

# Congressional Record

SEVENTY-FOURTH CONGRESS, FIRST SESSION

## SENATE

WEDNESDAY, JANUARY 30, 1935

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

Lord of our life and God of our salvation, whose hands have made and fashioned us so that we should bring some fruit unto perfection: hearken to our prayer and let our cry come unto Thee as we confess that we have sinned and fallen short of the glory of sonship.

Cover the mantle of our unrighteousness with the vesture of Thy spirit's weaving, and grant that we may wear it with dignity and humility as we walk the dark and unsought ways illumined by Thy holy flame of purpose; and when evening shadows deepen into night and slumber casts her veil upon the face of earth, may it be ours to know the peace of those who guard with prudence the tender reins of life; may it be ours to know the rest that cometh only to the children of God. We ask it in the name of Him who once lived our life and ever maketh intercession for us, Jesus Christ, Thy Son our Lord. Amen.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days of Monday, January 28, and Tuesday, January 29, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. ROBINSON. 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:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Loneragan	Schall
Bankhead	Davis	Long	Schwellenbach
Barbour	Dickinson	McCarran	Sheppard
Barkley	Dieterich	McGill	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hatch	Nye	Walsh
Caraway	Hayden	O'Mahoney	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

Mr. AUSTIN. I desire to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines on business of the Senate, and that the senior Senator from Delaware [Mr. HASTINGS] is necessarily detained.

Mr. LEWIS. I announce the absence of the Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr. OVERTON], caused by illness; the absence of the Senator from New York [Mr. COPELAND], who is necessarily detained; and I again announce for the RECORD, and for the day, that the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. MCADOO], and the Senator-elect from Tennessee [Mr. MCKELLAR] have not as yet returned from their labors as members of the Philippine Commission.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

### RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

Mr. FLETCHER. I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. NORBECK, and Mr. TOWNSEND conferees on the part of the Senate.

### INTERVIEWS WITH SECRETARY ICKES

Mr. SHEPPARD. Mr. President, two statements recently have appeared in the press in reference to Secretary Ickes and myself, apparently based on a misunderstanding of the facts.

One was to the effect that the Secretary had set a date for an interview a week later than the time of my request for an interview, leaving the impression that this was due to lack of proper consideration on the part of the Secretary. The other statement, two or more weeks later, was to the effect that the Secretary had kept me waiting 3 hours on the occasion of a call.

As to the first statement, it is true the engagement was set for a week after my request for an interview, the request having been made by me of Mr. Marx, secretary to Mr. Ickes. The date was fixed for a week later on my own suggestion to Mr. Marx and to suit my own convenience. Mr. Ickes had no part in fixing the date.

As to the other statement, it is entirely in error. Secretary Ickes has never kept me waiting, and has always treated me with the utmost courtesy and consideration.

I feel it proper to call attention to these matters because they are concerned with official relations between a Cabinet officer and a Member of the Senate.

### AUTHORIZATION FOR GOVERNMENT BOND ISSUES

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 4304.

The VICE PRESIDENT. The Senator would have to secure unanimous consent at this time.

Mr. HARRISON. I ask unanimous consent that the Senate proceed to the consideration of House bill 4304.

Mr. LONG. What is that bill?

Mr. HARRISON. I was going to make an explanation of it. This is a bill—

Mr. ROBINSON. May I suggest to the Senator that he wait until the conclusion of the routine morning business, if it will not inconvenience him to do so?

Mr. HARRISON. Very well.

## REPORT OF FEDERAL COORDINATOR OF TRANSPORTATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, a report of the Federal Coordinator of Transportation (in two volumes), together with certain recommendations relative to transportation matters, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

## REPORT OF ACTUARIES OF THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The VICE PRESIDENT laid before the Senate a letter from the president of the United States Civil Service Commission, transmitting, pursuant to law, the Fourteenth Annual Report of the Board of Actuaries of the Civil Service Retirement and Disability Fund, which, with the accompanying report, was referred to the Committee on Civil Service.

## BALANCE SHEET OF WASHINGTON RAPID TRANSIT CO.

The VICE PRESIDENT laid before the Senate a letter from the treasurer of the Washington Rapid Transit Co., transmitting, pursuant to law, the balance sheet of the company as of December 31, 1934, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Finance:

## House Joint Memorial 2

(By Representatives Armstrong, Atencio, Baker, Becker, Boggs, Brownlow, Carlson, Childress, Ciennan, Colorso, Constantine, Crowley, Curtis, Davies, Day, Deeds, Dickinson, Divers, England, Fordham, Frey, Graham, Griffith, Guerrero, Hallen, Harney, Henry, Higby, Hillman, Hoefnagels, Hughes, Jankovsky, Jensen, Johns, Johnson, Johnston, Keating, Kelly, Lilley, Lowderback, McAuliffe, McDonald, McFarland, McIntyre, McKinney, Matthews, Mayer, Mulvihill, Nevin, Nolan, O'Toole, Pitcock, Plummer, Poppen, Preston, Ray, Schmidt, Strain, Stuntz, Tinsley, Trainor, Vignol, Wilson, Wood, Mr. Speaker; Senators Houston (22), Chapman, Ritchie, Miller)

Whereas there is now pending in the Congress of the United States a bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates by the issuance of new currency; and

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will discharge and retire an acknowledged contract obligation of the Government; and

Whereas the Government of the United States is now definitely committed to the policy of providing additional sums of money for the purpose of hastening recovery from the present economic crisis: Now, therefore, be it

*Resolved by the House of the Thirtieth General Assembly of the State of Colorado (the senate concurring herein), That the Congress of the United States is respectfully memorialized to enact such laws as will insure the immediate cash payment of the adjusted-service certificates at face value, with cancellation of interest accrued and refund of interest paid, and, as a most effective means to accomplish the payment of the adjusted-service certificates, to issue new currency of the United States; be it further*

*Resolved, That each of the Senators and Representatives in Congress from the State of Colorado be urged to support and assist in carrying out the purposes of this memorial; and be it further*

*Resolved, That a copy of this memorial be forwarded to each of the Senators and Representatives in Congress from the State of Colorado, and to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Ways and Means of the House of Representatives, and to Representative PATMAN, of Texas, the author of H. R. 1.*

MOSES E. SMITH,

Speaker of the House of Representatives.

JOHN T. DOYLE,

Chief Clerk.

RAY H. TALBOT,

President of the Senate.

M. J. WALSH,

Secretary of the Senate.

[SEAL]

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of Toledo, Ohio, favoring the enactment of legislation providing for submission to the people of various States of amendments to their constitutions exempting from taxation and from sale on account of nonpayment of taxes, every homestead to the extent of the first \$3,000 of valuation thereof, and also the enactment of legislation to increase inheritance, income, and public-utilities taxes, which was referred to the Committee on the Judiciary.

He also laid before the Senate letters in the nature of memorials from sundry citizens of the States of Michigan, New York, Ohio, and Pennsylvania, remonstrating against the ratification of the World Court protocols, which were ordered to lie on the table.

Mr. CAPPER presented a resolution of the Pawnee County Farm Bureau, Larned, Kans., favoring the enactment of legislation providing for commodity storage on farms, and opposing the imposition of a general sales tax, which was referred to the Committee on Agriculture and Forestry.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Finance:

LEGISLATURE OF THE STATE OF IDAHO,  
TWENTY-THIRD SESSION,  
IN THE HOUSE OF REPRESENTATIVES.

## House Joint Memorial 1 (by Messrs. Thornburg and Whittle)

A joint memorial to the distinguished President of the United States, the honorable Senate, and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas due to economic and business conditions and the lack of employment for all of the people of the United States, the younger and more physically fit of our citizens are given preference in employment; and

Whereas due to the economic condition of our country during the last few years, there has been a tremendous loss to our old, aged, and infirm population in their savings, and as a result many are ill, depressed, and unable to either obtain employment or carry on for themselves: Now, therefore, be it

*Resolved by the House of Representatives of the State of Idaho (the senate concurring), That we most respectfully urge upon the Congress of the United States of America to pass at this present session a plain, workable old-age-pension law, to the end that our aged citizens may to a degree have sufficient income that they may spend the remainder of their days in peace and happiness; be it further*

*Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the honorable President, Franklin Delano Roosevelt, and to the Senate and House of Representatives of the United States of America, and to the Senators and Representatives in Congress from this State.*

This house joint memorial passed the house on the 18th day of January 1935.

TROY D. SMITH,

Speaker of the House of Representatives.

This house joint memorial passed the senate on the 25th day of January 1935.

G. P. MIX,

President of the Senate.

I hereby certify that the within House Joint Memorial 1 originated in the house of representatives during the twenty-third session of the Legislature of the State of Idaho.

GEO. F. RUDD,

Chief Clerk of the House of Representatives.

Mr. GORE presented the following concurrent resolution of the Legislature of the State of Oklahoma, which was referred to the Committee on Commerce:

## Senate Concurrent Resolution 2

(By Rorschach, Commons, Bushyhead, Curnutt, Johnston, Broadus, of the senate; and Bailey, Johnson, Martin, Reed, of the house of representatives)

A resolution memorializing His Excellency Franklin D. Roosevelt, President of the United States of America, on the matter of the development and construction of a certain dam more generally known as the "Pensacola Dam" on Grand River, located between the towns of Pensacola and Ketchum, in northeastern Oklahoma

Whereas the Congress of the United States recognizes the economic necessity for the comprehensive control of the Mississippi River and all of its tributaries as a means of prevention of destructive floods and of development of the Mississippi River system, and passed a law known as the "Flood Control Act of 1928"; and

Whereas the engineers of the Public Works Administration and the engineers of the War Department of the United States of



America have recently had occasion to make an extensive survey and investigation of a certain project located on Grand River, in northeastern Oklahoma, between the towns of Pensacola and Ketchum, Okla., and more particularly known as the "Pensacola Dam", and as a result of such survey and investigation have classified such project as a no. A project, requiring an expenditure of approximately \$14,000,000; and

Whereas said project has not only been classified as feasible and a practical project but as a project necessary for the proper flood control and one necessary and proper to prevent soil erosion and waste; and

Whereas at the time the present agency of soil erosion alone is costing the landowners in the Grand River Valley Basin millions of dollars a year; and

Whereas the building of this project would aid materially in the present national recovery program; and

Whereas it has been determined by competent authority that said dam, when built, can be used in the manufacture of cheap electric energy for power and lighting purposes and would also aid the national-administration program materially to reduce the present cost of electrical energy for power and light: Now, therefore, be it

*Resolved by the Senate of the State of Oklahoma (the house of representatives concurring therein):*

SECTION 1. The President of the United States of America be, and hereby is, requested and urged to use his good influence to bring about the approval of said project by the Public Works Administration and the appropriation of the necessary funds to complete the construction of said project at the earliest possible moment; be it further

*Resolved*, That a copy of this resolution be forwarded to His Excellency Franklin D. Roosevelt, President of the United States of America, and Hon. Harold L. Ickes, Secretary of the Interior of the United States of America; be it further

*Resolved*, That a copy of this resolution be transmitted to the United States Senators and Congressmen representing the State of Oklahoma.

