labor, and ruthless competition in the industrial field.

Mr. President, I conceive that we are granting extraordinary and most unusual powers to the President of the United States, and it is regrettable that it becomes necessary to enact such legislation, but I do not deem that I am violating a single, solitary Democratic principle for which I have stood and fought through all these years by meeting this extraordinary situation through the granting of extraordinary powers to the Chief Executive of our country.

I sincerely believe that the partnership between capital and labor is extreme and tremendous, but in the expectation that minimum hours of labor will be fixed, because producers will not be in competition with the ruthless capital producers of this country, because I believe it is fundamental and necessary to recovery, I am going to vote for this measure without any apology. I submit that this bill will give legitimate industry an opportunity to free itself from the forces which are dragging it down, and it will give the working men and women of this country freedom from industrial slavery, and it will help to spread employment to a few million more people. This hope and promise makes it one of the best pieces of legislation we have adopted during this session.

Mr. President, for these reasons I think that title I should remain in the bill, and I intend to support it.

Mr. CLARK. Mr. President, I want to detain the Senate for just a moment in response to what the Senator from Massachusetts has said. Evidently the Senator was out of the Chamber or asleep a few minutes ago when I read from the last platform upon which the Democratic Party appealed to the country hardly 6 months ago.

The Senator is undertaking to make it appear that the principles for which the Democratic Party has stood for the last 40 years, beginning with 1892, were shopworn maxims, useful and proper in times of great prosperity, but not to be relied on or followed in times of depression or hard times.

I will ask the Senator to let his mind go back to June 1932, and I should like to ask him if that was a tune of great prosperity or if that was a time of depression. I should like to ask him if the Democratic Party in convention assembled at Chicago no longer ago than last June believed that the principle underlying antitrust legislation was a shopworn maxim or had outlived its usefulness. I should like to ask the Senator from Massachusetts whether he himself, as a member of the platform and resolutions committee at the Chicago convention, which stood up and offered a platform plank in favor of the strict regulation or prohibition of trusts and monopolies, believed that that doctrine had outworn its usefulness or that it was necessary and desirable, in view of the depression which now exists, to suspend and emasculate those laws and sign a blank check for a Presidential appointee to do as he pleased with every industry and business in the United States.

The Senator did not. He was one of the majority on the committee who signed the report in this language, and I am going to read it again to refresh the memory of the Senator from Massachusetts:

> In this time of unprecedented economic and social distress—

Does that sound as if that were a time of great prosperity? Does that sound as if the Democratic Party thought that a principle which applied in other times was no longer applicable, or does that indicate that the Senator from Massachusetts himself thought so when he signed that majority report? I read:

> In this time of unprecedented economic and social distress the Democratic Party declares its conviction that the chief causes of this condition were the disastrous policies pursued by our Government since the World War, of economic isolation, fostering the merger of competitive businesses into monopolies and encouraging the indefensible expansion and contraction of credit for private profit at the expense of the public.

Mr. President, that was what the Senator from Massachusetts thought last June when he signed the majority report. Further, he evidently agreed with the following plank, because he did not present any minority report to this language:

> 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.

It was on that proposition, Mr. President, that we went to the country. It was on that declaration that we won the election, and I dare assert without fear of successful contradiction that if the Democratic Party had placed in its platform at Chicago last June a declaration in favor of the emasculation of the antitrust laws, a declaration in favor of setting up a dictatorship over industry, a declaration in favor of the signing of a blank check, which could be filled in at the whim of an administrator to be appointed by the President, we would not have carried a single doubtful State of the Union.

I recognize, as fully as does the Senator from Massachusetts, the need for remedial legislation in the control of industry. I supported the bill introduced by the Senator from Alabama [Mr. BLACK] for a 30-hour week. I would welcome an opportunity to assist in writing into the statutes of the United States other remedial legislation having to do with the minimum wage and the betterment of the conditions of labor; but the necessity for improvement in these conditions is no excuse for the emasculation of the antitrust statutes, which is the primary object of this legislation.

For 50 years it has been the policy of the United States to make it a crime to indulge in price fixing, and under a Democratic administration we have arrived at the point where it is actually to be made a crime not to indulge in price fixing.

Mr. LONG. Mr. President, I want to take about 3 minutes to make a record as we pass this bill. I am glad that I went on record the day we met here against the policy of this administration to legislate by administrative and executive decree. Now, on the eve of the party's execution, I want to have an opportunity to send out under frank a statement of my record.

I voted against the system of legislative decree under the economy bill. I voted against the system of legislative decree under other bills. I intend to vote against the system of legislative decree under this bill.

I had not read the pending bill until yesterday. I was so astounded that I could not formulate expressions with which to explain it. But what has astounded me has been the silence with which this bill has been accepted. I expected to see forces arise to fight this legislation which have remained silent. I cannot understand how so many voices have been stilled. There is nobody here who amounts to anything who thinks we are doing a very good thing. I do not indict anybody. Every man can take exception to my statement, and he will not be included when he rises and excepts himself from what I am saying. But there is hardly anyone here who thinks we are doing anything good. There are many here who fear we are courting disaster, and many here who think that we are probably taking a good party—and we hope not the country with it—to its fatal hour of doom.

The Democratic Party dies tonight, Mr. President. We will bury it. We will continue to operate under that emblem, and I will continue to be under the emblem myself. But let us not be talking about the times and about changed conditions. We were all at Chicago. We wrote the platform in which we said we would not emasculate the antitrust laws, but that we would strengthen them. We wrote the tariff plank in the platform. I was not one who was going to remain bound by that, but the party was to be bound by it and by all the things in the platform. But we are burying them here tonight.

Forty-one billion was the income of industry, so a Senator told me in the cloakroom a moment ago, and $11,000,000,000 was the income of agriculture. Of $62,000,000,000 of national

income, eleven billion went to agriculture and forty-one billion went to industry. More than 40 percent of the people of the United States live on the farms, and they receive slightly more than 22 percent of the national income upon which to support over 40 percent of the population. We are now guaranteeing that the antitrust law can be emasculated, that the clothing men can get together, and that the shoe men can get together, and raise the prices of the commodities of industry without anything whatever to take care of the population on the farms, who must go lower and lower and receive a smaller percentage of the world's and the Nation's income when this bill shall have been enacted.

Mr. President, I am glad to say, in closing, just so that the record may be made, that I wanted to vote with the administration every time I could. There were differences between my colleagues and myself as we began this session. There were differences as to my stand as we went along. But as we go tonight to cast this vote, my vote may not show, as the others will show, but in our heart of hearts we have but one mind as we pass this damnable and iniquitous legislation tonight.

Mr. SCHALL. Mr. President, I should like to ask the Senator whether he does not think the principal argument of the Democrats in the last campaign would be apropos now in reference to this bill, "It could not be worse."

Mr. LONG. I do not think the times have changed at all. As I said, we are burying the platform, as we Democrats usually do within a few months after every victory.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri [Mr. CLARK] to strike out title I.

Several Senators asked for the yeas and nays.

The yeas and nays were ordered.

Mr. WHEELER (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. GLASS], but I transfer that pair to the senior Senator from Oklahoma [Mr. THOMAS] and vote "nay."

The roll call was concluded.

Mr. LEWIS. I should like to attract the attention of the distinguished Senator from Rhode Island [Mr. HEBERT] while I announce the general pairs of the Senator from Nevada [Mr. PITTMAN] with the Senator from Connecticut [Mr. WALCOTT], of the Senator from Kentucky [Mr. LOGAN] with the Senator from Pennsylvania [Mr. DAVIS], of the Senator from California [Mr. MCADOO] with the Senator from Vermont [Mr. DALE], and of the Senator from Florida [Mr. FLETCHER] with the Senator from New Hampshire [Mr. KEYES]. If there are some other Senators, who are paired, whose names I have omitted, I will thank the Senator from Rhode Island to announce them.

Mr. HEBERT. Mr. President, in that connection, I should like to announce the pair on this question between the Senator from Idaho [Mr. BORAH] and the Senator from Arkansas [Mrs. CARAWAY]. If present, the Senator from Idaho would vote "yea", and the Senator from Arkansas would vote "nay."

I also wish to announce the temporary absence from the Chamber of the Senator from Kansas [Mr. CAPPER]. If present, the Senator from Kansas would vote "nay" on this question.

Mr. ROBINSON of Indiana (after having voted in the negative). I understand the Senator from Mississippi [Mr. STEPHENS], with whom I am paired, would on this question vote as I have voted. I therefore let my vote stand.

The result was announced—yeas 31, nays 49, as follows:

YEAS—31

Austin	Dickinson	Hebert	Reynolds
Bailey	Dill	Kean	Schall
Barbour	Fess	Long	Smith
Black	Goldsborough	McGill	Townsend
Byrd	Gore	Metcalf	Tydings
Carey	Hale	Overton	Vandenberg
Clark	Hastings	Patterson	White
Connally	Hatfield	Reed	

NAYS—49

Adams	Barkley	Bulkley	Copeland
Ashurst	Bone	Bulow	Costigan
Bachman	Bratton	Byrnes	Cutting
Bankhead	Brown	Coolidge	Dieterich
Duffy	La Follette	Nye	Thompson
Erickson	Lewis	Pope	Trammell
Frazier	Lonergan	Robinson, Ark.	Van Nuys
George	McCarran	Robinson, Ind.	Wagner
Harrison	McKellar	Russell	Walsh
Hayden	McNary	Sheppard	Wheeler
Johnson	Murphy	Shipstead	
Kendrick	Neely	Steiwer	
King	Norris	Thomas, Utah	

NOT VOTING—16

Borah	Dale	Keyes	Pittman
Capper	Davis	Logan	Stephens
Caraway	Fletcher	McAdoo	Thomas, Okla.
Couzens	Glass	Norbeck	Walcott

So the motion of Mr. CLARK to strike out title I was rejected.

Mr. HARRISON. Mr. President, may we now proceed to title II?