Passed by the senate this the 10th day of January 1935.

Passed the house of representatives this the 10th day of January 1935.

JACK L. RORSCHACH,  
Acting President of the Senate.

LEON C. PHILLIPS,  
Speaker of the House of Representatives.

#### REPORTS OF A COMMITTEE

Mr. O'MAHONEY, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, reported it without amendment and submitted a report (No. 33) thereon.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1226) to prohibit the sending of unsolicited merchandise through the mails, reported it with an amendment and submitted a report (No. 34) thereon.

#### BILLS INTRODUCED

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

By Mr. McNARY:

A bill (S. 1513) to add certain lands to the Siskiyou National Forest in the State of Oregon; to the Committee on Agriculture and Forestry.

A bill (S. 1514) for the relief of the Columbia Boat & Barge System, Inc.; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 1515) for the relief of George Rodiek; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 1516) granting a pension to Martha C. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 1517) for the improvement and protection of the beaches along the shores of the United States; to the Committee on Commerce.

By Mr. BLACK:

A bill (S. 1518) to establish a 6-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes; to the Committee on Interstate Commerce.

By Mr. KING:

A bill (S. 1519) permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. THOMAS of Oklahoma:

A bill (S. 1520) for the relief of Charles E. Dagenett; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 1521) to provide funds for cooperation with Harlem School District, No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

A bill (S. 1522) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

A bill (S. 1523) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

A bill (S. 1524) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

A bill (S. 1525) to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

A bill (S. 1526) to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation;

A bill (S. 1527) to provide funds for cooperation with school district no. 17-H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

A bill (S. 1528) for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

A bill (S. 1529) to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

A bill (S. 1530) to authorize appropriations for the completion of the public high school at Frazer, Mont.;

A bill (S. 1531) to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Reservation, Mont.; and

A bill (S. 1532) to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. BONE:

A bill (S. 1533) to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children;

A bill (S. 1534) to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.; and

A bill (S. 1535) to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; to the Committee on Indian Affairs.

By Mr. JOHNSON:

A bill (S. 1536) to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.; to the Committee on Indian Affairs.

By Mr. NORBECK:

A bill (S. 1537) to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construc-

tion of a consolidated high-school building to be available to both white and Indian children; to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 1538) for the relief of Jordan B. Gross; to the Committee on Military Affairs.

By Mr. HAYDEN:

A bill (S. 1539) relating to undelivered parcels of the first class;

A bill (S. 1540) to punish assaults upon or robbery of persons lawfully in charge of money or other property of the United States;

A bill (S. 1541) to punish persons knowingly causing the delivery by mail of certain nonmailable matter;

A bill (S. 1542) limiting the collection of demurrage charges on collect-on-delivery parcels;

A bill (S. 1543) to punish fraudulent attempts to obtain mail matter from authorized depositories;

A bill (S. 1544) to authorize the Postmaster General to contract for air-mail service in Alaska; and

A bill (S. 1545) to punish forgery or counterfeiting of postmarking stamps, or their possession, use, or sale; to the Committee on Post Offices and Post Roads.

By Mr. BACHMAN:

A bill (S. 1546) granting a pension to Rue S. Jackson; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 1547) for the relief of Arthur Richter; and

A bill (S. 1548) for the relief of Douglas B. Espy; to the Committee on Claims.

A bill (S. 1549) for the relief of Samuel Kaufman;

A bill (S. 1550) for the relief of Frank R. Carpenter, alias Frank R. Carvin;

A bill (S. 1551) to correct the military record of John S. Cannell, deceased; and

A bill (S. 1552) for the relief of Hugh Callahan; to the Committee on Military Affairs.

#### CHANGE OF REFERENCE

Mr. METCALF. Mr. President, to correct an error in the reference of Senate bill 312, for the relief of Lillian G. Frost, I move that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Foreign Relations. I have spoken to the Chairman of the Committee on Claims, and he is quite agreeable.

The VICE PRESIDENT. Without objection, that order will be made.

#### WORK RELIEF PROGRAM—AMENDMENTS

Mr. DAVIS submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 6, to strike out lines 21 to 25, inclusive, and insert in lieu thereof the following:

"SEC. 6. The President is authorized to prescribe such rules and regulations as may be necessary to carry out this joint resolution, and any willful violation of any such rule or regulation shall be punishable by a fine of not to exceed \$5,000: *Provided, however,* That such rules and regulations shall stipulate that all contracts involving the expenditure of any money appropriated by this joint resolution shall contain a provision that not less than the prevailing rate of wages of the locality where such expenditure is made shall be paid to skilled and unskilled labor."

Mr. WHEELER submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 6, line 11, to insert the following new section:

"SEC. 7. (a) The Secretary of the Treasury is authorized and directed to issue, from time to time, United States notes in such amounts as may be necessary to meet the expenditures from the \$4,000,000,000 fund provided for in section 1 of this joint resolution. Such notes shall be of such denominations, not less than \$1, as the Secretary of the Treasury may prescribe, shall not bear interest, shall be payable to bearer, shall be in such form as the Secretary may deem best, and shall be lawful money and legal

tender in payment of all debts, public and private, within the United States; and such notes, when held by any Federal Reserve bank or any member bank of the Federal Reserve System, may be counted as a part of its lawful reserve.

"(b) The Secretary of the Treasury is further authorized and directed to increase annually the reserve fund held for the redemption of United States notes by an amount sufficient to retire annually the notes issued under the provisions of this joint resolution, as follows: During the period of 2 years after the date of this joint resolution, at the rate of 4 percent of the total amount of such notes issued and outstanding at the end of each year, and thereafter at the rate of 4 percent of the total amount issued and outstanding at the end of such 2-year period until all such notes shall have been retired."

On page 6, renumber sections 7 and 8 as sections 8 and 9, respectively.

#### EMPLOYMENT FOR GRADUATES OF EDUCATIONAL INSTITUTIONS

Mr. WALSH. I submit a Senate resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 67), as follows:

#### Senate Resolution 67

Resolution relative to aiding graduates of educational institutions in the matter of securing employment

Whereas one of the most tragic results of the depression is the effect it has had upon the lives of young men and women emerging from our educational institutions; and

Whereas there are several million young people between the ages of 18 and 30 who have graduated from grammar schools, high schools, preparatory schools, trade and normal schools, domestic science schools, art schools, music conservatories, colleges, universities, and professional schools who have in large numbers entered into a work-world where no opportunities have been open to them to obtain a start in business or to commence the practice of their professions; and

Whereas this large group may become demoralized and disheartened, and thus constitute a dangerous addition to the discontented and radical-minded elements, and also offer a challenge to the system which permits the minds and ingenuities of its youth to be wasted; and

Whereas it is the duty of the Federal Government to use every possible means of opening up opportunities in private industry and in the Government service for these young people so that they may be rehabilitated and restored to a decent standard of living and insured proper development for their talents: Be it therefore

*Resolved*, That the Secretary of Labor is hereby directed to—

1. Furnish the Senate at earliest convenience with an estimated statement of the number of young men and women between the ages of 18 and 30 who have emerged from educational institutions and who are at present without permanent employment and what, if any, study has been made of this problem by any department of the Government.

2. Inform the Senate whether or not, in the opinion of said Secretary, it would be feasible to create a special division of the Department of Labor, or a special bureau in the Public Works Administration, the duties of which would be to maintain contact with other governmental departments and agencies, the labor departments of the several States, and private employers, for the purpose of ascertaining administrative and professional employment that would be available to young men and women coming out of our educational institutions, to which each department and agency of the Government would be required to submit a list of positions deemed suitable for young men and women of this class.

3. Advise the Senate as to the feasibility of the Secretary of Labor, through this division or bureau, receiving applications from such unemployed young men and women as are now desirous of obtaining employment and assigning them to such positions as may be available, according to their character, qualifications, and fitness.

4. Report any appropriate suggestions or recommendations for proper legislation relating to the classifying of this group and allocating to its qualified members available positions in the Government service likely to arise as a result of relief legislation now pending before the Congress.

5. That the Civil Service Commission is hereby directed to submit to the Senate information concerning what steps, if any, said Commission has taken to encourage men and women of this group to classify in the civil service by taking examinations therefor, and advise the Senate in the event that nothing has been done upon the feasibility of encouraging young men and women to enter the civil service; also as to what means, in the opinion of said Commission, would be best adapted by legislation or otherwise to promote the classification of members of this group in the civil service.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts for the immediate consideration of the resolution?

Mr. ROBINSON. Mr. President, in view of the suggestion of several Senators that some of the provisions of the resolution seem to call on the Secretary of Labor to recommend legislation, I think the resolution had better go over for the day.



The VICE PRESIDENT. The resolution will be printed and lie over under the rule.

Mr. WALSH. Mr. President, I have no objection to that disposition in order that the Senators may study the resolution. Let me add I have had the gravest apprehensions since the more serious aspects of the depression has been manifest about the plight of thousands of our young men and women who, upon leaving institutions of learning, their courses of study and training completed, have been unable to find employment.

This condition affects not only the youth of general education in the grammar schools but has been most noticeable in its consequences to the highly trained and specialized young people emerging from our colleges and universities.

They have simply not been able to find opportunities which in ordinary times would be open to them of launching upon careers in the different parts of private industry for which their education might adapt them.

This condition is not of short duration. It has existed for several years since wide-spread unemployment became a reality, but it has now reached a point where it offers a real challenge to this Government to take immediate and appropriate action to remedy it.

The need for relieving this class is so obvious as to require no argument. We simply must find and devise ways and means of enabling our young men and women to take part in economic life, to earn their livelihood, and to promote respectable careers for themselves.

It is unthinkable that our Government should longer delay in seeking a solution to this gravest of problems. Our young people simply must be given an opportunity to work.

It is with this objective in mind that I have today introduced a resolution calling upon the Secretary of Labor and the Civil Service Commission to furnish the Senate with more complete data regarding this matter and to advise us as to the advisability of creating some special governmental bureau which would address itself to the problem of finding employment for the large numbers of our young men and women.

The Government is about to launch upon a new public-works program, which calls for the expenditure of nearly \$5,000,000,000. It seems to me that certainly we ought to be able to find some means within this program of bringing into useful occupations the intelligent youth of our country so that they may not only develop their capacities according to their training and qualifications, but that they may also prepare themselves to take over the great tasks which will necessarily be theirs of leadership in the future affairs of our Nation.

The plight of these young men and women deeply touches me, and so far as it may be within my power in the position I hold I propose to see to it that something is done to extend to them much-needed relief. I hope this first step in that direction will be favorably taken in the immediate future.

JENNIE JONES

Mr. WALSH submitted the following resolution (S. Res. 68), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1934, to Jennie Jones, widow of George R. Jones, late an employee in the Senate Office Building under direction of the custodian of said building, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

#### WORKING CONDITIONS OF EMPLOYEES IN AUTOMOTIVE INDUSTRY

Mr. SCHWELLENBACH submitted the following resolution (S. Res. 69), which was referred to the Committee on Education and Labor:

*Resolved*, That owing to the dissatisfaction of the workers in the automobile manufacturing industry with the labor policies of that industry, and to the apparent inability and unwillingness of the industry to stabilize employment and to pay a yearly wage upon which workers in the industry can live without dependence upon public and private charity, the Committee on Education and Labor, or any duly authorized subcommittee thereof, be hereby authorized and directed to investigate immediately the working

conditions of employees in the automobile body manufacturing, parts manufacturing, tool and die making, or any other manufacturing for the automotive industry in the United States, in order to determine: (1) whether the charges made by the workers in the automotive industry of the United States that the industry has consistently refused to abide by the provisions of section 7 (a) of the National Industrial Recovery Act are true; (2) whether the charges that the automobile manufacturers have initiated and supported company unions in violation of the provisions of section 7 (a) of the National Industrial Recovery Act and have forced employees to accept those company unions under penalty of discharge or other discrimination are true; to ascertain and determine the amounts of money diverted from the earnings of employees and dissipated by the employer in the development and maintenance of company unions, works councils, espionage systems, detective agencies, etc.; (3) whether the employers of the automotive industry, with the purpose of counteracting any effects which the code of fair competition for that industry might have on employment, have speeded up production to a point beyond the endurance of the workers; (4) whether the employers of the automotive industry have adopted a policy toward their employees of refusal to hire older men whose energies have, in a few years, been exhausted by the speed at which they must work in this industry; (5) whether employees of the automotive industry are prevented by discrimination, intimidation, and coercion from joining a bona fide trade union; (6) whether the employees of the automotive industry are refused free choice of the organization by which they wish to be represented for collective bargaining; (7) whether all efforts of the employees in the automotive industry to bargain collectively with the employers through their freely chosen representatives have been frustrated by the employers in violation of section 7 (a) of the National Industrial Recovery Act. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations, if any, for necessary legislation. For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Senate until the final report is submitted, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony, and make such expenditures, as it deems advisable. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default or who, having appeared, refuses to answer any question pertinent to the investigation herein authorized, shall be liable to the penalties provided by section 102 of the Revised Statutes of the United States. The expenses of the committee or subcommittee, which shall not exceed \$ , shall be paid from the fund of the Senate upon vouchers approved by the chairman.

#### NATIONAL PRESS CLUB—ADDRESS BY SENATOR VANDENBERG

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD the very able and interesting speech delivered by Hon. ARTHUR H. VANDENBERG, Senator from Michigan, at the inauguration of Mark Foote as president, and other officers of the National Press Club, Washington, D. C., January 26, 1935.

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

Members of the National Press Club, ladies, and gentlemen, I am delighted to participate in this function tonight. For 7 years I have enjoyed membership in Washington's two most important clubs—the Senate and this. I mention the Senate first only in recognition of its tender seniority rights. So far as influence and importance go, the Press Club may claim the priority, particularly in the presence of \$4,000,000,000 worth of impending congressional impotence.

The Senate is the more difficult of these two clubs to enter—as I have recent poignant reasons to recall. But the Senate is much the easier club in which to get a chance to make a speech, as aching ears in the press gallery will testify. Indeed, this is the first chance I have had in this forum in all these 7 years. And even this chance does not come to me on my merits.

I am here solely because it is the pleasant custom of this club, upon inauguration night, to endure an orator from the home State of your president-elect. I am here closely because Michigan, at the same time, has put her best Foote forward. Michigan tried recently to capture the presidency of both of these clubs. But I had the misfortune to be the Senate candidate only of that minority which still thinks that N. R. A. stands for Next Republican Administration. Virtue was not its own reward. The result was a highly honorable but equally convincing funeral.

But here—in this other club—Michigan comes proudly into her own. No longer do I speak facetiously. Here character has been recognized. Here loyal industry has been acclaimed. You make no mistake, my fellow members of the Press Club, in finding your acceptable and chosen leadership in the modest but dependable efficiency of one of Michigan's finest journalistic products, one of those rare souls whose friendship is perpetually a delight and a reliance—Mr. Mark Foote, of Grand Rapids and other points west. I bring Mr. Foote the greetings, affection, and congratula-



tions of his Commonwealth. I bring the Press Club Michigan's felicitations upon its wisdom and good luck.

Michigan has played in more or less bad fortune ever since the bank holiday hit us below the belt. For example, there was that seventh game in the recent world series. Then there was this year's unprecedented slaughter of the Yostmen at Ann Arbor. But the sun began to shine again on the first Tuesday after the first Monday in the recent November. And now we have the presidency.

It is an auspicious night for Michigan, particularly since it is Michigan's birthday evening upon which President Foote enters upon these honors and these obligations. In fact, this year is our statehood centennial, although the typical perversities of Washington kept us waiting for 2 years after we had qualified under the letter of the bond of the tremendous Northwest Ordinance. But that is another story. Suffice it to say that 98 years ago this afternoon Michigan became officially the twenty-sixth State of the Union, and her first two Senators swore their allegiance to that then fashionable document, the Constitution of the United States. Thus the Goddess of the Inland Seas, who, in her time, had known the sovereignty of Britain and of France and Spain, contributed a shining star to her fourth flag, and launched a century of glorious, forward-marching statehood which you will permit me to toast in these brief sentences at this natal moment. It is graven on her shield, "Si quaeris peninsulam Amoenam, circumspice." If you would see a beautiful peninsula, look about you! And such it is!

Well, my friends, returning to the more intimate theme, one of these two United States Senators from Michigan who took his oath 98 years ago this afternoon was John Norvell. He immediately becomes the connecting link in the particular observations which interest me this evening. Senator Norvell shortly figured in a historic episode directly related to your journalistic inheritance. It is an episode which indicates that the members of these two clubs of which I have been speaking were not quite as clubby with each other in that ancient hour of rugged individualism as they are today.

First, let me remind you that up to 1838 only the reporters of local Washington newspapers were admitted officially to the Senate. Indeed, local papers served the function now served by the CONGRESSIONAL RECORD.

Now, with that background, let us look at the Congressional Globe for December 22, 1838, when the curtain rises on the first act of the drama which discloses the pioneering history of the Senate press gallery as we now know it. Here is the first appearance of the first petitioners in behalf of these privileges which you now so freely enjoy and with little thought of the difficulties and obstacles which had to be overcome in their inception.

I read from the Congressional Globe for December 22, 1838:

"Mr. Norvell, Michigan, presented the memorial of Wm. Hunt, James F. Otis, Erastus Brooks, William Elwyn Moore, E. Kingman, and W. H. Witnor, stating that they are severally reporters of Congressional proceedings for the Baltimore American, New York Express, Ohio Statesman, Georgia Journal, Southern Patriot, Charleston Courier, Mobile Register, and Lancaster Intelligencer, and that by the rule of the Senate they are deprived of the opportunity and privilege of obtaining information of the Congressional proceedings for their respective papers; that the provision of the Senate exclusively furnishing the facilities they ask to the city reporters, does not furnish the people of the country with full reports of what takes place until several days after the date of such transactions, whereas it is the duty and purpose of the above named reporters to transmit such intelligence by each day's mail; and praying that the Senate may assign them such seats on the floor, or in the galleries, as may enable them to discharge their duties to those whose agents they are.

"The memorial was referred to the Committee on the Contingent Fund.

"On Saturday, January 5, 1839, the Committee on the Contingent Fund 'to which had been referred the petition of the reporters of distant papers asking accommodations might be provided for them, made their report, the report concluding with a resolution providing that the front seats of the eastern gallery be set apart for reporters.'"

Thereupon the Senate debated the report. The following are verbatim quotations from the Congressional Globe:

Mr. King, Alabama, who subsequently became Vice President in 1852, said, "We have already six or seven gentlemen engaged in reporting the proceedings for the newspapers of the District, whether correctly or otherwise he would not say; but he was not disposed so to extend this privilege as to give reporters the whole front of the gallery. This would exclude many honest and respectable citizens who were desirous of witnessing our proceedings. They might, to be sure, put up a box or two for those letter writers who reported the things in their own way; but he objected to appropriating so large a space for their accommodation."

Thus you will observe that your craft was sired by letter writers. I continue to read from the Globe:

"Mr. Knight, Rhode Island, explained the grounds on which the committee was induced to make this report but he spoke in so low a tone that it was impossible for the reporters to hear him."

We rarely make that mistake today. Yet many of you will say that history repeated itself in 1930 when Senator Smoot and Senator Simmons used to whisper their tariff speeches to each other across the aisle.

"Mr. Niles, Senator from Connecticut and the villain in this play, moved that the resolution be postponed indefinitely. He was somewhat surprised at a proposition that the body should

sanction, and in some manner endorse the vile slanders that issued daily from these letter writers, by assigning them seats within the Chamber. Who were those persons who styled themselves reporters? Why, miserable slanderers—hirelings, hanging on the skirts of literature—earning a miserable subsistence from their vile and dirty misrepresentations of the proceedings here, and many of them writing for both sides. As his term of service was about to expire he could speak disinterestedly on the subject. Perhaps no member of that body had been more misrepresented and caricatured than himself by these venal and profligate scribblers who were sent here to earn a disreputable living by catering for the depraved appetite of the papers they wrote for. Was he not unwilling to do any act that might be supposed to interfere with the freedom of the press, he would move some resolution to prevent their coming within the walls of the body at all. As it was, let them take their seats in the galleries, and write what they pleased without asking for the sanction of the Senate; for he would not consent for their accommodation, to exclude the honest and respectable citizens who came there as spectators."

Mr. Preston, Senator from South Carolina, then spoke; and this reminds me of my collaborator, Jim Preston. No finer character ever lived, and none on Capitol Hill is more beloved.

Mr. Preston said: "We have already admitted reporters under a rule of the Senate, but this was a monopoly of the local presses; and he knew no reason why they should have a special right of admission. He was in favor of the adoption of this resolution and opposed to any monopoly in the matter. We may perhaps all feel that we have more or less reason of complaint against these letter writers; yet this was one of the evils of a free and even licentious press; and he was for bearing the ills inflicted on him personally, for what he deemed a greater public good."

Mr. Norvell said: "I should exceedingly regret that because Members of the Senate had suffered under the calumnies of some of the letter writers they should be excluded from the accommodation within the galleries which they had solicited. Their exclusion from the hall of the Senate rendered it difficult, even impossible, for them to take notes of our proceedings and debates. Perhaps much of the misrepresentation occurred in consequence of this very exclusion. He was not of the opinion that newspaper abuses inflicted any great degree of injury upon any public man. If we cannot sustain ourselves here or with our constituents against their calumnies, we must be unworthy of our seats in this Hall."