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, on page 16, line 12, after the word "appointed", to insert:

Provided, That no officer or employee receiving a salary in excess of $5,000 per annum shall be appointed or designated under this title except with the advice and consent of the Senate; but the provisions of section 1761 of the Revised Statutes shall not apply to the members of the Board or to any person so appointed or designated. The Board shall consist of three members to be appointed by the President, by and with the advice and consent of the Senate, and each member of the Board shall receive compensation at the rate of $10,000 per annum.

The amendment was agreed to.

The next amendment was, on page 17, line 1, before the word "may", to strike out "Administrator" and insert "Board", and in line 10, after the word "title" and the period, to insert the following sentence: "The Board shall not fix the compensation of any expert, officer, or employee appointed by it at a rate in excess of $5,000 per annum", so as to read:

(b) The Board may, without regard to the Civil Service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such experts and such other officers and employees as are necessary to carry out the provisions of this title; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference, and for paper, printing, and binding) as are necessary to carry out the provisions of this title. The Board shall not fix the compensation of any expert, officer, or employee appointed by it at a rate in excess of $5,000 per annum.

The amendment was agreed to.

The next amendment was, on page 18, line 5, after the word "The", to strike out "Administrator" and insert "Board"; in line 13, after the word "waters" and the comma, to insert "construction of sewage-disposal plants."

The amendment was agreed to.

Mr. COPELAND. May I ask the Senator if paragraph (c), which reads:

Any projects of the character heretofore constructed or carried on either directly by public authority or with public aid to serve the interests of the general public—

will include the improvement of the historic battlefields?

Mr. WAGNER. I did not hear the inquiry of my colleague.

The VICE PRESIDENT. It is impossible for the Senate to transact business until it is in order.

Mr. COPELAND. I should like to inquire of my colleague if subsection (c) of this section, in his opinion, would cover the improvement of battlefields and the erection of historic monuments which are maintained by the public?

Mr. WAGNER. It would.

Mr. WALSH. Mr. President, I should like to inquire whether the clause reading, "(a) Construction, repair, and improvement of public highways and parkways, public buildings, and any publicly owned instrumentalities and facilities", would include a water-supply system?

Mr. WAGNER. It would.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator from New York—it may be that there has been an agreement and I do not know about it—if we are confined to the consideration of committee amendments at the present time?

Mr. WAGNER. I understand that we are first to dispose of committee amendments and that then general amendments may be offered.

Mr. NORRIS. The Senator intends to proceed with the committee amendments in title 2 and then take up general amendments in title 2?

Mr. WAGNER. It is the intention then to take up amendments to title 2.

Mr. NORRIS. I have an amendment to which I should like to call the attention of the Senator. On page 18, line 14, the bill now reads:

Development of water power, transmission of electrical energy.

I should like to have the Senate consider an amendment I desire to offer at that point, after the word "transmission" to insert the words "generation and distribution."

Mr. WAGNER. I think that would be a desirable amendment.

Mr. TRAMMELL. Mr. President, I appreciate the efficiency of the clerk, and all that, but we are entitled to know about what is going on here. I have an amendment—I think it is an amendment to the committee amendment—and I want to submit a parliamentary question as to that. We have adopted an amendment in line 7, on page 19, relative to the authorization for the building of battleships and aircraft required by the Navy.

Mr. ROBINSON of Arkansas. We have not as yet reached that.

Mr. HARRISON. Let me say to the Senator that we have not as yet come to that amendment.

The VICE PRESIDENT. That provision of the bill has not been reached.

Mr. TRAMMELL. There is so much confusion and the clerk reads so rapidly I could not keep up with what was going on.

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

The CHIEF CLERK. On page 24, section 202, in line 24, after the word "amended", it is proposed to insert:

, and paragraph (3) of such subsection (a) shall for such purposes be held to include loans for the construction or completion of reservoirs and pumping plants.

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

Mr. REED. Mr. President, I send to the desk an amendment to the committee amendment, which I ask may be read.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 19, line 2, after the word "completion" it is proposed to insert the following:

of hospitals the operation of which is partly financed from public funds, and.

Mr. REED. Mr. President, by way of a very brief explanation of this proposal——

Mr. HARRISON. Mr. President, if the Senator will desist, I do not think there would be any objection to letting the amendment go to conference.

Mr. ASHURST. How would the provision read with the amendment?

Mr. REED. The provision would read:

Shall for such purposes be held to include loans for the construction or completion of hospitals the operation of which is partly financed from public funds and of reservoirs and pumping plants.

I should like to say, by way of explanation, that the case I have in mind is that of the Robert Packer Memorial Hospital, at Sayre, Pa. It is comparable only with the hospital of the Mayos in Rochester, Minn. It stands, as I think the Senator from New York [Mr. COPELAND] will agree, as one of the outstanding diagnostic centers in the United States. Very recently one of its main buildings was destroyed by fire. The community has raised a part of the necessary fund. The hospital is entirely self-liquidating, with the exception of some $80,000 a year which it receives for charity patients in the State of Pennsylvania. It pays its entire cost of operation from its receipts, and it will be able from its income to repay a loan from the Reconstruction Finance Corporation. I hope very earnestly that the amendment may be accepted.

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

Mr. REED. I yield.

Mr. CONNALLY. Does the Senator object to his amendment's coming in after the words "pumping plants"?

Mr. REED. I think it should come before those words, in view of the language "partly financed from public funds." I think grammatically that is the better place for it. We do not want to have the words used in my amendment qualify the pumping-plant provision.

Mr. CONNALLY. That is exactly what I have in mind. I do not want the Senator to confuse the reservoirs and pumping plants with public hospitals.

Mr. REED. I knew that the Senator did not, and that is why I suggest that my amendment precede the words "pumping plants", so that the qualifying sentence will apply only to hospitals.

Mr. CONNALLY. I do not want reservoirs and pumping plants to be restricted in connection with hospitals. I want this language open for reservoirs and pumping plants.

Mr. REED. It would be. If the Senator will look at the amendment, he will see that it does just that.

The VICE PRESIDENT. The question is on the amendment of the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. CONNALLY. I offer an amendment to follow the amendment just offered by the Senator from Pennsylvania.

The VICE PRESIDENT. The amendment to the amendment of the committee will be stated.

The CHIEF CLERK. At the end of the amendment just agreed to it is proposed to insert the following:

To more effectually carry out the purposes of this act the Reconstruction Finance Corporation is further authorized to lend to persons and corporations engaged in manufacturing, until December 31, 1934, upon the security of their raw or finished product in storage or on consignment or upon their solvent customers' notes, acceptances, or accounts: *Provided*, That no such loan shall exceed 75 percent of the value of the security offered, and shall be for no longer period than 6 months: *Provided further*, That such loans may be made to persons and corporations from time to time but the aggregate thereof to any one person or corporation shall not exceed $100,000 at any one time: *And provided further*, That the said Reconstruction Finance Corporation may establish a revolving fund of not exceeding $200,000,000 to be used for said purposes.

Mr. CONNALLY. I modify the amendment so that it will come in after the words "pumping plants."

The VICE PRESIDENT. The question is on agreeing to the amendment as offered by the Senator from Texas to the amendment offered by the committee.

Mr. BARBOUR. Mr. President, I desire to offer an amendment.

Mr. HARRISON. Mr. President, let us vote on the pending proposal first.

The VICE PRESIDENT. The Chair will say that there is an amendment pending to the committee amendment at the present time.

Mr. CONNALLY. Mr. President, this amendment is offered at the present time simply for the purpose of making the Reconstruction Finance Corporation loans available to certain manufacturing concerns that cannot obtain credit elsewhere. I do not care to argue the amendment but submit it for a vote.

Mr. BYRNES. Mr. President, I desire to ask the Senator from Texas if the amendment authorizes the Reconstruction Finance Corporation to lend funds to any manufacturer upon adequate security. Is that the purpose?

Mr. CONNALLY. That is the purpose.

Mr. BYRNES. And the Senator would restrict it only to manufacturers?

Mr. CONNALLY. It is restricted to property which they have in the way of credit and raw material.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Texas to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. BARBOUR. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from New Jersey proposes, on page 19, line 3, after the word "plants", to add a new subsection to read as follows:

(f) Construction, repair, or improvement of buildings, institutions of higher learning, including those not operated for profit.

Mr. BARBOUR. Mr. President, I may say that there are probably 100 privately owned and privately operated institutions of higher learning in the country. It seems to me only fair that those institutions of higher learning should have some part in availing themselves of this legislation. I point, for instance, to the University of Princeton, which is privately owned and is excluded at present from availing itself of the law, while the University of Pennsylvania can take advantage of it because it does receive public support. I do not think I need dwell at any length on the subject, but it seems to me there can be no objection to the amendment. It refers only to institutions of higher learning operated without profit.

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

Mr. BARBOUR. Certainly.

Mr. NYE. Does the language of the amendment, "institutions of higher learning", include State normal schools and like institutions?

Mr. BARBOUR. I should be glad to have it do so.

Mr. NYE. Would the Senator object to modifying his amendment to include the term "normal schools"?

Mr. BARBOUR. If that is added so as not to exclude universities.

Mr. NYE. I would not, of course.

Mr. BARBOUR. Then I have no objection to the modification.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. TYDINGS. Mr. President, I desire to offer an amendment, the effect of which has already been adopted and the committee was favorable to it, but it was omitted through an oversight, I believe. It provides for loans from the Reconstruction Finance Corporation for the construction of quarters for Army, Navy, and Marine Corps officers. The housing shortage in several places in the country is being benefited by loans from the Reconstruction Finance Corporation, and the amendment will provide for the construction of projects for housing of families of officers of the Army, Navy, and Marine Corps.

Mr. WAGNER. Mr. President, the Senate has already approved an identical provision in another act which we passed. However, I personally have no objection.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 19, line 3, after the word "plants", insert:

and construction of projects for housing of families and of officers of the United States Army, Navy, and Marine Corps.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment. [Putting the question.] The Chair is in doubt.

Mr. TYDINGS. I ask for a division.