Mr. Niles observed, "that they could not extend their accommodations to all of the newspapers of the country without excluding spectators altogether. It was necessary to fix some limit; and it had been decided that to extend accommodations to the newspapers of the District was going far enough. The reporters of the city papers gave the earliest and fullest intelligence of the proceedings of the body; but these petitioners were not here for the same objective that the regular reporters were sent. They were letter writers sent here to give such a false coloring to what was said and done in that Hall as would answer the purposes of their employers. The true question was, Shall we give our sanction to the perversions and deceptions of a parcel of hireling scribblers sent abroad to pervert, mislead, and corrupt public sentiment?"

If there had been a Gridiron Club, I can imagine what would have happened to Senator Niles. The boys did fairly well, however, in handling him on their own account. This also throws some light on what were the subjects of complaint against the letter writers.

The New York Daily Express correspondent, who had been one of the six pioneering correspondents, wrote of this day's proceedings in the vernacular of the time, and this is what he said about Senator Niles:

"First then for Dr. Niles, of Connecticut. There is but one such man in all Christendom. Nature made him an orator, chance and his own roguery made him a United States Senator. The worst part of nature therefore has been despoiled of some of her best proportions. Never was fellow meaner than this same Niles, who, with the fancies of a dolt, makes pretensions to the intellect of the most talented man in the country. His manners are bad and his breeding worse. He has cunning without candor, but not enough of cunning even to cover over his undoubted knavery.

"Niles has practiced in his lifetime all vocations, from a peddler of Connecticut trinkets through the States to serving in one of the highest offices in the country. He is your Jack-at-all-trades, good at none, but infamously bad at all. In debate he takes occasion always to consider such men as Clay, Webster, Rives, and Tallmadge, and thinks the arguments of all others beneath him. Thus week in and week out, from the beginning to the close of the season,

"You discover in his mouth a tongue;  
He must not its palaver balk,  
So keeps it running all day long,  
And fancies the red-rag can talk."

Continuing with the Congressional Globe:

Mr. Buchanan, Pennsylvania, later President of the United States, said: "He would ask who was a reporter? A reporter was a person who gave a faithful, historical account of the proceedings of the body with full reports of fair abstracts of the speeches of its different members from which the public could be made acquainted with the nature of the business transacted."

Still a good definition:

"Were the letter writers reporters in this sense? No; they did not pretend themselves to be so. They gave partial and piquant



accounts of such proceedings and debates as struck their fancy; and having the same party feelings with the members of the body, they represented us in the light which would be most agreeable to the readers of the journals for which they were employed. Whilst the letter writer of one party was in raptures with the speech of a favorite Senator, and represented it as the very perfection of eloquence and argument, another letter writer of the opposite party denounced the very same speech as a poor, flimsy, frothy affair, which had been scattered to the winds by the breath of some Ajax Telamon on the other side."

You still occasionally revert to type—

"It was notorious that these were the gentlemen under the name of reporters for whom seats were to be provided under the resolution then before the Senate. He thought they were not entitled to any such privilege, nor were their labors worthy of any sanction by the Senate."

Mr. Preston "was not disposed to join with the honorable Senators in the unmitigated condemnation they had dealt out to the letter writers. He was of opinion that these letter writers presented a more interesting sketch, a more faithful picture of the doings of the Senate than the mere journal-like records of the official proceedings. For his own part he thought that the misrepresentation of those letter writers could work injury to no one and that error may be safely tolerated when reason was left free to combat it."

The Globe then says: "The question was then taken on the motion to postpone the resolution indefinitely, and it was carried—yeas 20, nays 17."

The battle for press gallery representation for outside newspapers came to a vigorous climax in 1841 when James Gordon Bennett, of the New York Herald, "organized, at an expense of nearly \$200 per week, a corps of reporters to give daily reports of the debates." Bennett attacked the existing system of reports confined to local Washington papers, and showed that Congress paid these local papers \$320,000 a year to print their reports. He offered to print them for nothing. The Senate appointed repeated committees to solve the problem, but always became involved in the physical limitations of the size of the Senate Chamber itself. And it was not until the Senate moved to its new location that adequate accommodations were provided and the local monopoly broken up.

Harpers New Monthly Magazine of January 1874 carried an interesting article on these subsequent developments in respect to the Washington press group. Here is an excerpt:

"The present Washington correspondents whose names fill upward of two pages of the Congressional Directory might be easily classified and arranged as an entomologist pins up his busy bees, his useless butterflies, his stinging wasps, his buzzing mosquitoes, and his humbugs. A large majority of them are active, clever, and quick-witted young gentlemen who believe that success is a duty, and a few of the remainder are unscrupulous, self-conceited men who will correspond with any paper, anywhere, of any politics, for a pittance, and use its columns in exhorting blackmail from all who have business before Congress or the departments. And last, although by no means least, in the estimation of their professional associates, are the enthusiastic, industrious, and agreeable lady correspondents, whose chatty and sparkling budgets of news have demonstrated that woman has an indisputable right to take a place in the front rank of Washington news gatherers."

Thus, my friends of the Press Club, I conclude this bedtime story out of the yesterdays. It throws some light upon the early relations between these two clubs of which I was speaking earlier. We have traveled far since those swashbuckling days of 1838. In the presence of the roll call of that ancient Senate, despite its candid invectives against the forerunners of your craft, it would be a hardy analyst who would claim that the Senate has moved ahead to greater distinction and more powerful personality in this present day.

But in the presence of the National Press Club, and in the consciousness of the public services now rendered by nearly 500 accredited representatives to the press galleries of the House and Senate (the ultimate beneficiaries of that battle begun by six letter writers in 1838), it would be a blind analyst indeed who could not testify to the tremendous strides, in honorable place and in far-flung influence, which have been made and earned and deserved by journalism in this near-century of evolution. Not a member of the gallery but enjoys the complete confidence of every Senator upon the floor.

The privileges which were contemptuously denied your forebears are now as solid and inseparable a part of the congressional regime as are the House and Senate themselves. The fourth estate is now wellnigh the first.

May I leave this final serious thought with you? That these progressive privileges must involve progressive obligations. That accurate and reliable mass information is absolutely prerequisite to safe and wholesome mass decisions. That in restless and unhappy times like these, when the populace is literally driven to hysteria by the burden of its woes, it is more vital than ever for our whole people to know and understand the truth. That Capitol journalism guards and serves the wellsprings of this public knowledge, and thus, mayhap, the wellsprings of the Republic's perpetuity. That, therefore, it must be forever free. Yet, equally, that it must be forever responsive to its dreadfully important obligation.

I claim still to be inherently, and by affection, a newspaperman. Why, I even married one of those "chatty and sparkling" newspaper women, of whose progenitors Harper's New Monthly Magazine spoke.

What it means to the soul and to the instinct to have once served with the craft cannot be understood by him who, as Shakespeare said, "Hath not eat paper, as it were; he hath not drunk ink."

Some day I want to discuss this subject: A Newspaper—Senator Looks at the Press Gallery. Five percent of it will hark back to Senator Niles, of Connecticut, and will agree with him to some degree. Ninety-five percent of it will be to your everlasting credit.

I wish for you that this inaugural may launch you upon your best and happiest year. May your "Foote" prints register success.

#### THE WORLD COURT—ADDRESS BY SENATOR WHEELER

Mr. MURRAY. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD a speech delivered by my colleague the senior Senator from Montana [Mr. WHEELER] on January 29, the subject being "The World Court."

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

The world today is poised on the brink of war. The jealousies and prejudices of the Old World have reached a new high pitch since the fateful years of 1914-18. Every day we look with fear lest the news that the prejudices of the conflicting groups have led to a new outbreak plunging the world once again into another war.

In the face of this it is well to recount some of the dangers which menace the world at this time.

A few days ago the vote was announced of the Saar plebiscite. I need not recount the tension which preceded that vote or the friction which developed after its announcement. That plebiscite was the result of the iniquitous Treaty of Versailles—a treaty which has spelled oppression and disaster throughout Europe and the world.

France and Italy are drawing an iron ring around Germany. An entente was attempted between these two powers which have interests not always in accord with the desires of each.

The war cloud cast a pall over the world 4 months ago on that fateful day when King Alexander I of Yugoslavia was assassinated on the streets of Marseilles. The troublesome Balkan question came to the fore—only to prove to a world which does not understand that question, that the oppressions which haunt Europe and grind down the minorities in the Balkans are permanent threats to world peace. Those minorities have served notice to the world that until there is some settlement of the disputes in the Balkans, some answer to those appeals, there can be no peace in Europe. We can expect additional assassinations by terrorists in Europe.

Japan has terminated her obligations under the arms treaty. This action is interpreted by many as prelude to a world arms race—a race in which no one can win, and least of all the cause of world peace.

This year is likely to see the real crisis in the Far East, with the jealousies and the points of friction coming to a definite focus.

In a survey of world conditions for the year 1934, Ferrero, called the foremost historian of Europe, said that "1934 has been the most disastrous year for Europe since the end of the war."

"The truth is," says Ferrero, "that a part of Europe, especially of central Europe, is already in a state of war."

"The League of Nations is powerless to put a stop to the small clandestine war carried on by so many states. To give the illusion it can do so it runs the risk of becoming more and more an instrument in the hands of the stronger against the weaker."

Few have put into words the bitterness and the tension of the present day than did the President in his message to Congress January 4. Said President Roosevelt:

"I cannot with candor tell you that general international relationships outside our borders are improved. On the surface of things, many old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads."

That, in brief, is the state of the world today. That brief survey indicates the tenseness of Europe into which the proponents of the World Court adherence would have us cast our lot. That indicates not only the latent and incipient dangers but the present and belligerent propensities of Old World powers.

If we become a party to the World Court powers, we will have to abide by the decisions made by that body and help enforce those decisions. For if the decisions cannot be enforced, they will be worthless; and if they can be enforced, America will be called upon to lend her share.

This means, of course, that we will have to send men once again across the sea and try to maintain peace in areas of conflict. This means that we will be joining forces in trying to enforce agreements or decisions made pursuant to international law which is being flouted as unjust and cruel. This means that the decisions of the Court with their sanctions of force will be virtually breeding war, thereby defeating the aims of the proponents of membership.

No one wants to see the cause of peace advanced more than I. There is still hope, I believe, in spite of the perils of the present, that the cause may be advanced by slow and careful stages by judicious action.

After the World War the League of Nations incorporated the idea and the idealism of many whose greatest desire was for world peace; or so we thought. The world had just ended a fratricidal war unparalleled in history, and the idealists of the land were trying to bind up the wounds of the nations with a new spirit of



brotherhood—the spirit that made Woodrow Wilson one of history's brightest names.

After the bitter strife of 4 years of war the idealism of Woodrow Wilson came as a soothing blessing to a war-torn world. In the face of difficulties and obstructions of Old World statesmen he was able to incorporate into the League of Nations much of his philosophy. He had to fight every inch of the way for idealism to prevail over the proponents of sanctions by military force and found many a disillusioning experience in his struggles.

We were asked to join that League and since that time I have voted for the World Court with reservations, but the last few years have proved the futility of both the League and the Court. The hopes of those early years have not been justified. The idealists who wanted to banish war for peace and exterminate greed for justice have been disappointed. The words of the historian Ferrero, whom I have quoted, indicate the appraisal of the League's accomplishment.