On a division the amendment to the amendment was agreed to.

Mr. REYNOLDS. Mr. President, I offer the following amendment, which I send to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 19, line 3, after the word "plants", insert the words "and roads."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina to the amendment of the committee.

Mr. AUSTIN. Mr. President, I wish to ask the Senator a question. I had the intention of offering an amendment at this time and place to read as follows:

Toll roads which have the approval of State legislatures.

I ask the Senator from North Carolina whether his amendment includes toll roads?

Mr. REYNOLDS. I should like to ask the Senator to eliminate "having the approval of State legislatures." I hope the Senator will grant that request. I am sure I would do so if he asked it of me.

Mr. AUSTIN. If the distinguished Senator will include "toll roads" in his amendment I shall be glad to strike out the words "which have the approval of State legislatures." Would the Senator modify and perfect his amendment by including toll roads?

Mr. REYNOLDS. In answer to the inquiry of the Senator from Vermont I have no objection to the addition of the word "toll."

Mr. AUSTIN. That is satisfactory.

The VICE PRESIDENT. The clerk will report the amendment as modified.

The CHIEF CLERK. On page 19, line 3, after the word "plants", insert "and toll roads."

The amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, may I have the attention of the Senator from New York [Mr. WAGNER]? I want to ask for an interpretation. Is the Senator certain that the widening of public streets is included?

Mr. WAGNER. Certainly.

Mr. VANDENBERG. The Senator is certain of that?

Mr. WAGNER. There is no doubt about it.

Mr. VANDENBERG. Mr. President, in connection with my inquiry of the Senator from New York respecting the widening of streets, the problem is so definitely important in the city of Detroit, his answer being entirely satisfactory, that I want further to identify the colloquy by asking permission to print in the RECORD the telegram which I send to the desk.

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

The telegram is as follows:

DETROIT, MICH., *June 8, 1933.*

HON. ARTHUR H. VANDENBERG:

Urgently request you introduce amendment to industrial control bill enabling Detroit to complete widening of Woodward Avenue. This project will furnish employment relief immediately to thousands of workmen and stimulate new building amounting to millions. Work could start as soon as financing is provided.

DETROIT BOARD OF COMMERCE,
HARVEY CAMPBELL.

Mr. TRAMMELL. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 19, line 3, after the semicolon, insert the following:

and for the construction of dry docks or graving docks, their works, and accessories.

Mr. HARRISON. Mr. President, there was an order agreed to by the Senate that we would consider committee amendments first. I think we ought to dispose of committee amendments before we consider individual amendments.

The VICE PRESIDENT. This is an amendment to the committee amendment.

Mr. TRAMMELL. I am following the precedent that has been prevailing here for the last 20 minutes.

The VICE PRESIDENT. The question is on the amendment of the Senator from Florida to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

Mr. LEWIS. Mr. President, I desire to ask the Senator from New York [Mr. WAGNER] a question. Is there any doubt in the Senator's mind under the clause respecting public improvements or the construction of such as plants

and development as the Supreme Court of the United States has by decision ordered for the drainage district of Chicago and for the construction of public works as ordered by that court?

Mr. WAGNER. There is no doubt that under this bill authority is given to extend loans for that particular public project.

Mr. BARKLEY. Mr. President, I should like to inquire of the Senator from New York, under the phraseology on page 18, lines 8, 9, and 10 "construction, repair, and improvement of public highways and parkways, public buildings and any publicly owned instrumentalities and facilities," whether jails, prisons or other similar public institutions would be included?

Mr. WAGNER. They would be.

Mr. BARKLEY. So, if there is a city, county, or State that desires a fund for that purpose, it is not necessary to include it specifically in the bill?

Mr. WAGNER. No; it is not. They would be eligible for a loan.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The next amendment of the Committee on Finance was, on page 19, in line 7, to strike out the word "therefor" and insert "by the Navy".

Mr. TRAMMELL. Mr. President, I offer an amendment and I want a few minutes to explain it, unless the Senators in charge of the bill are willing to accept it.

The VICE PRESIDENT. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 19, line 7, after the word "Navy", insert the following:

And Navy housing projects and the construction of necessary improvements and facilities at naval shore stations, including naval air stations.

Mr. HARRISON. Mr. President, I have no objection to letting the amendment go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The next amendment of the Committee on Finance was, on page 19, line 7, after the words "construction of", insert "aircraft, aircraft equipment, and technical construction for the Army Air Corps, and."

The amendment was agreed to.

The next amendment was, on page 19, line 16, after the word "naval", to insert "or military", so as to make the proviso read:

Provided, however, That in the event of an international agreement for the further limitation of armament, to which the United States is signatory, the President is hereby authorized and empowered to suspend, in whole or in part, any such naval or military construction or mechanization and motorization of Army units.

The amendment was agreed to.

The next amendment was, on page 19, line 18, after the word "this", to strike out "section" and insert "title"; and in line 20, after the word "commission", to insert "or committee", so as to make the additional proviso read:

Provided further, That this title shall not be applicable to public works under the jurisdiction or control of the Architect of the Capitol or of any commission or committee for which such Architect is the contracting and/or executive officer.

The amendment was agreed to.

Mr. FESS. Mr. President, I should like to have the attention of the Senator from New York. This particular proviso will prevent public funds from coming from this fund for the construction of the Library Annex, will it not?

Mr. WAGNER. I understand that is specifically provided for by separate appropriation.

Mr. FESS. No.

Mr. WAGNER. It was considered not to be a part of this particular public-works program. It has been dealt with separately right along, and it was thought we had better leave the procedure as it is now.

Mr. FESS. The Senator will recall that 5 years ago we appropriated a sufficient amount of money to purchase the site. We purchased the site, and 3 years ago we authorized $6,000,000 for the construction, but never have made the appropriation. I think that is one of the best examples we have of public construction, and we ought to have access to those funds to go ahead with it. I am afraid this amendment excludes the getting of money from this fund to construct the project that was authorized 3 years ago.

Mr. WAGNER. Those in charge of the public projects to which the Senator refers, I understand, suggested this amendment, and for that reason——

Mr. FESS. No; those who suggested the amendment did not want the application of the funds under the director of this fund, but wanted it under a committee of the Congress. What I am concerned about is whether the Senator would not accept an amendment making available these funds for this purpose under the Architect of the Capitol.

Mr. WAGNER. Suppose the Senator proposes such an amendment? We can then have it go to conference, and in the meantime we can adjust the matter.

Mr. FESS. Very well.

Mr. SHIPSTEAD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SHIPSTEAD. Are we considering only committee amendments now?

The VICE PRESIDENT. That is correct. Under the order of the Senate we are considering committee amendments only until we get through with the title and then individual amendments will be in order. The clerk will state the next amendment of the committee.

The next amendment of the Committee on Finance was, on page 20, line 1, after the word "the", to strike out "Administrator" and insert "Board", so as to read:

SEC. 203. (a) With a view to increasing employment quickly (while reasonably securing any loans made by the United States) the President is authorized and empowered, through the Board or through such other agencies as he may designate or create, (1) to construct, finance, or aid in the construction or financing of any public-works project included in the program prepared pursuant to section 202; (2) upon such terms as the President shall prescribe, to make grants to States, municipalities, or other public bodies for the construction, repair, or improvement of any such project, but no such grant shall be in excess of 30 percent of the cost of the labor and materials employed upon such project; (3) to acquire by purchase, or by exercise of the power of eminent domain, any real or personal property in connection with the construction of any such project, and to sell any security acquired or any property so constructed or acquired or to lease any such property with or without the privilege of purchase.

The amendment was agreed to.

The next amendment was, on page 20, line 18, after the word "section", to strike out "207" and insert "209", so as to make the proviso read:

Provided, That all moneys received from any such sale or lease or the repayment of any loan shall be used to retire obligations issued pursuant to section 209 of this act, in addition to any other moneys required to be used for such purpose; and (4) to aid in the financing of such railroad maintenance and equipment as may be approved by the Interstate Commerce Commission as desirable for the improvement of transportation facilities.

The amendment was agreed to.

Mr. KEAN. Mr. President, I offer an amendment on page 20, line 10.

The VICE PRESIDENT. The amendment is not in order until after the committee amendments are disposed of. The clerk will state the next amendment of the committee.

The next amendment of the Committee on Finance was, on page 21, line 25, after the word "the", to insert "highway departments of the"; on page 23, line 1, after the word "an", to strike out "aggregate amount of" and insert "amount not less than", and in line 2, after the word "expended", to insert "by such departments as agencies of the Federal Government", so as to read:

SEC. 204. (a) For the purpose of providing for emergency construction of public highways and related projects, the President is authorized to make grants to the highway departments of the several States in an amount not less than $400,000,000, to be ex-

pended by such departments as agencies of the Federal Government in accordance with the provisions of the Federal Highway Act, approved November 9, 1921, as amended and supplemented, except as provided in this title, as follows:

Mr. CONNALLY. Mr. President, I want to ask the Chair about an amendment on page 20, line 18. Was that amendment agreed to, striking out "207" and inserting "209"?

The VICE PRESIDENT. The amendment was agreed to.

Mr. HAYDEN. Mr. President, I desire to offer an amendment to the committee amendment, on page 22, lines 2 and 3, to strike out in line 3 the words "as agencies of the Federal Government."

Mr. HARRISON. Mr. President, I have no objection to the words being stricken out.

Mr. BARKLEY. Mr. President, does not that raise the same question as to whether the money has to go through certain operations of the Treasury?

Mr. HAYDEN. No; I have looked into the matter very carefully, and it does raise a question as to whether the contracts let are Federal or State contracts. There are many implications which I think should not be contained in the bill; and I, therefore, move to strike out the words "as agencies of the Federal Government."

Mr. REED. Mr. President, I offered that amendment in the Finance Committee. I have studied it with the Senator from Arizona, and I am inclined to think the amendment he offers is wise. Otherwise, there might be a question as to whether the Federal Government was responsible for the pay of the employees of the highway departments.

Mr. HAYDEN. I can say to the Senator that that very question has been asked, as to whether the entire highway departments would go on the Federal pay roll.

Mr. REED. We certainly do not intend that. Furthermore, there might be a question as to whether the contracts made by these highway departments were to be enforceable directly against the Federal Government; and we certainly do not intend that.

Mr. LA FOLLETTE. Mr. President, while we are on this subject, may I ask the Senator who has the floor a question?

Mr. HAYDEN. I yield.

Mr. LA FOLLETTE. If the amendment suggested by the Senator from Arizona is adopted, would it not be necessary to reject the committee amendment at the bottom of the page?

Mr. HAYDEN. The amendment at the bottom of the page I do not quite understand. The matter can well go to conference, and can be straightened out there. That amendment deals with one particular kind of construction, railroad crossings, and there may be a reason for that; but, generally, we should not make the State highway departments agencies of the Federal Government.

Mr. REED. Mr. President, if I may take a moment more of the time, it seems to me the reason for accepting the amendment of the Senator from Arizona applies equally well to striking out the last four lines on the page. Those words ought to be stricken out, and the committee amendment at the bottom of the page should be agreed to.

Mr. HARRISON. I have no objection to that.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arizona to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 22, line 22, after the word "traffic" and the period, to strike out:

In carrying out the improvements to eliminate traffic hazards in connection with railroad crossings at grade, the State highway department shall constitute an agency of the Federal Government.

The amendment was agreed to.

The next amendment was, on page 23, line 16, after the word "States", to strike out the comma and "three fourths"; in line 19, after the word "supplemented", to insert "(which act is hereby further amended for the purposes of this title to include the District of Columbia)" and beginning with line 21, to strike out "and one fourth in the ratio which the population of each State bears to the total population of the United States, according to the latest decennial census", so as to read:

(b) Any amounts allocated by the President for grants under subsection (a) of this section shall be apportioned among the several States in accordance with the provisions of section 21 of the Federal Highway Act, approved November 9, 1921, as amended and supplemented (which act is hereby further amended for the purposes of this title to include the District of Columbia), and shall be available on July 1, 1933, and shall remain available until expended; but no part of the funds apportioned to any State need be matched by the State, and such funds may also be used in lieu of State funds to match unobligated balances of previous apportionments of regular Federal-aid appropriations.

Mr. COPELAND. Mr. President, I hope the language which was stricken out of the House bill will be restored. I think it is an unfortunate thing that any change is made.

This bill was sent up to us by the President with a view to relieving unemployment; and if the amendment suggested by the committee should be adopted, it would mean that a large part of this fund would be spent in the less populous portions of the country. Large, populous States like Alabama, California, Connecticut, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Virginia, and West Virginia would receive a very limited portion of this money; while on the other hand in the West, where the population is less dense, a special appropriation of $50,000,000 is made in this bill for trails and roads in the forests.

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

Mr. COPELAND. I yield.

Mr. COSTIGAN. Does not the able Senator from New York think the less populous States serve such States as New York?

Mr. COPELAND. Oh, I am not speaking about the matter from that standpoint. I am speaking about it purely as an employment proposal, an emergency proposal. That is the only thought I have in mind. It is not a question about our being glad to serve the other States. If we are providing here for road building to give employment, it ought to be, as I view it, in the language that the House presented; and I hope the committee will be willing to restore the language of the House bill in line 16 and lines 21, 22, and 23 of page 23.

I ask permission to have printed in the RECORD a statement on this subject.

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

INEQUITABLE DISTRIBUTION OF HIGHWAY FUNDS IN PUBLIC WORKS BILL AS PROPOSED BY SENATE FINANCE COMMITTEE

When the President sent the industrial recovery-public works bill to Congress he provided, in section 204 of the bill, that $400,000,000 allocated to highways, as a direct grant to the States, not to be repaid to the Federal Treasury, should be distributed three fourths on the basis of the Federal Aid Act and one fourth on the basis of population. In changing the allocation from the regular Federal Aid Act to the compromise he recognized that greater consideration should be given to unemployment rather than to building up a system of highways for transportation alone. This allocation was passed by the House as submitted by the President.

The Senate Committee on Finance has failed to appreciate that the public works bill submitted by the administration was submitted, not because the Nation is in great need of public works but because there is a tremendous unemployment problem. The public works bill is simply a vehicle to carry the country's unemployed into reemployment, and this policy, insofar as it can be successfully translated, must necessarily be directed to, and predicated upon, unemployment and population rather than on other factors of theoretical desirability.

The Senate Finance Committee has seen fit to amend the allocation in section 204 so that the money will be distributed on the basis of the Federal Aid Act, which means that unemployment or population is only a secondary feature in the distribution of this fund, and that area and road mileage control the amount of money that each State gets. It failed to appreciate that there would be no such bill before the Congress as the $3,300,000,000 public works bill except for the tremendous unemployment and business stagnation.

The bill as submitted by the President helps 19 of the more densely populated States where unemployment is the greatest. These States are:

Alabama, California, Connecticut, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, New Jersey, New

York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Virginia, and West Virginia.

Under the amendment made by the Senate Finance Committee, these 19 States will receive but 44 percent of the $400,000,000 highway allocation in spite of the fact that they have within their borders 64 percent of the population of the country and 74 percent of the unemployed. The amount received by these 19 States divided by the number of unemployed means $15.96 for each unemployed person, while the amount received by the other 29 States which have but 36 percent of the population and 26 percent of the unemployed means that each unemployed person in those States will receive $57.06, or nearly four times the amount received by the unemployed in the more densely populated 19 States. The very purpose of the administration proposal, directed toward relieving unemployment where it is the greatest, is thus being defeated.

Under the allocation as proposed by the Senate Finance Committee the State of Massachusetts, for instance, will receive but $7.69 per unemployed worker while the State of Nevada will receive $362.24; New Jersey will receive $8.58 per unemployed worker while South Dakota gets $284.34; Pennsylvania will receive $12.65 per unemployed worker while New Mexico will receive $193.26; New York will receive $10.06 as against $160.76 for North Dakota; and so on down the list.

Ten of these States—California, Connecticut, Illinois, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, North Carolina—having 49 percent of the population and nearly 63 percent of the unemployed, will receive but 30.3 percent of the $400,000,000 or an average of $12.92 per unemployed person. The remaining 38 States, having 51 percent of the population and only 37 percent of the unemployed, will receive nearly 70 percent of the amount available, or an average of $50.89 per unemployed person.

It might well be remembered that while these 10 States receive but 30 percent of the allocation they contribute more than 77 percent of the taxes, on the basis of the 1931 tax returns.

There is some argument that the balance of the moneys made available in the bill are expected to go to the more densely populated States, and that therefore the road money should be turned into those States which have the least expectation of getting other public works. Let us assume that the whole $2,900,000,000 remaining after the highway fund deduction will be allocated to the States either by subsidy or by purchase of State and municipality bonds. On the basis of its unemployment, New York, for instance, should receive $389,000,000 of this amount. Nevada should receive $2,900,000 and Wyoming $4,900,000. It is more probable that Nevada and Wyoming will be able to spend those amounts than that New York will be able to spend the $389,000,000.

Another point: There must be deducted from the remaining public-works authorization the sum to be devoted on Federal projects which is estimated at $900,000,000. After eliminating this item, and the highway allocation, the direct cash contributions by the Federal Government for remaining public works would be reduced to a total of approximately $600,000,000, and this amount could only be availed of where the States or municipalities are able, through taxation, or otherwise, to raise the other 70 percent of the cost of these projects.

In the case of the road funds in the bill, there is no matching limitation of any kind, and these funds are given gratuitously to the States in recognition, presumably, of the feasibility of bringing these works into immediate contract stage. And here it might be pointed out that in addition to the $40,000,000 regular road program provided for, about 14 Western States will receive the bulk of the additional expenditure of $50,000,000 authorized for roads and trails in the national forests and the public domain by a proposed amendment of the Senate Finance Committee.

The point should be kept ever in sight that the bill is not intended to meet any problem other than the one of unemployment and there should be no other theory behind it.

Mr. LONG. Mr. President, this committee amendment has been much better worked out for all the States than what my friend from New York offers, for I notice he mentions my State as an example. We would lose two or three hundred thousand dollars under this allotment.

I hope we will adopt the committee amendment, and vote down the other provision.

Mr. LA FOLLETTE. Mr. President, if the entire public-works program provided in this bill were confined to highway construction, I think there would be great force in the argument made by the Senator from New York. However, Senators should remember that the great bulk of this program, it is to be hoped, is to be expended in the municipalities, in the counties, and in the States for carrying on there public-works projects other than highways. Therefore it seems to me that it becomes quite obvious that in the rural and more sparsely settled sections of the United States, their chief reliance for reemployment of labor and for the expenditure of money for materials must rest upon the highway section of this public-works program. That becomes especially important when we remember that in this bill there has been included the right to expend money upon the secondary roads.

Therefore, Mr. President, in view of the fact that the major portion of the money appropriated for this public-works program will no doubt be spent in the larger centers, and in view of the further fact that the chief expenditure in the rural communities and in the more sparsely settled sections of the United States will have to depend upon the $400,000,000 provided for roads, I think the Finance Committee, after most careful consideration, was completely and amply justified in striking out the provision passed by the House which required a three-fourths distribution under the Federal Highway Act and one fourth upon the basis of population.

Therefore, so far as I am concerned as a member of the committee, I hope the committee amendments will prevail.

Mr. REED. Mr. President, this matter is going to lead to considerable discussion. When it is brought to the attention of the Senate that the disparity is so great as to give about $8 per unemployed person in the State of New Jersey and about $360 per unemployed person in the State of Nevada, it can be seen that there is something to talk about on this particular amendment.

If I may have the attention of the Senator from Mississippi [Mr. HARRISON], I want to plead with him to allow the Senate to recess now and take up this matter in the morning. We have been here now for 12 hours and 40 minutes, working on the most sweeping innovation that has been presented to the Congress of the United States in many years—a bill appropriating billions of dollars; a bill changing our method of handling the industry and commerce of the Nation.