In assessing the part of the League of Nations in world affairs I should like to quote again the President of the United States. In the campaign of 1932 when questioned about his opinion of membership in the League, Mr. Roosevelt said:

"The League of Nations today is not the League of Nations conceived by Wilson. Too often through these years its major function has not been the broad, overwhelming function of world peace; but, rather, a mere meeting place for the political discussion of strictly European national difficulties. In these the United States should have no part. . . . American participation in the League would not serve the highest purpose of the prevention of war and a settlement of international difficulties in accordance with fundamental American ideals. Because of these facts, therefore, I do not favor American participation."

"Meeting place for the political discussion of strictly European national difficulties. In these the United States should have no part," said the President.

The President voiced a sentiment which has been verified and confirmed by the passage of time.

Yet the World Court is an integral part of the League organization which the President views with suspicion.

This Court is definitely a part of the League. Its decision on the German-Austrian customs treaty clearly shows that the World Court is the meeting place for the political discussions of strictly European national difficulties. It was a political decision, not a judicial decision. In these the United States should have no part. The creation is authorized by the Covenant of the League of Nations. The League selects, pays, and pensions the judges, and its committee of jurists drew up the statute, which is the Constitution or fountainhead of authority for the Court.

I hope in making these remarks about the League, in view of its original purposes and the idealism of Wilson, no one will think I am an enemy of world peace. I want to see the cause of peace carried forward as rapidly as possible, but I simply cannot see how adherence to the World Court will advance the cause.

In this new-deal program I have followed the President, not only because I thought he was right, but also because I thought he was putting into action those ideas for our national welfare for which many of us have labored long and diligently for many years. Therefore, I hope no one will accuse me of objecting to adherence on the grounds that I am worshipping the fetish of isolation venerated by years of custom and tradition. I have tried as sincerely as I knew how to act for the welfare of our people regardless of whether such action followed the old or new and regardless of whether such action followed the lead of the White House or not. That policy I will continue.

We have seen the connection of the League and we have seen the events pass in review in Europe. In view of these facts we must do what we think is best for the welfare of this country.

The United States expressed the conditions upon which it would become a member of the Court on one occasion. Were those conditions approved? No. Instead the major powers met and drafted what they called a "protocol of accession", and it is that protocol which we are called upon to endorse by a vote of approval. The United States said what it meant in stipulating the conditions of membership. Those words were clear in their meaning, not only to us, but to Old World statesmen. In fact, they were so clear that they felt called upon to draft a set of what has been well defined as "counter-proposals."

As an example of Old World evasions and chicanery the protocol omits entirely certain sections we included in the conditions of acceptance. Our answer to the members of the World Court contained five reservations. These reservations or their content must be guaranteed as conditions precedent to our entrance into the World Court.

We are offered membership. We accept with conditions. Europe counters with saying, "We want you, but we will name the conditions—or we will express your conditions in our language—and we will just forget part of the United States proposal, but we want you in, anyhow."

Can anything be more insidious in its implications?

Numerous other arguments might be advanced in behalf of the position we take as opposing adherents. But it seems to me that the present unsettled conditions of Europe, the failure of the League of Nations, the connection of the Court and the League, and the actions of the powers in refusing to accept our proposals in our language rather than in language which they have framed and which they may subject to interpretation in their own way, and last but not least, the fact that these countries who are so anxious for us to join the World Court are the same countries

we saved from destruction during the World War and who repudiated their debts which they owe us. These are arguments cogent enough to cause me to vote against joining this Court.

#### FUNDAMENTAL LAWS—ADDRESS BY CHIEF JUSTICE OF MAINE

Mr. WHITE. Mr. President, I ask unanimous consent to have incorporated in the RECORD a speech delivered by the Honorable William R. Pattangall, chief justice of the supreme court of my State, on January 10, 1935, before the Bar Association of the State of Maine.

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

[From the Bangor (Maine) Daily News, Jan. 10, 1935]

PATTANGALL SEES MUCH OF "NEW ORDER OF THINGS" ILLEGAL—CHIEF JUSTICE IN MASTERLY TALK ON LAW—TELLS MAINE BAR THAT NOT SINCE DAYS OF SLAVERY HAS ATTACK BEEN MADE UPON FUNDAMENTAL LAWS OF SUCH MOMENT AS THE PRESENT—SEES INSIDIOUS EFFORTS TO DESTROY WORK OF CREATORS OF THIS GOVERNMENT

Chief Justice William R. Pattangall, of the Maine Supreme Judicial Court, spoke to members of the Maine State Bar Association yesterday at Augusta as follows:

"Mr. President and members of the Maine State Bar Association, it is needless for me to say that I appreciate very highly the compliment paid me by your committee in inviting me to speak to you this afternoon and assigning as my subject The Federal Constitution.

"A discussion of its important provisions and the principles upon which they rest, their applicability to present-day problems and the danger of departure from the sound governmental theories which they embody, presents a timely subject for thought on the part of the members of the profession devoted to the maintenance of orderly government in our State and Nation.

"It was in May 1787 that commissioners from 12 of the States met at Philadelphia for the purpose of creating a national government. Rhode Island had declined to participate, and 10 of the 65 appointed to represent the remaining States did not attend. During the previous February the Continental Congress had issued the call by virtue of which the Convention assembled, and had limited the scope of its work to revising the Articles of Confederation, adopted in 1777 but only ratified by the entire body of States in 1781. It was known by all men conversant with public affairs, however, that the limitation of the call would be disregarded and that the work of the Convention would be extended to the formation of a Federal Union.

"In fact, on the 30th of May, the opening day of the Convention and at a time when but 40 commissioners had arrived, Governor Randolph, of Virginia, proposed the formation of a national government. The work was completed 4 months later and submitted to the States over the signatures of 39 commissioners, 16 declining to join in recommending its approval. The most distinguished of those who refused to even attend the Convention was Patrick Henry. Among those who attended but did not sign with approval were Elbridge Gerry, of Massachusetts, Oliver Ellsworth, of Connecticut, Luther Martin, of Maryland, Edmund Randolph, and George Mason, of Virginia.

"The times were perilous and called for action. The States had passed through a devastating war carried on under great difficulties, not the least of which had been the lack of a central government possessing the necessary authority to function nationally. The Continental Congress, with no power to raise armies, to levy taxes, or to borrow money, was a poor apology for a government. It had issued a substantial quantity of paper money, the value of which had long before May 1787 become almost negligible.

"Soldiers who had fought in the Revolution had been mustered out at the close of war without their pay. For want of responsible government and in part because of the inability of the States to join in a sound financial policy, in part for want of necessary capital with which to carry on business, trade and commerce, foreign and domestic, languished, and the country faced what would have been an unendurable situation had it not been for its natural resources and the ingenuity and resourcefulness of its inhabitants.

"The aftermath of war has always been economic disaster, and the Revolution was no exception in this respect. Added to all these factors which tended to make difficult the work of the Convention, an epidemic of sectional jealousy sprang up between the States and atmosphere of suspicion abounded, small States opposed large States, Northern States opposed Southern States, commercial States opposed agricultural States. To reconcile these differences was no small task.

"The men who did attend the Convention, remain in it to the end, complete its work and carry on a successful campaign for ratification, were singularly fitted for the work. They possessed not only great ability but courage, faith, and patience. They were absolutely single-minded, handicapped by no selfish motives, practical statesmen with a background of study, experience, and achievement that especially qualified them to reject the false and accept the true when forced to choose between alternative proposals of public policy.

"Their presiding official was George Washington. That remarkable man had passed the zenith of his powers but still towered high above the average statesman of his time. He made a strong impression on his generation, and history accords him the right to the leadership which his contemporaries recognized and which he



accepted. In the early days of the war between the Colonies and the mother country he opposed separation and decried the idea of independence. One of the wealthiest, if not the wealthiest, of the colonists, he risked his life and fortune in an effort to no more than secure for himself and his people the legal rights of an English subject. He had loyally served the King and just as loyally served against him when the liberties of Americans were threatened. The evolution of events brought the Declaration of Independence and the Confederation of States followed; on motion of John Adams he was made Commander in Chief of the Continental Army. No general of ancient or modern times more successfully carried on a series of campaigns against trained armies than did he through the weary years of the Revolution at the head of what was in truth that which the British called it in derision, "a rabble in arms." No man excepting one exactly his counterpart could have brought that war to a successful conclusion.

"During his whole command, he did not win a single pitched battle. The tactics he was forced to employ were not those which gain popular applause. They were, however, the only tactics which could have brought the final victory. He allowed himself but one dramatic moment. The surprise attack on the Hessian army at Trenton was the single occasion on which he demonstrated that he could exercise reckless courage as well as infinite patience. He had no gift of oratory. The sort of speeches with which Napoleon fired the hearts of his soldiers were as foreign to him as was the language of France. He was content that Hamilton should write his state papers. A great soldier, a great statesman, his strength lay in his character rather than his accomplishments, for great as were the latter, they were essentially the product of his character. His mere presence at Philadelphia gave the Convention a standing before the country which it never could otherwise have had.

"Benjamin Franklin was there, the genius of his time. Statesman, diplomat, student, philosopher, he had served his country long and well. Burdened with years and suffering from ill health, his work in the Convention was more that of a counselor than an originator of ideas. But he could so readily recognize a false note injected into the debates and could so clearly expose its lack of harmony that his presence was of inestimable value.

"Madison was easily the leader of the Convention. At first outshone by the brilliance of Hamilton, later on this modest, thoughtful, honest, patriotic man gained such an ascendancy over his colleagues that the final draft of the Constitution was more nearly his handiwork than that of any other or, indeed, of all the others combined.

"Hamilton, young, handsome, magnetic, splendid orator, talented writer, charming personality, with a background of military service, known as the trusted and intimate friend of Washington, might well have been the leader of the Convention, had his theory of government appealed to his colleagues. But his contempt for the mass of mankind made him an aristocrat; and his plan to set up a government with an elective monarch at its head and a ruling class made up of those whom John Adams denominated 'the wise, the good, and the rich', did not accord with the spirit of the times and failed to receive approval on the part of the commissioners.

"Robert Morris, Philadelphia's leading financier, destined to spend his last days in a debtor's prison, but at that time at the height of his business career and of his mental power, was a delegate; as were Rufus King, Roger Sherman, Gouverneur Morris, and Pierce Butler, all destined to play great parts in framing the policies that were to prevail in the early days of the Republic, in the formation of which they were lending conspicuous assistance.

"Thomas Jefferson was not present. He had been in France when the Convention was called, hence was not named a delegate. John Marshall was also absent, as were Samuel and John Adams. But all of these great minds were in close touch with the work that was going on and rendered valuable aid in its completion by their advice and counsel.