The Senate has almost lost the capacity to think. Our action in passing upon amendments during the last half hour has shown it. We have shouted amendments through, or shouted them down, with scarcely any realization of what they meant. We talk about working laboring men long hours, and yet here, after 12 hours and 40 minutes, it is proposed to keep the Senate on until we finish the whole of title II. In justice to our work, and in justice to the country, I think it is high time that the Senate take a recess until tomorrow.

Mr. HARRISON. Mr. President——

Mr. WALSH. Mr. President, may I join the Senator from Pennsylvania in expressing the hope that the Senator from Mississippi will agree to his proposal?

Mr. HARRISON. Mr. President, I was just going to say that I did not anticipate there was any objection to these other committee amendments. If there is going to be a long controversy over this road item, we can carry it over until tomorrow; but is there any objection to adopting the two or three remaining Senate committee amendments? If there is no objection to them, let us act on them. Then we can start out in the morning on the individual amendments.

Mr. REED. Yes; if we can pass over the amendments on page 23, and take those in the morning, I see no reason why we should not agree to all the other Senate committee amendments to title II.

Mr. HARRISON. I ask unanimous consent that the road amendment there be carried over until tomorrow morning.

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

The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment was, on page 24, line 19, after the name "Territory of Hawaii", to insert "and the District of Columbia", so as to read:

(e) As used in this section the term "State" includes the Territory of Hawaii and the District of Columbia. The term "highway" as defined in the Federal Highway Act approved November 9, 1921, as amended and supplemented, for the purposes of this section, shall be deemed to include such main parkways as may be designated by the State and approved by the Secretary of Agriculture as part of the Federal-aid highway system.

Mr. LA FOLLETTE. Mr. President, I wish to add an amendment to the committee amendment by inserting after

the word "Hawaii" a comma, striking out the word "and", and after the word "Columbia" inserting a comma and the words "and the Panama Canal Zone."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 25, line 2, after the word "under", to insert "this section or", and in the same line, after the figures "202", to strike out "or 204", so as to read:

(f) Whenever, in connection with the construction of any highway project under this section or section 202 of this act, it is necessary to acquire rights of way over or through any property or tracts of land owned and controlled by the Government of the United States, it shall be the duty of the proper official of the Government of the United States having control of such property or tracts of land, with the approval of the President and the Attorney General of the United States, and without any expense whatsoever to the United States, to perform any acts and to execute any agreements necessary to grant the rights of way so required, but if at any time the land or the property the subject of the agreement shall cease to be used for the purposes of the highway, the title in and the jurisdiction over the land or property shall automatically revert to the Government of the United States and the agreement shall so provide.

The amendment was agreed to.

The next amendment was, on page 25, after line 16, to insert:

(g) Hereafter in the administration of the Federal Highway Act, and acts amendatory thereof or supplementary thereto, the first paragraph of section 9 of said act shall not apply to publicly owned toll bridges or approaches thereto, operated by the highway department of any State, subject, however, to the condition that all tolls received from the operation of any such bridge, less the actual cost of operation and maintenance, shall be applied to the repayment of the cost of its construction or acquisition, and when the cost of its construction or acquisition shall have been repaid in full, such bridge thereafter shall be maintained and operated as a free bridge.

The amendment was agreed to.

The next amendment was, on page 26, after line 3, to insert:

SEC. 205. (a) Not more than $50,000,000 of the amount made available by this act shall be allotted for (a) national forest highways, (b) national forest roads, trails, bridges, and related projects, (c) national park roads and trails in national parks owned or authorized, (d) roads on Indian reservations, and (e) roads through public lands, to be expended in the same manner as provided in paragraph (2) of section 301 of the Emergency Relief and Construction Act of 1932, in the case of appropriations allocated for such purposes, respectively, in such section 301, to remain available until expended.

(b) The President may also allot funds made available by this act for the construction of public highways in Alaska, Puerto Rico, and the Virgin Islands.

Mr. HAYDEN. Mr. President, I desire to offer an amendment to the committee amendment by striking out, on line 4, page 26, the word "more" and inserting the word "less", so as to read "not less than."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 26, line 4, it is proposed to strike out "more" and insert "less", so that it will read—

Not less than $50,000,000—

And so forth.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona to the amendment of the committee.

Mr. TRAMMELL. Mr. President, I have thought we dealt pretty liberally with these park roads and park bridges and forest trails when we provided that there should be as much as $50,000,000 appropriated for that purpose. That represents one eighth of all the appropriation that is being given to the entire United States for our highway system; and yet the Senator from Arizona wishes to fix it so that that amount can be increased.

Mr. HAYDEN. Mr. President, I am leaving it entirely in the discretion of the administration. My amendment simply fixes a minimum amount.

I will state to the Senator that there are four Federal road-building agencies—the National Park Service, the National Forest Service, the Indian Service, and the Bureau of Public Roads. They have submitted estimates for $112,000,000. I am asking that we leave the matter in the discretion of the President. It does not come out of the Federal-aid appropriation of $400,000,000, but is in addition thereto.

Mr. HARRISON. Mr. President, if the Senator will yield, there is some controversy about this item, and I hope it can go over. I understand there is to be an executive session; and I hope that after that we can take a recess until tomorrow morning.

The VICE PRESIDENT. The Senator from Mississippi asks unanimous consent that this amendment go over until tomorrow. Is there objection? The Chair hears none.

CHAIN STORES—PRICES AND MARGINS OF CHAIN AND INDEPENDENT DISTRIBUTORS: MEMPHIS GROCERY (S.DOC. NO. 69)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 224, Seventieth Congress, first session, a report of the Commission entitled "Prices and Margins of Chain and Independent Distributors: Memphis Grocery", which, with the accompanying papers, was referred to the Committee on the Judiciary and ordered printed.

LAWS AND RESOLUTIONS OF THE PHILIPPINE LEGISLATURE

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying documents, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith a set of the laws and resolutions passed by the Ninth Philippine Legislature during its second regular session, from July 16, 1932, to November 9, 1932, and its special session of 1932, from December 7 to 9, 1932.

With reference to Act No. 4053 (H. No. 2516) the following is quoted from an opinion of the Attorney General of the United States, rendered February 14, 1933, prior to the approval of this act by the President of the United States:

4. Sections 6 and 7 are separable from the rest of the measure. If you approve the bill, sections 6 and 7 will be void and inoperative, but the other provisions of the bill will not be affected and will stand as valid legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 7, 1932.*

REPORT OF THE DISTRICT OF COLUMBIA COMMITTEE

Mr. KING, from the Committee on the District of Columbia, to which was referred the joint resolution (S.J.Res. 60) making an appropriation for an investigation of housing conditions and rentals in the District of Columbia, reported it without amendment.

ADDITIONAL BILL INTRODUCED

Mr. FESS introduced a bill (S. 1864) granting a pension to Nettie Sonner, which was read twice by its title, and, with the accompanying papers, referred to the Committee on Pensions.

AMENDMENTS TO NATIONAL INDUSTRIAL RECOVERY BILL—GENERAL MANUFACTURERS' EXCISE TAX

Mr. WALSH. Mr. President, on behalf of the Senator from Pennsylvania [Mr. REED] and myself, I submit several amendments intended to be proposed to House bill 5755, the pending national industrial recovery bill, which I ask may be printed and lie on the table. Two of the amendments pertain to a general manufacturers' excise tax.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

THE TRUTH ABOUT COMPETITION

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Frank A. Fetter entitled "The Truth About Competition", appearing in the Annals.

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

[Reprinted from The Annals of the American Academy of Political and Social Science, Philadelphia, January 1933. Publication No. 2553]

THE TRUTH ABOUT COMPETITION

By Frank A. Fetter

(Frank A. Fetter, Ph.D., LL.D., is a past president of the American Economic Association, has been professor of political economy in Indiana, Stanford, Cornell, and Princeton Universities, has written extensively on economics, including The Masquerade of Monopoly and Big Business and the Nation (in Facing the Facts), and acted as economic adviser for the Associated States, representing the public in the Pittsburgh-Plus complaint against the Steel Corporation.)

Ever since the passage of the Sherman Antitrust Act 42 years ago the policy of industrial competition in interstate commerce has been the center of a strenuous controversy. Particularly in the last few years a well-organized propaganda, backed by the National Association of Manufacturers and conducted largely by the aid of able corporation lawyers composing a committee of the American Bar Association, has laid down a terrific barrage of public argument against the Sherman Act preparatory to an advance upon Washington to cripple or destroy that legislation.

Powerful interests bent on weakening the operation of competition in large areas of business have given it an evil name. If it were a "natural person" instead of an abstract idea, she or he could sue and recover damages for malicious slander before any intelligent jury and honest court. Competition is not, as some would have us believe, a Dulcinea suffering imaginary wrongs, whom only some half-crazed modern Don Quixote would try to defend. Competition is the present established policy of our people and of our legal system in respect to business, and it cannot be abandoned "without a definite change in our economic philosophy."[1]

The Supreme Court of the United States has repeatedly declared that the existing law and the judicial decisions interpreting it are based upon the assumption that public interest is best protected from the evils of monopoly and price control by the maintenance of competition.[2] It, therefore, is highly important that at the very outset of any discussion of existing laws regulating business and of proposals to modify them, our ideas should be clear as to what is meant by the word "competition." What but confusion can result from proceeding in any other manner? And yet, sad to relate, the recent hostile critics of our present antitrust-law policy have not taken this simple and indispensable precaution in drawing their indictment against it.

THE NATURE OF COMPETITION

What does the word "competition" mean? It has a broad and general meaning and numerous applications. Competition in its most general sense is rivalry to excel in some activity or to attain some specific end. It goes on everywhere in the subhuman world between individuals and species of plants and of animals. It is unfortunate that the popular discussion of biologic evolution has so strongly flavored the word "competition" with the suggestion of a lethal struggle for survival—nature red in tooth and claw; for in civilized human affairs competition takes varied forms for varied ends, and never, save in war between nations or in individual crime, is competition in human affairs a struggle to the death. It is never waged without rules and limits.

Always, among social beings legitimate competition is carried on for some chosen purpose and always it is regulated. Otherwise it would be impossible to know which contestant excelled in the competition. The runner on a track team may not beat his competitors over the head with a club and then lope leisurely to the goal. That would prove only that he was a brute with a strong arm; whereas in a contest of runners the purpose is to see who, under equal and fair conditions, can run fastest. Without umpires and referees, football would not be a game but a riot. Contract bridge must be played according to rules, and not with a deck of marked cards. If card players were pulling aces out of their sleeves, what test would that be of the merits of the several "systems of play" or of the skill of individual players?

In short, in every sort of civilized competition there are "the rules of the game" which must either be observed through a spirit of courtesy or be enforced by judges and impartial officials. Without rules administered and enforced, there is no true competition of a specific sort, but merely a meaningless anarchy of selfish individual action.

Every word of this is essentially just as true of competition in business. True business competition must be an orderly process carried on within the established system of civil law and the accepted morals and codes of conduct. A large part of municipal law is concerned with defining the acts that are criminal, fraudulent, negligent, unfair, or against public policy. The police powers of government are exerted to regulate traffic, weights and measures, sanitation, housing, zoning, and many commercial relations. So familiar are most of these regulations that they usually are accepted as a part of the natural order of things, without recognizing that they are all artificial measures for controlling individual competitive behavior for the public good.

Now, what is the particular nature and purpose of economic competition? It is the process in which individuals and legally incorporated groups are given the chance to earn their livings in our social order by producing desirable things and performing useful services and selling them for all that other folks are willing and able to pay for them. More and better goods, lower prices made possible by the steady march of science and technological invention, material progress constantly shared by the masses of the people—this is the ideal social purpose of competition. Economic competition must be carried on according to the rules of the game, in fair and open commerce, to insure that purpose. Competition is an essential part of the system of individualism and capitalism. Where competition ends, monopoly and special privilege begin, unless the public protects itself by authoritative price fixing.

DISTORTED PICTURE OF COMPETITION

To restate these elementary notions would be superfluous were they not so constantly ignored and denied in much of the current discussion. Those who quarrel with the accepted philosophy of competition because of some inconvenience or disadvantage which they are suffering—or think they are—in their private business, and who are urging that our present antitrust laws be changed, always paint a very different picture. They rarely halt to inquire whether the troubles of which they complain result from violation of the established rules of the game or from failure to enforce those rules, but they assail the contest and the rules as causing all the evils.

We need seek no further for evidence of the truth of these statements and for examples of this state of mind than the addresses and writings of Mr. J. Harvey Williams. His views fairly represent an influential section of business opinion, though excelling in the sincerity, the zeal, and the ability with which he expresses those views. We find him denouncing, under the accusatory title of "The Reign of Error", the "conditions of destructive competition", and "the blind type of competition that is imposed by the Sherman law";[3] declaring that "destructive competition is wellnigh universal";[4] deploring "the ferocity of this competition";[5] and attributing this to the Sherman law which "enforces a reign of cutthroat competition."[6] These phrases are used again and again by him and his associates with the implication or the assertion that they express the ideal and the practical result of our present antitrust laws.

Mr. Williams compresses his understanding of the present theory of our law into this sarcastic phrase: "Cutthroat competition is the life of trade."[7] The attentive reader will have his doubts aroused, however, by the implication that any reduction in the prices of one's competitor is "cutthroat competition."[8] Indeed, it becomes very doubtful whether such critics of our antitrust laws really see any difference between cutthroat competition and any regular and legitimate bidding for trade by their competitors.

The evils complained of are usually not pictured as the accidental and unintended effects of the law (although elsewhere they recognize that they result from its weak and inconsistent enforcement). Critics of this school caricature the present situation thus: "The philosophy of America deems it to the public interest * * * to squander our natural resources for a mess of pottage."[9] "The economic philosophy underlying the law [is] the fetish that the consumer is entitled to his cut-rate bargain before either capital or labor efficiently conducted is entitled to its fair wage."[10] "The law encourages the selfish or inefficient."[11] Of course, such results are the very opposite of what the law was intended to accomplish. No wonder that this crusader for a new deal exclaims, with righteous indignation: "Repeal, not amend the Sherman Act. Oil and water will not mix."[12]

But the reader of these opinions needs to be warned that by a peculiar use of words "the consumers", who are getting these "cut-rate bargains" by the evil operation of our present laws, are not ultimate consumers, as commonly meant by the word "consumers", but are monopolistic trusts buying equipment from a smaller producer such as Mr. Williams' company. Elsewhere Mr. Williams concedes, however, that the creation of these great trusts would have been impossible if the Sherman Act had been enforced as it plain terms require. So we have this strange accusation against the Sherman law and its whole underlying philosophy; that the law is to blame for an outrageous situation that has resulted from its nonenforcement and its violation in letter and in spirit. The law has caused this great injustice because it has not been obeyed. This is a pretty mess of reasoning, which we should try to disentangle.

MONOPOLY THROUGH MERGERS

It is a pleasure to turn from complete disagreement with so sincere an antagonist to partial agreement. I believe that Mr. Williams and his group are about half right, though I hasten to recall the familiar adage that the most mischievous errors are half truths. A single sound premise, together with an unsound one, may, and often does, breed a monstrous conclusion.

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[1] Williams, J. H., in Atlantic Monthly, 147: 795, June 1931.

[2] *Trenton Potteries case*, 273 U.S. 392 ff.

[3] Atlantic Monthly, 147: 788.

[4] Ibid., 789.

[5] Magazine of Business, 55: 102.

[6] Atlantic Monthly, 147: 789; see also Magazine of Business, 55: 155.

[7] Atlantic Monthly, 141: 418.

[8] Magazine of Business, 55: 155.

[9] Atlantic Monthly, 141: 412.

[10] Ibid., 141: 846.

[11] Ibid., 851.

[12] Ibid., 847.

It is always well to get an advocate's personal equation in an issue of public policy before weighing the force of his arguments, for in such matters the opinions of men are often but the rationalization of their own environment. Mr. Williams has full right to speak as the mouthpiece of a certain large group of men of affairs charged with the management of comparatively small businesses. They are small only "comparatively", for in this day of billionaire combinations other highly useful and important corporations with modest assets of, say, six or even sixty millions are only pygmies creeping about at the feet of industrial giants.

Now, in this rather precarious position, these comparatively small manufacturers have been doing a lot of thinking. It is not difficult to trace the course of their serious thoughts and to see that they have already gone halfway along the road, and with further thinking may eventually go the whole way and finally arrive at the truth. The first distressing fact that they have lately discovered is that they no longer have a really open market and a normal group of freely competing buyers for their own products. A business that could truly claim to be "the largest maker of drop-forgings and drop-forged tools in the United States and probably in the world" is a pretty helpless seller of its special products today in the face of great platoons of factories, marshaled as buyers under unified ownership. It is these big combinations which more and more constitute the buying public for such special industrial equipment. In the way of thinking already noted, the "trusts" are called the "consumers" of the products of the smaller manufacturer.

Mr. Williams awakes to the alarming truth that really big businesses have buying-monopoly power in their dealings with him, because they constitute the major part of the demand in many areas for the products of his business.[13] Then he realizes that this buying-monopoly power which is injuring him and his kind of business is the natural result of the selling monopoly that was brought about by merging large numbers of formerly independent plants into giant combinations. He fittingly calls this "virtual" monopoly, or again he calls it a condition of "semi-monopoly which, if it differs from the trust of 1890, does so only in respect to * * * enlightened instead of ruthless selfishness."[14] He and his friends in the National Association of Manufacturers had watched this process of merger with little concern, or even with hearty approval. Now his prophetic eye sees truly the inevitable outcome: "Eventually competitive units will be so few that there will be no alternative to this virtual monopoly, since two or three corporations in unregulated control of a Nation-wide field protect the public little better than one."[15]

That sets Mr. Williams to thinking again, and to doubting the professed motives for the formation of big business. He questions, as many others now do, "that efficiency is inherent in mere size."[16] He accepts the considerable body of evidence showing "that the majority of mergers have not been so successful as is popularly supposed."[17] With a flash of insight he glimpses the real motive of most mergers, and exclaims: "The prime motive underlying the whole merger movement has been to enable competing companies to exercise as a single corporation the stabilizing influence upon prices, production, and division of territory which the law forbids them to exercise by agreements as independent units."[18] In plain words, the prime motive for mergers has been monopoly, and the purpose has been to evade and defeat the Sherman law enacted to prevent monopoly.

While violently attacking the Sherman Act, these critics elsewhere recognize that the merger movement has been in conflict with the original purpose and the plain meaning of that act. They throw the blame upon the policy of the Supreme Court, which has permitted many combinations "to attain or approach the status of a trust which is clearly inhibited by the antitrust part of the Sherman Act."[19] Eager to abolish or to modify the Sherman Act, they become suspicious of the coolness of some elements of really "big" business toward such a plan. They discover discordant interests among business men and discordant opinions among their agents, the corporation lawyers. "It is a question whether existing conditions [as to the Sherman Act] are not welcome to the agents of big business as making them constantly bigger and more powerful through the elimination or absorption of their smaller competitors."[20] If these ideas and expressions involve many inconsistencies, it is probably because they reflect different moods and times rather than purely rational thinking at any time.

MONOPOLY THROUGH PRICE FIXING

Thus far we have followed the line of thought of these critics of the present situation with considerable sympathy and approval; but now we approach the point where they and we must part company. For what, at this point, do they propose to do? When intelligent men have discovered that the cause of their own troubles is the monopolistic power of "big" business resulting from mergers, we might expect them to urge the removal of this cause. When they see also that these trusts have been formed in spite of the Sherman antitrust law, and by reason of its negligent enforcement, we might expect them as good citizens to rally in defense of that law. But no, instead, they say in the same breath that the antitrust purpose of that law is excellent, and that it should now be abandoned as hopeless.