"When the final draft was completed and the 39 delegates, who had stayed at their posts of duty through the heat of a Philadelphia summer, had affixed their signatures, the document was submitted to the States for ratification. The approval of nine States was necessary to put it in effect. Submitted on the 17th day of September, within 2 months it was accepted by Delaware, Pennsylvania, and New Jersey; and in another month by Georgia and Connecticut. Massachusetts waited yet another month, until Samuel Adams had procured the pledge that, if and when it was adopted, it should be immediately amended by the adoption of a Bill of Rights, framed after the manner of that which the English Parliament presented to Prince William of Orange and the Princess Mary on their accession to the throne of England in 1688.

"Jefferson had joined in the demand that this be done, and without it the work of the Convention would have been rendered futile by the opposition of these advocates of liberty. Spring came and Maryland and South Carolina signed. It was not until June 23, 1788, that the ninth State voiced approval. New Hampshire had the honor of completing the required number, but Virginia followed 4 days later, and in another month New York, brought to a belated consent by the untiring energy and forceful eloquence of Hamilton, who fought for the acceptance of the compact as sincerely and as earnestly as though the Convention had adopted his ideas.

"Congress immediately declared the Constitution effective. The initial struggle was over, but strong pressure was put on the two States still standing aloof and, after waiting another year, North Carolina joined her sister States. It was not until May 1790 that Rhode Island capitulated.

"At the first session of Congress the amendments agreed upon were submitted and almost immediately ratified. With the exception of three amendments, which in no way affected the general theory of government or brought about any change in its administration, no further alteration of the work of the Philadelphia Convention occurred until 1868, when the abolition of Negro slavery and the partisan struggles growing out of them was inspired the thirteenth, fourteenth, and fifteenth amendments.

"Since then one amendment has authorized the levying of income taxes by the Federal Government, another the election of United States Senators by popular vote, still another conferred the privilege of voting upon women, and the last arranged that the Presidential term should terminate on January 20 instead of March 4.

"For a century and a half constitutional government has sufficed to meet the needs of our national life. It is a great tribute to those who designed it that so little change has been required during the length of time that has elapsed, especially in view of the history of that period. Since its adoption the Nation has increased in population fortyfold, extended its continental area to cover a territory more than four times as large as that over which its sovereignty was first recognized, and annexed insular possessions farther removed from it than it is removed from the country whence its early settlers migrated. The Nation has, under it, engaged in 6 major wars, 5 foreign and 1 sectional, and passed through the terrible ordeal of five extended periods of financial panic and business depression prior to that of 1929, without finding it necessary to make other changes in the organic law than those already indicated.

"The work of the founders has moved the admiration of the statesmen of the world and has received the sincere flattery of imitation by those engaged in the delicate and important task of inaugurating new governments dedicated to freedom.

"Not since the vexed question of slavery, coupled with the heresy of secession, threatened the integrity of our Nation has any attack of sufficient moment to call for its defense been made upon the fundamental law until within the past few months.

"True, Communists and Fascists have urged the overturn of our Government and the substitution for it of the despotic rule of Stalin or the no less objectionable tyranny of Mussolini, but no sane mind has regarded their success as probable, or even possible, within any reasonable period of time. True, Socialists, more moderate in their demands, have proposed certain radical changes in the Government under which we have lived and under which we have enjoyed a larger measure of peace, prosperity, and happiness than any other people of any land in any age, but their influence has not been strong enough to more than modify and humanize certain of our laws within constitutional limits. We have nothing at present to fear from these sources.

"But of late a more insidious and vastly more dangerous effort to destroy the great work of the Philadelphia Convention has appeared. A substantial group, some young in years, all young in practical experience, have gained the ear, not only of the unthinking multitude but of men in high authority, preaching the doctrine that veneration of the Constitution is a form of superstition; that it is obsolete, outmoded, a creation of the era of the stagecoach, the canal boat, and the sailing vessel; that it has no real value excepting as a somewhat interesting specimen of antique thought. They say that its authors were unfortunate in having lived before the day of railroads, steamships, automobiles, and airplanes; before the telegraph, the telephone, and the radio were invented; before the inauguration of the machine age; and that all of these changes have so affected human affairs as to render their work of no practical use to present and future generations.

"If statesmanship and mechanical invention were related sciences, the argument might be seriously considered. Fortunately, we are enabled to compare the earlier work that brought forth by the leaders of statecraft who represent the most ultra-modern theories of government, and who, with the aid of all of these enumerated accessories, have established new governments in Russia, in Italy, and in Germany.

"It is true that the delegates who attended the Constitutional Convention traveled from their homes either on horseback or in horse-drawn vehicles; that they never had seen, and that many of them failed to live long enough to see, railroads and steamships; that the airplane and the submarine would have been deemed by them impossibilities; and that none of them, with the possible exception of Franklin, dreamed of the telegraph or telephone; and that doubtless the radio was beyond the limits of even his far-seeing imagination.

"But all of this detracted nothing from their ability to plan a government for America. They were familiar with the lessons of history and capable of avoiding errors of the past. They were men of affairs and understood the needs of the American people. They foresaw the future development of the Nation. They realized the value of orderly government and proposed to provide for it on broad, safe lines. They loved liberty and had risked their lives to gain it. They were determined to maintain it for themselves and for those who were to follow them; and as a corollary to their love of liberty, they feared and hated arbitrary power. Their first thought was to provide against it. They had known it, exercised in turn by King, by Parliaments, by courts, and by the church. In order that no one of these great agencies should gain such an ascendancy as to attempt to inflict upon the people of America a repetition of the rule of a Stuart, a Cromwell, a Jefferson, or a Laud, they provided for the separation of church and state, and for the administration of government by three great coordinate



branches—executive, legislative, and judicial—each supreme in its own sphere of action, sufficiently cooperative so that their work completed a harmonious and symmetrical whole, yet each constitution a check upon the other.

"They realized the need of local self-government on the part of the people of America, constituted and located as they were. Hence they provided that the burden of government should be borne only in such part by the Union as would permit it to function properly and to occupy a dignified position in the world of nations, and permitted the States to retain their sovereignty and to exercise full authority in all matters not expressly delegated.

"They provided for the enjoyment by every citizen of the largest measure of freedom of thought and speech and action consistent with the maintenance of orderly government. This they did, not only in general terms in the original document submitted to the States for ratification, but specifically and particularly by the addition thereto of the first 10 amendments.

"A detailed analysis of the remaining provisions of the Constitution seems necessary in view of the fact that you are all familiar with them. May it not suffice to suggest that no indication of obsolescence mars the simplicity and beauty of the great charter of American liberty. Age does not constitute a defeat in a declaration of great principles.

"The solemn contract which King John signed at the stern behest of the Barons at Runnymede, containing the pledge that 'to no man will we sell, to no man will we delay or deny right and justice', still carries to the minds of every citizen of Great Britain and of America an assurance of protection thrown about life, liberty, and property, although it was written more than seven centuries ago.

"The Bill of Rights presented by Parliament to William and Mary in 1688 still extends its protective force against oppression.

"It was from these sources that our forefathers drew inspiration for their labors. They assumed as their rightful heritage the common law of England, the greatest civilizing force, with the exception of the Christian religion, which the world has known, and incorporated many of its maxims in their work.

"It has recently been stated by high authority that our Nation has undertaken a new order of things, toward which it will progress under the framework and in the spirit and intent of the Constitution. An analysis of the progress so far made, and a discussion as to whether or not it has been conducted within the spirit and intent of our organic law, is a very proper subject for our consideration. Such a discussion involves no suggestion of partisan politics. Support of constitutional government in America will never be confined to the membership of any one political party. Nor will any major party ever condone an administration taking to itself powers not granted by the Constitution.

"Men may honestly differ as to the authority conferred upon the executive, the legislative, or the judicial branch of government; the right of the Federal Government to assume certain powers which others deem to have been retained by the States, or the limits which mark the line between individual liberty and license. But thoughtful Americans will not differ on the proposition that constitutional government must be maintained at any cost, and that if the provisions of the great charter appear in any particular to be inadequate, they may only be amended by orderly process.

"We are immediately concerned with the inquiry as to whether or not, in the progress so far of creating a new order of things, the constitutional limitations have been observed. Let us examine the record.

"Since March 4, 1933, either by direct congressional enactment or by Executive order based on such legislation, the Chief Magistrate of the Nation has been given or has assumed authority—

"To debase the currency; to buy and sell gold at a price fixed arbitrarily by him; to purchase Government bonds, and to seize private stocks of gold to be paid for at an arbitrary valuation;

"To levy sales taxes, denominated process taxes, on food, clothing, and merchandise at such times and rates as he may determine;

"To expend enormous sums of money for various purposes not definitely and explicitly defined before the appropriation of the money;

"To create business corporations whose activities bring them into direct competition with private industry;

"To manufacture commodities in competition with private business;

"To buy and sell commodities, fix minimums at which industries and merchants may sell their goods;

"To allot a maximum production to individual farms and factories, and to forbid expansion or development in any industry or any single plant;

"To impose collective bargaining on employers of labor, and to establish minimum wages and maximum hours of labor in every line of industry;

"To raise and lower tariffs and discriminate between nations in the application thereof;

"To abrogate and annul certain governmental contracts without compensation and without appeal or review by the courts;

"To inflate the currency.

"Is it possible to sustain that program as being within the intent and spirit of the Constitution? I search its provisions in vain to find authority for much of it. Attempt has been made to justify certain portions as emergency legislation. A constitution that may be disregarded during or because of an emergency is as worthless as the promise of a government given with the implied reservation that it may be broken at time with impunity. The authors of the Constitution know something about emergencies,

they have lived among them during the larger part of their lives. They framed the great charter to meet emergencies, not to evade them.

"From what source comes the authority of either the executive or the legislative departments of government to enter the field of private business? Or to fix prices at which commodities shall be bought and sold? Or to direct the production of farms? Or the manufacture of merchandise? Or the development of industry? Of the method of fixing wages between employer and employed? Or the establishment of minimum wages, maximum hours, or conditions of labor? Or to levy taxes for the purpose of paying farmers not to produce food? Or to purchase food products with taxpayers' money for the sole purpose of destroying the products so purchased?

"If the Federal Government possesses these various powers, the Constitution needs amendment. If it does not possess them, they should not be exercised by it. It is apparent that the supporters of the new order doubt the authority to do these things. Senator COSTIGAN, of Colorado, leading exponent of the right of Congress to legislate directly concerning these matters or to delegate authority to the President to act upon them, has this week introduced a resolve to amend the Constitution, by adding to it a provision granting the Government power to regulate hours and conditions of labor, to fix minimum wages in any employment, and to regulate production, industry, business, trade, and commerce. In other words, to make it legal to do in the future the illegal things which have been done in the past.

"Every Member of this organization is sworn to obey and uphold the Constitution. Every public official is so sworn. It is the duty of every lawyer, every official, every honest citizen, to raise his voice in protest against a violation of its provisions. Confusing the proper sphere of action of the three great branches of government, disregarding the sovereignty of the States, and reducing them to mere territorial subdivisions; denying to individual citizens the measure of liberty to which they are entitled—may lead to a fuller and more abundant life, may undertake a new order of things, may spiritualize the soul of America. But it must lead to the destruction of constitutional Government, and that the American people will not permit at the behest of any man or group of men or party, least of all at that of an irresponsible group of impracticable theorists, strangers to the electorate, cast upon the shore of political life by the tidal wave of a national election occurring when the voters, suffering from misfortune, turned for relief to whoever promised it.