The regime of special privilege which giant combinations have created, these "virtual" monopolies which have so largely destroyed true competition in free and open markets, are now to be accepted and perpetuated to the injury not only of smaller business but of the buying public (the rest of us). Sauve qui peut. The public is to be left to its fate while antagonists of the Sherman law, intent upon their own safety, undertake the immense propaganda of the past few years—to do what? To create another kind of special privilege for themselves, the privilege of combining in trade associations in restraint of commerce, by conspiring to control production and to fix prices in their industries, for all buyers, trusts, and public alike.

Sugar-coat such a policy as they may, it means the creation of a multitude of other "virtual" and semimonopolies over a large part of the field of industrial prices. Its advocates even admit in unguarded moments that it is "price fixing", but excuse it on the ground that it "would operate chiefly to prevent demoralization when supply exceeded demand";[21] in plain words, that means whenever the competitive price is too low to satisfy the price fixers. They deny, of course, that this is monopoly; they call it, in carefully chosen words, merely charging "the highest price that will attract the largest profitable demand without inviting avoidable competition."[22] But inasmuch as the action of such a legalized conspiracy of sellers would make almost all effective competition "avoidable", the price resulting would be highly monopolistic. Of course, they disavow the desire to get an "excessive" price; they seek only the "right" price; that is, what is right in their own opinion.

Such an arrangement would, to be sure, give to trade associations greater bargaining power in selling to the large trusts, but these would still be able to look out pretty well for their own interests in the bargain. The rest of the people, however, the unorganized sellers of their goods and services, would then have two monopolistic masters, one scourging with whips and the other with scorpions. It is not a pleasant prospect.

SOME LEGAL OBSTACLES

To Mr. Gilbert Montague, the other speaker at this session, may safely be left the task of demonstrating as an expert in this special field of the law that this whole N.A.M.-A.B.A. plan with its ingenious devices for tinkering with the Sherman Act is nothing but an attempt to camouflage monopoly, and that it would meet the frown of the Supreme Court on constitutional grounds. Indeed, he has already performed this task on various occasions, with withering effects to these pet projects and illusions.

Mr. Williams consequently holds a very qualified opinion of this brand of corporation law, and has impatiently declared that the lawyers "have succeeded to date in perpetuating this goose, with its golden eggs of uncertainty, rigidity, and legal technicality beyond the time and training of the average business man to fathom."[23] He even pronounces this advice from the corporation lawyers as a "truly legal racket." Mr. Montague comes back with the retort courteous: "These misinformants apparently esteem their ignorance of these Supreme Court decisions as a specially high qualification for passing judgment upon the Sherman law."[24] Let us hope that this little controversy will be settled by the rule of reason. My own economic studies make me incline to the views of Mr. Montague on this phase of the question.

Mr. Montague, however, is a lawyer whose business it is to advise his clients, the trade associations and others, what he finds the law to be and what is best for their interests. In substance, what he shrewdly and competently says to them is this: The Sherman Act has not worked out so badly for you, after all. The lawyers have performed wonders in skillfully guiding the courts for 40 years so as to mollify if not wholly to modify the original purpose of the law. If we are not yet able to give you all you desire, nevertheless hope on. Things might be worse. We may even be able to get the courts to concede a little more. Let a sleeping dog lie.

But the members of the N.A.M. group say: "No, it's well enough for the big fellows, it has some features that even we halfway like, but on the whole we are getting the bad end of the bargain. We want a change." And then they get mad and call the practice of trade association law "a racket."

THE MENACE TO CAPITALISM

What is to be the conclusion of the whole matter? Who dares to predict with confidence, when on the one side are alined the accepted philosophy of our law, a great weight of trained economic opinion, and the masses of our people with their deep-rooted suspicion of monopoly; and on the other side are arrayed well-nigh irresistible industrial self-interest and financial power to affect public opinion and to dominate political action?

The truth is that capitalism is becoming more unwieldly and unworkable in geometric ratio as the field of competition is narrowed and as independent enterprises are merged into great monopolistic units, with resulting special privilege and autocratic price fixing. The truth is that capitalism is working pretty badly now for the public welfare in some respects, and its breakdowns

[13] Atlantic Monthly, 147: 791; North American Revue, 227; 568–569.
[14] Magazine of Business, 55: 102.
[15] Atlantic Monthly, 147: 792.
[16] Atlantic Monthly, 793.
[17] Magazine of Business, 55: 195.
[18] Atlantic Monthly, 147: 791.
[19] Magazine of Business, 55: 31.
[20] Atlantic Monthly, 141:424.
[21] Atlantic Monthly, 419.
[22] Pamphlet, A Cure for Our Sherman Act Troubles, by J. H. Williams, address delivered Oct. 20, 1931, p. 17.
[23] Ibid., 25.
[24] Magazine of Business, 55: 333.

are becoming increasingly disastrous. The truth is that business leaders are trying vainly to operate a capitalistic system by methods and business practices that are in conflict with its fundamental assumptions. The truth is that a large part of the industrial field is already in the possession of industrial oligarchies rather than of independent enterprisers. The truth is that capitalism is being destroyed by the capitalists—or by some of them—heedlessly bent on their own supposed advantage. The truth is that while we may temporize, the ultimate alternative to a regime of competitive prices is one of authoritative prices, whether of private monopoly or of public socialism. Is it going to be possible to save the system of individual freedom from its false friends, those very men who should have most at stake in its preservation?

The truth is that the sort of competition contemplated in our accepted philosophy is regulated and reasonable competition. The Supreme Court's announcement of its ambiguous "rule of reason" was not needed to make that clear, and served only to muddy the waters of discussion. The truth is that any competition is unreasonable that fosters and eventuates in monopoly, now a legal synonym for "restraint of commerce." The truth is that the Sherman Act reasonably interpreted and enforced would prohibit aggregations of industrial units with monopolistic powers, and would put an end to the very evils of which the opponents of that act now complain. The truth is that the Sherman Act, as well as the Clayton Act, is designed to prevent the very business practices that weaken and destroy regulated and effective competition. The truth is that so-called "cutthroat competition" which many business men so strongly denounce is but another name for the discrimination in prices to which they cling as an inalienable right. Open and uniform prices, placarded at the mill, are a necessary condition of free competition and open markets in this day of big business.

Industrial price methods are only a part of the larger corporation problem, but a very important part. The truth is that we have been heading the wrong way and have got off on a wrong road in our economic development. Our present course can lead only to general disaster, worse in the long run than the temporary and still comparatively superficial evils of the present depression.

Can the better part of the Nation be brought to realize these truths? Will the better part of the business world unite with earnest citizens and sincere public officials in the effort to get further needed legislation and effective enforcement of existing laws? That is at once the most truly conservative and the only truly progressive course to pursue. The political and legislative history of the next 4 years may record the answer to these questions.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORTS OF COMMITTEES

Mr. ROBINSON of Arkansas, from the Committee on Foreign Relations, reported favorably sundry nominations in the Diplomatic Service.

Mr. POPE, from the Committee on Foreign Relations, reported favorably the nominations of Hooker A. Doolittle, of New York, and of Clarence E. Gauss, of Connecticut, to be secretaries in the Diplomatic Service of the United States.

TENNESSEE VALLEY AUTHORITY

Mr. SMITH. Mr. President, from the Committee on Agriculture and Forestry I report favorably the nomination of David E. Lilienthal, of Wisconsin, to be a member of the Board of Directors of the Tennessee Valley Authority for the term expiring 3 years after May 18, 1933, and the nomination of Harcourt Alexander Morgan, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority for the term expiring 6 years after May 18, 1933.

It has been reported to me that it is necessary for these appointments to be acted on at once, so that the Muscle Shoals project may be gotten under way. Therefore, I ask unanimous consent for the confirmation of the two nominations which I have reported.

Mr. McCARRAN. I object.

Mr. McNARY. Mr. President, I did not understand the nature of the request.

Mr. SMITH. Objection has been made. I asked for immediate consideration of two appointments, as the Muscle Shoals project is being delayed for lack of organization of the Tennessee Valley Authority.

The VICE PRESIDENT. Is there objection?

Mr. McCARRAN. I object.

THE CALENDAR

The VICE PRESIDENT. Are there further reports of committees? If not, the calendar is in order.

THE JUDICIARY

The Chief Clerk read the nomination of Jim C. Smith to be United States attorney, northern district of Alabama.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Paul E. Ruppel, to be United States marshal, southern district of Illinois.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Rear Admiral William D. Leahy to be Chief of the Bureau of Navigation, with rank of rear admiral, term of 4 years, from the 1st day of July 1933.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

BUREAU OF INTERNAL REVENUE

The Chief Clerk read the nomination of E. Barrett Prettyman, of Maryland, to be General Counsel.

Mr. REED. Mr. President, we have recently confirmed a Commissioner of Internal Revenue against whose confirmation there were very serious protests. It is important to know whether this nominee, Mr. Prettyman, has had any connections with Mr. Helvering or with Mr. Arthur Mullen, and what his connections generally have been. I wish the Senator from Maryland would enlighten us.

Mr. TYDINGS. Mr. President, I cannot speak as to Mr. Prettyman's complete experience, of course, but I think I can in substance give an answer to the Senator's question.

Mr. Prettyman is a Marylander, who has lived practically all of his life in Montgomery County, adjoining the District of Columbia. For a number of years he has practiced in that county, particularly in Washington. He is known as a very excellent income-tax lawyer. He has practiced before the Department. I do not think he has ever tried a case with or been directly or indirectly associated with either Mr. Helvering or Mr. Mullen in income-tax matters, so far as I know.

I know that I am not breaching any confidence when I say to the Senator from Pennsylvania that only a couple of days ago Mr. Prettyman came to my office and told me that he thought the office to which he had been appointed was the largest law office in the world in point of attorneys. He said he wanted to make a good record, and to eliminate, if possible, some of the reflection that has been thrown on the office under previous administrations, perhaps wisely or unwisely, justly or unjustly. He asked me if I would not stand back of him. He is not a political fellow in the general sense. He said he did not want to put anybody in the office who could not discharge the work, first of all, and he wanted a character of men who would help him to administer the office impartially and fairly.

I simply mention that conversation, which Mr. Prettyman did not know would reach the floor of the Senate, to show his aim to administer his new office in the best way possible.

Mr. REED. Is he in some firm of lawyers here in Washington?

Mr. TYDINGS. I do not think so. I think he practices in his own name. He may have associates, but there is no one in the firm that I know of besides himself. I think it is E. Barrett Prettyman, attorney at law.

Mr. REED. Approximately how old is he?

Mr. TYDINGS. He is about 45 years old, I should imagine. I may say to the Senator that Mr. Prettyman enjoys an exceptionally high reputation for integrity and stands high at the bar and also as a man.

Mr. McKELLAR. Mr. President, I think I can say something about Mr. Prettyman. He is the son of the Reverend Forrest J. Prettyman, who was at one time Chaplain of the Senate. I would hardly have taken him to be 45 years old. I should say he is about 40 years old, from what I know of him. I am quite sure he is a very fine man and the kind of a man the Senate would like to confirm to this office.

Mr. CLARK. Mr. President, is Mr. Prettyman the attorney who represented the Senator from Michigan [Mr. COUZENS] in his case before the Bureau of Internal Revenue?

Mr. McKELLAR. I think he is. I think he was associated with the attorneys of the Senator from Michigan in the trial of his case before the income-tax people, and I should say that was indicative of his standing as a tax lawyer. While Mr. Prettyman is not infallible, I think he will do his utmost to administer the office in a way that will reflect credit on himself and on those who have sponsored his appointment.

Mr. REED. I hope it will not be assumed that my questions indicate a desire to cast any reflection on Mr. Prettyman. I have heard of no criticism of him. The position he is about to take over, however, is one of the most important positions in the Government. If it were in the hands of a man of dubious integrity there would be the possibility of great scandal; and I feel I was justified in making my inquiries.

Mr. TYDINGS. Let me say another thing to the Senator from Pennsylvania. Mr. Prettyman has been a Democrat, but he has been an independent Democrat in politics. As my colleague, Mr. GOLDSBOROUGH, knows, he has been a free lance for good government in his community as he saw it, and has not hesitated to fight the whole organization of his own county on several occasions. I simply mention that as showing his independence in looking at political questions.

Mr. GOLDSBOROUGH. Mr. President, I might say, for the information of the Senator from Pennsylvania, that I have known of Mr. Prettyman and his family for a great many years. I think he is a man of ability in his profession, and a man of very high character. I feel quite sure that he will represent the Government well, and reflect credit on himself and those who recommended him for the appointment.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

That completes the calendar.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, as in legislative session, I move that the Senate take a recess until tomorrow at 11 o'clock.

The motion was agreed to; and (at 11 o'clock p.m.) the Senate took a recess until tomorrow, Friday, June 9, 1933, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 8 (legislative day of June 6), 1933

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Robert P. Skinner, of Ohio, now Envoy Extraordinary and Minister Plenipotentiary to Estonia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Turkey.

ENVOYS EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Robert Granville Caldwell, of Texas, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Portugal.

Francis White, of Maryland, now an Assistant Secretary of State, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Czechoslovakia.

John Flournoy Montgomery, of California, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Hungary.

Alvin Mansfield Owsley, of Texas, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Rumania.

UNITED STATES DISTRICT JUDGE

Robert C. Bell, of Minnesota, to be United States district judge, district of Minnesota, to succeed William A. Cant, deceased.

DISTRICT JUDGE, DIVISION NO. 1, DISTRICT OF ALASKA

George F. Alexander, of Oregon, to be district judge, division no. 1, district of Alaska, to succeed J. W. Harding, term expired.

JUDGE OF THE UNITED STATES CUSTOMS COURT

William J. Keefe, of Iowa, to be judge of the United States Customs Court in New York City.

ASSISTANT ATTORNEY GENERAL

George C. Sweeney, of Massachusetts, to be Assistant Attorney General, to fill an existing vacancy.

UNITED STATES ATTORNEYS

Berthol J. Husting, of Wisconsin, to be United States attorney, eastern district of Wisconsin, to succeed Edward J. Gehl, appointed by the court.

Ralph J. Rivers, of Alaska, to be United States attorney, division no. 4, district of Alaska, to succeed Julien A. Hurley, term expired.

UNITED STATES MARSHAL

Joseph A. McDonald, of Alaska, to be United States marshal, division No. 4, district of Alaska, to succeed M. O. Carlson, appointed by court.

MEMBER OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Russell Hawkins, of Oregon, to be a member of the board of directors of the Reconstruction Finance Corporation for the unexpired portion of the term of 2 years from January 22, 1932, vice Charles A. Miller.

MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

Walter H. Newton, of Minnesota, to be a member of the Federal Home Loan Bank Board for the unexpired portion of the term of 2 years from July 22, 1932, vice H. Morton Bodfish.

PURCHASING AGENT FOR THE POST OFFICE DEPARTMENT

Harrison Parkman, of Kansas, to be Purchasing Agent for the Post Office Department, vice Robert S. Regar.

SUPERINTENDENT OF THE UNITED STATES MINT AT SAN FRANCISCO, CALIF.

Peter J. Haggerty, of San Francisco, Calif., to be Superintendent of the United States Mint at San Francisco, Calif., in place of Michael J. Kelly.

COLLECTORS OF INTERNAL REVENUE

J. Enos Ray, of Hyattsville, Md., to be collector of internal revenue for the district of Maryland, in place of Galen L. Tait.

Eugene Fly, of Jackson, Miss., to be collector of internal revenue for the district of Mississippi, in place of George L. Sheldon.

James W. Maloney, of Pendleton, Oreg., to be collector of internal revenue for the district of Oregon, in place of Clyde G. Huntley.

Charles M. McCabe, of Nashville, Tenn., to be collector of internal revenue for the district of Tennessee, in place of Hal H. Clements.

Sidney P. Osborn, of Arizona, to be collector of internal revenue for the district of Arizona, in place of Fred O. Goodell.

Harwell G. Davis, of Alabama, to be collector of internal revenue for the district of Alabama, in place of William E. Snead.

John P. Carter, of Los Angeles, Calif., to be collector of internal revenue for the sixth district of California, in place of Galen H. Welch.

John V. Lewis, of Oakland, Calif., to be collector of internal revenue for the first district of California, in place of John P. McLaughlin.

William E. Page, of Columbus, Ga., to be collector of internal revenue for the district of Georgia, in place of Josiah T. Rose.

Lewis Penwell, of Montana, to be collector of internal revenue for the district of Montana, in place of Charles A. Rasmusson.

David L. Lawrence, of Pittsburgh, Pa., to be collector of internal revenue for the twenty-third district of Pennsylvania, in place of Daniel B. Heiner.

Walter R. Thurmond, of Logan, W.Va., to be collector of internal revenue for the district of West Virginia, in place of Vernon E. Johnson.

COLLECTORS OF CUSTOMS

Warren Van Dyke, of Pennsylvania, to be collector of customs for customs collection district no. 11, with headquarters at Philadelphia, Pa., in place of A. Lincoln Acker.

James Houlahen, of Millvale, Pa., to be collector of customs for customs collection district no. 12, with headquarters at Pittsburgh, Pa., in place of Samuel H. Thompson.

William B. George, of San Diego, Calif., to be collector of customs for customs collection district no. 25, with headquarters at San Diego, Calif., in place of William H. Ellison.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 8 (legislative day of June 6), 1933

UNITED STATES ATTORNEY

Jim C. Smith to be United States attorney, northern district of Alabama.

UNITED STATES MARSHAL

Paul E. Ruppel to be United States marshal, southern district of Illinois.

GENERAL COUNSEL, BUREAU OF INTERNAL REVENUE

E. Barrett Prettyman to be General Counsel, Bureau of Internal Revenue.

PROMOTION IN THE NAVY

Rear Admiral William D. Leahy to be Chief of the Bureau of Navigation, with rank of rear admiral.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 8, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Our Heavenly Father, in a world of changes and vicissitudes, we pray for wisdom to learn their lessons and to acquire their discipline. We seek Thee, O Lord, for in Thy presence there is a sense of the stability and the security of things good and helpful; give us the bright light of a happy assurance. As we lift our cheerful song to Thee this day, set Thy seal upon our lips and restrain us from magnifying the faults and the failings of others. Stimulate us with a patriotic desire to minister unto our country and to those whom the thorns of circumstances have injured. Almighty God, clear the way and diminish difficulties. May we walk all this day long with Thee, and let Thy revealed truth touch all hearts with thanksgiving and praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

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.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4812. An act 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; and

H.R. 5208. An act to amend the probation law.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 512. An act for the relief of Peter Pierre;

S. 690. An act for the relief of Charles L. Graves;

S. 723. An act 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;

S. 815. An act to provide for the survival of certain actions in favor of the United States;

S. 1126. An act for relief of M. M. Twichel;

S. 1561. An act 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;

S. 1742. An act 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;

S. 1745. An act 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.;

S. 1746. An act 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.;

S. 1747. An act 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.;

S. 1748. An act 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.;

S. 1749. An act 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.;

S. 1774. An act to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz.;

S. 1780. An act 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;

S. 1807. An act to provide for the exchange of Indian and privately owned lands, Fort Mojave Indian Reservation, Ariz.;

S. 1808. An act 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; and

S.Con.Res. 2. Concurrent resolution 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.

ADDRESS AT MEMORIAL EXERCISES OF SONS AND DAUGHTERS OF THE CONFEDERACY

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address I delivered to the Sons and Daughters of the Confederacy at Fairfax Court House.

The SPEAKER. Is there objection?

There was no objection.