"The Constitution will be the law of the land long years after they have returned to the obscurity from which accident raised them and have been forgotten even by those who now pay homage to them."

#### PROCESS OF OBTAINING LOANS FROM HOME OWNERS' LOAN CORPORATION

Mr. BARBOUR. Mr. President, I present and ask unanimous consent to have printed in full in the RECORD a chronological record of an attempt to obtain a loan from the Home Owners' Loan Corporation, prepared by a New Jersey resident, who is a war veteran with two dependents.

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

1933

July 18: Requested loan from the Washington, D. C., office.

July 15: Called on the State manager in Trenton, where I filled out the blank form of application for a loan, and asked the manager if he would hold up the foreclosure until the loan had been passed upon. Foreclosure was not held up.

August 15: Received dispossess from sheriff. Notified Home Loan. Nothing was done about it.

September 15: Wrote to Trenton office asking why the delay, as the appraisal had been made, and was told that my application had been turned over to the Newark office.

September 18: Called at Newark office and was told that they had no record of my application, so I made out another application and in a few days another appraisal was made.

September 20: Received letter from State Manager Shanley saying that my application had reached his desk and that he would have foreclosure held up for 4 weeks and in the meantime settle the question of a loan. (Foreclosure sale was held on August 2.)

December 19: Was told by Mr. McCormack, manager of the Newark office, that loan had been granted, but that the bank holding the mortgage would not accept Government bonds and that he could do nothing further, and advised waiting to see if the Government would guarantee same.

1934

February 15: Was notified by the Fidelity Union Title & Mortgage Guaranty Co., who held the mortgage, that they would now accept the bonds and to send them \$7.50 to pay the Corporation for clerical expenses, which I did.

March 1: Received a letter from Lindsey Dodd, special representative in the Washington office, telling me to get in touch with William McNish at the Newark office.

March 3: Called on Mr. McNish, but my papers could not be found. Was told to call later.

March 15: Called on Mr. McNish and was turned over to the chief adjuster, who had the papers. He told me that everything was O. K. with the exception of the amount to be added to the



loan for alteration and repairs. For me to get two bids from contractors and that he would get the third, as three was required by law, and that the contract would be given to the lowest bidder and the amount would be added to that required to buy back the property and pay the delinquent taxes.

April 18: Wrote to Newark office to find out how things were going and had a reply from M. P. Crook, chief adjuster, stating that they had no record of having had any business with me.

May 15: Called on the chief adjuster to see what was holding up the loan and was told it was due to the fact that their contractor had not yet submitted his bid, but that they would write that day giving him 3 days to get his bid in.

July 10: Wrote a letter to the State director, protesting at delay, and asking for action. No reply.

July 21: Wrote to the home office in Washington, complaining at the State director for neglecting to answer me, and begging for action one way or another.

July 30: Received a reply from Willis G. Kemper, assistant general manager, saying that the delay was caused by the neglect of the Corporation contractor to submit his bid. His letter also contained the following statement: "The fee appraisal has been completed which indicates that we can loan sufficient to cover the encumbrances as well as necessary repairs."

August 2: Replied to Mr. Kemper's letter, calling to his attention that 3 months previous the Newark office had given the contractor 3 days in which to submit his bid.

August 2: Received a letter from Mr. Silzer, Newark manager, telling me that I must apply to three financial institutions for a loan, and if unsuccessful, to let him know, and he would then see what he could do.

August 6: Submitted the refusals in writing from three financial institutions.

August 8: Wrote to Washington headquarters of the Home Owners' Loan Corporation, complaining of the treatment I was receiving from the New Jersey office.

September 4: Receiving no reply from Washington, I wrote a letter of protest to the President, which letter was referred to the Home Owners' Loan Corporation and buried there.

September 6: Received a letter from Manager Silzer, telling me that my application for a loan had been disallowed, but gave no reason.

September 8: Wrote a letter of protest to President Roosevelt, to which I received no answer.

September 27: Received notice of dispossession, and telegraphed to the President, calling attention to his promise that no one would lose their home. No reply was received.

So ends the record of what is called a "new deal" and it sure is one.

The VICE PRESIDENT. Morning business is closed. The calendar is in order under rule VIII.

#### AUTHORIZATION FOR GOVERNMENT BOND ISSUE

Mr. HARRISON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes.

The VICE PRESIDENT. The Senator may make the motion at this time if he so desires.

Mr. VANDENBERG. Mr. President, when is it planned to have a call of the calendar?

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 4304. It will take only a few moments.

Mr. VANDENBERG. I should like to inquire of the Senator from Arkansas [Mr. ROBINSON], if I may, when it is contemplated that we may have a call of the calendar?

Mr. ROBINSON. So far as I know, the calendar may be called today following the disposition of the bills which are to be brought forward.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Mississippi.

Mr. THOMAS of Oklahoma. Mr. President, I understood unanimous consent had been requested.

The VICE PRESIDENT. Unanimous consent was requested, and was necessary under the rule until morning business was closed. After that time the Senator has the right to make the motion to have the bill considered. He has made the motion and that is the pending question.

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. The motion is not debatable.

Mr. BORAH. Mr. President, is the motion to take up the bill in order prior to 2 o'clock?

The VICE PRESIDENT. Yes. Morning business is closed and the motion is in order at this time under the rule. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, which had been reported from the Committee on Finance without amendment.

Mr. HARRISON. Mr. President, the bill has already passed the House. It has been reported unanimously by the Finance Committee of the Senate. It seeks to amend the Second Liberty Loan Act of 1917 in this respect: In that act it was provided that the Government might issue bonds to the amount of \$28,000,000,000. However, it did not, when the Government had retired certain bonds, permit the issuance of more bonds in their place. The pending measure seeks to give the Treasury Department the power to have bonds outstanding at any time in an amount not in excess of \$25,000,000,000; but as they may be retired others may be issued, though at no time shall there be more than \$25,000,000,000 outstanding.

I may say, from the explanation given by the Secretary of the Treasury to the committee, that we are now within the limit under the law by only \$2,300,000,000. Another lot of Liberty bonds will be due, to the amount of \$1,800,000,000, on the 15th of April. They must be financed, of course. That will leave a margin of only \$700,000,000.

It appeared to the committee that the measure is in the interest of good financing. The Treasury Department have assured us that they may be able to effect a saving to the taxpayers in reduced interest rates because, as Senators know, there are times when the market demands long-time paper, whereas at other times the call is for short-time paper.

That is the purpose of the bill in a nutshell. There is another provision which permits the Treasury to issue so-called "baby bonds", in denominations from \$25, to \$10,000. It is felt that there is a demand in the country for that class of paper. They do not carry coupons, but carry a rate of interest from 2 to 3 percent, as the market may be in position to pay at the time.

I shall be glad to answer any questions that may be propounded.

Mr. McNARY. Mr. President, may I ask the Senator from Mississippi a question? The bill, of course, originated in the House.

Mr. HARRISON. Yes.

Mr. McNARY. Were hearings held there?

Mr. HARRISON. Yes; and also hearings were held before the Senate Finance Committee. They were brief hearings.

Mr. McNARY. Were they printed?

Mr. HARRISON. I have the hearings here in typewritten form. They will be printed, I may say.

Mr. McNARY. Was the committee unanimous in its report?

Mr. HARRISON. Yes; the committee was unanimous.

Mr. THOMAS of Oklahoma. Mr. President, the bill before the Senate is H. R. 4304. The bill is entitled "A bill to amend the Second Liberty Bond Act." The purpose of the bill is to authorize the United States to increase our bonded indebtedness from \$28,000,000,000 to a possible \$45,000,000,000. Late yesterday we were advised that this bill was to be called up today, although it was reported by the committee only yesterday.

I tried to get the hearings on the bill. I called upon the Ways and Means Committee of the House of Representatives, and was advised that there were no hearings held in the House of Representatives. The Ways and Means Committee met in executive session, and after a very brief consideration the bill was reported.

I then called upon the Finance Committee of the Senate to see if I could get a copy of the hearings before that body and I was advised that there were no copies for distribution. I was advised that the committee met in executive session, remained in session for something like an hour and 20 minutes, and reported out this bill. I asked for copies of the hearings, and the most obliging clerk advised me that if I would see the chairman perhaps I could arrange to get a copy of the hearings.



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

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. So far as the Finance Committee is concerned, there was a hearing. It was only on yesterday, and, of course, no copies of the hearing are available this morning; but the Finance Committee did have before it officers of the Government and did have a hearing on this measure.

Mr. THOMAS of Oklahoma. I made the statement that I was advised the hearings lasted for approximately an hour and 20 minutes.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Did I understand the Senator to state that he was advised by the Treasury Department that if he had been the chairman of the committee he possibly could have gotten a copy of the bill?

Mr. THOMAS of Oklahoma. No; I was advised by the obliging clerk of the Finance Committee—

Mr. LONG. Well, that is getting up some. That is some improvement.

Mr. THOMAS of Oklahoma (continuing). That if I would see the chairman, perhaps I could arrange to get copies of the hearings.

Mr. LONG. Will the Senator permit me just to observe, as a question, that it rather seems as if the Treasury is getting rather considerate when some clerk might, under some circumstances, let even the Chairman of the Finance Committee have a copy of the bill on which we are to vote. If they keep coming, we are liable to be a Congress here.

Mr. THOMAS of Oklahoma. I am not making complaint against anyone.

Mr. HARRISON. Mr. President—

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator from Mississippi.

Mr. HARRISON. Of course, the Treasury officials appeared before the Ways and Means Committee. I do not know whether or not their statements were taken down by a reporter.

So far as the Finance Committee of the Senate were concerned, we were told that this was a matter of some urgency, because of the fourth Liberty loan bonds coming due on April 15. The Treasury officials had to get the machinery in order so that they may retire the \$1,800,000,000 of bonds coming due at that time. So we set aside other hearings in which the Committee on Finance were engaged, and on yesterday had before our committee the Director of the Budget, the Secretary of the Treasury, the Assistant Secretary of the Treasury, and some other authorities from the Treasury Department. Every opportunity was given to the members both of the minority and the majority to ask questions. I had a reporter there who took down the proceedings, and a transcript of the hearings is here. There has not yet been an opportunity to send them to the Printing Office.

I should have been delighted to give to the Senator a copy of the hearings. I imagine that the clerk told the Senator as he did because the hearing was not a public one. There was no reason why it should not have been public, however, because it was a statement of the officials of the Treasury Department.

Mr. THOMAS of Oklahoma. Mr. President, this is a most important bill. I agree with the Chairman of the Finance Committee on that statement. The only information I can get about the bill is to be found in the report submitted by the Chairman of the Ways and Means Committee. However, the information from that source is very, very meager. I have also a report from a newspaper, the Times-Picayune, of New Orleans, which gives some information about the bill. I likewise have an editorial from the Evening Star under the headline "More Borrowing" that gives some information; but, Mr. President, this bill increases the national mortgage from \$28,000,000,000 to possibly \$45,000,000,000; hence it seems to me it is time that somebody, somewhere, should stop, look, and listen.

During the past few years we have increased our borrowings from some \$16,000,000,000 to \$28,500,000,000, which means that we now have that sum of Federal obligations outstanding. A national bond, Mr. President—I do not care what we call it; Liberty loan bond, relief bond, Treasury note, or bill; it is immaterial what we call it—that note is a mortgage upon all the property of the people of the United States.

This morning we had present before the Agricultural Committee three members of the Cabinet. We were trying to get some information as to the situation that confronts our largest single group, the agricultural population of the country. The agricultural group embraces something like 30,000,000 American citizens, men, women, and children, living upon the farm; and, of course, these bonds are a mortgage upon every farm in America. These bonds are a mortgage upon every factory in America. These bonds are a mortgage upon every piece of property and upon all the earnings of all the people in this country. Here we have a bill proposing to increase our indebtedness to \$45,000,000,000 without any hearings in the House of Representatives and approximately an hour and 20 minutes of hearings in the Senate. A bill reported out of committee on yesterday comes up today, unanimous consent for its consideration is asked, and it is hoped that the bill may be passed and speeded upon its way.

In the House of Representatives the Ways and Means Committee has for its duty the raising of revenue to finance the Government. In this body the Finance Committee has that jurisdiction. In the House of Representatives it is the duty of the Ways and Means Committee to find ways to take care of our public expenditures. The same responsibility and the same duty rests upon the Finance Committee of the Senate. They have come in here and have had no hearings whatever in one body of Congress upon a bill proposing to increase the governmental indebtedness to \$45,000,000,000; and in the other body, this body, an hour and 20 minutes of executive session. The bill is reported one day and taken up the second day. No one has a chance to investigate the conditions with any degree of satisfaction.

Mr. BORAH. Mr. President—

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. I do not understand the exact purport of this measure. I have not had an opportunity to read it.

Mr. THOMAS of Oklahoma. I think I can explain it.

Mr. President, during the World War the Congress found it necessary to pass legislation giving the officials of the Government the right to issue bonds to raise money to wage the war. From that time to this we have been using those old acts, passed in war time, to finance this depression and the cost thereof.

Now we have got to a point where the law's maximum possibilities are found to be insufficient. In other words, the Government finds it cannot issue more than \$2,000,000,000 in certain classes of securities, long-term bonds, and only a small amount of short-term securities; I think \$400,000,000 of short-term Treasury notes, bills, and only about \$2,000,000,000 can be issued in long-term notes. I think everyone realizes we cannot now sell long-term bonds, so the Government now has to resort to short-term bonds, and the amount of such securities which may be issued at this time is only about \$400,000,000.

I agree that the pending bill is an important measure, a most important measure, and that it should be acted on with dispatch. But we have just spent 3 weeks trying to solve the problems of the world, apparently with little thought upon the conditions obtaining among our people here at home. That is what I am complaining about.

Mr. President, this bill opens the entire question of finance, of money, of credit, and we are asked to come here, after 3 weeks of busy days, important days, and, without discussion, without information, and without hearings, pass a bill of this most important character.

Mr. President, I wish to direct an inquiry to the Chairman of the Committee on Finance. There is no immediate urgency for the passage of this bill. It has to be passed, of



course, sometime during this session. However, I suggest the advisability of the postponement of the further consideration of this measure until after Monday, when we hope to have handed down by the Supreme Court of the United States what is known as the "gold-clause decision." It may be necessary to pass some legislation after that decision. This bill would be a good vehicle to which to attach such legislation. We could send the bill together with such legislation back to the House on short notice, and in a few hours perhaps we might remedy any defect which may be pointed out in existing law. I have no purpose to delay the matter, but there are certain things that I think should be taken into consideration in the consideration of the bill.

Mr. HARRISON. I will say to the Senator from Oklahoma that if the Supreme Court should knock out the gold clause, I think we would be here for quite a while trying to evolve some way out of our trouble; but even in that event, I should dislike very much to see this legislation delayed for the purpose of tacking some amendments onto the bill. It has occurred to me that this is such a simple proposal and will work such benefit to the Government in its financing policy that the quicker we can pass it the better. Of course, I have no desire in the world to try to press legislation through the Senate if there is some Senator who wants to give it further consideration. I think Senators are entitled to give these matters every consideration. However, there is one question involved here, which is that under the present law the Treasury Department is limited in the issuance of bonds to \$28,000,000,000. The Treasury Department is right now on the edge of that limit. The next issue of bonds will be made on April 1, I believe it is, in the sum of \$1,800,000,000, which would leave only \$700,000,000 margin.

The Secretary of the Treasury told us that he had saved in a very short period some \$150,000,000 through Government refinancing, issuing bonds, and taking up some short-term paper, or vice versa. There is not any doubt that some saving might be effected to the Government through Government refinancing, and that this weapon, with which to effect such saving, should be given to the Secretary of the Treasury. It would be most unfortunate if we found ourselves in the situation that by limitation of law the Secretary of the Treasury could not issue any bonds, and would have to resort to short-term paper.

I do not care to get into the controversy as to whether that is the wisest policy to pursue or not. However, this bill merely fixes the limitation of these bonds which can be outstanding at any time at \$25,000,000,000.

I was very hopeful that we might pass the measure quickly. If the Senator from Oklahoma tells me and the Senate that he wants to delay the matter for some good reason, that of study, or because there is some likelihood of serious disadvantage to the Government by its immediate passage, why, of course, I would have no objection to it. I should like to get the measure out of the way as quickly as possible, but I should hate to see it put off because of the likelihood of an adverse decision by the Supreme Court of the United States, because if such decision should be rendered all of us would have to put our heads together, and it would then take quite a while to unscramble the eggs.

Mr. THOMAS of Oklahoma. Mr. President, I have no serious fear that the Supreme Court is going to disturb our present status quo.

Mr. LONG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I wish to ask the Senator from Oklahoma a question. When I first began listening to the Senator from Oklahoma, our national debt was \$19,000,000,000, and the Senator was undertaking to convince us that we ought to put out some money instead of putting out some more bonds. Now, I understand, we have a debt which is up to about twenty-eight and a half billion or twenty-nine billion dollars, and there is not much difference in the money supply between what it was at that time and now. It seems to me that

the more we keep down the supply of money the more necessary it becomes day by day to add bonds, and there have already been added, in spite of the warning that we need more money, \$10,000,000,000 in bonds, and it will be necessary to issue more bonds in spite of the admonition that the need of this country was for more money. We keep going further and further in debt, and we have the same amount of money with which to pay interest on these increasing bonds.

Mr. President, today the bonded indebtedness of the United States is five times as large as the entire amount of currency of the United States. How long are we going to keep this kind of thing going? I understand the next proposition to be put forward will add five billions of dollars more to our national debt. The people of the United States have to pay annual interest charges of  $3\frac{1}{2}$  or 4 percent, amounting to something like one and a quarter billion dollars, when the entire amount of currency of our country is around five and a half billion to six billion dollars.

How long are we going to keep this up? I want to ask the Senator from Oklahoma what is the condition going to be if they keep down the money supply as they have been doing, and they have been doing it most perniciously, they have been doing it most advisedly, they have been doing it most consistently, in spite of the fact that we try time and again to get up an agitation here to do the reverse? Will it not necessarily lead to this, that the bonded indebtedness will be piled on and on until we can expect another \$10,000,000,000, with the same kind of funds or currency to back it up?

Mr. THOMAS of Oklahoma. At this point I take occasion to place in the Record a number of statements in general terms of our debt situation. When the World War was over we had bonds outstanding in the sum of approximately \$26,000,000,000. During the next few years, with high tax rates and prosperous times, and through the sale of surplus and excess war munitions and material, we were able to pay off that debt down to something like \$16,000,000,000. That was the amount of the national debt when this depression struck.

Since the depression has come upon us we have increased our national debt from approximately \$16,000,000,000 to twenty-eight and one-half billion dollars. That is, there is twelve and one-half billion dollars more indebtedness upon the country now than there was when the depression struck.

The point I am trying to call to the attention of the Senate is that we are giving plenty of attention to going into debt, but practically no attention is given to plans to get out of debt or even trying to stop the further issuance of bonds.

Mr. President, I assert that the present policy, if continued, will lead to disaster. I think I see what is coming. I am against inflation, Mr. President, notwithstanding reports to the contrary. I think I am more against inflation than is any Member on this floor. I have tried, and am now trying, to call this matter to the attention of the Senate in order that we may stop a tendency that is leading inevitably to uncontrolled inflation.

Mr. President, the makers of the Constitution, and the founders of our Government, understood the money question. They provided an agency representing all interests, and all the people, and gave such agency a positive and definite mandate to regulate the value of money in the best interests and for the general welfare of our common country.

During the past 100 years, at least on three strategic occasions, the Congress betrayed its responsibility. In 1873, through the demonetization of silver, one-half of the money of the people was destroyed. The demand for gold increased, gold value went up in purchasing power, prices fell, and panic and depression was the inevitable result.

In 1900 the Congress was asleep when it joined the world gold bloc and sought to make a little cube of gold, at that time only some 26 feet square, the metallic monetary standard and basis of the currency and credit of the world.

Again in 1920, the Congress was asleep when it permitted, and even encouraged, the Federal Reserve System to inaugurate and carry out a policy of deflation which has caused



more loss, more misery, and more distress than all the wars in which our country has engaged.

Since 1913, until recently, the Federal Reserve System was the agent of the Congress and the Government in coining or issuing money, and likewise the agent of the Congress in regulating the value of money.

Agencies and administrations come and go, but the Congress goes on indefinitely; hence, the Congress has been, now is, and will continue to be constitutionally and exclusively responsible for the monetary policies of our Government.

The Congress has this constitutional duty to perform, and from this responsibility the Members of the Congress are powerless to escape. Hence our present troubles, to the extent that they have been or are caused by financial policies, must be blamed upon the Members of the Congress.

It is because of this conception of the Constitution and my conviction of the grave responsibilities a Member of the Congress assumes with his oath of office, that I am doing what I can to bring the money problem before the people for consideration.

What is the money problem, and why is it so important?

To answer these questions is my task today.

It is contended by some that money, like the sun, moon, and tides, is controlled by unchanging and unchangeable natural laws; hence, any attempt to manage our currency or to influence or control our monetary policy constitutes tinkering with the currency.

It is self-evident that I do not subscribe to such doctrines. Money is a man-made device to facilitate, encourage, and promote commerce and trade. Money and monetary policies, man-created, are subject to control, management, and manipulation; hence, the kind of control and management is important, very important, to the people of our country.

The unit of our money is the dollar. The value or purchasing power of the dollar changes. Because all history records the changing value of monetary units, the makers of the Constitution gave the Congress the power to regulate the value of money. When the value of the dollar changes, some persons are benefited while others are injured. If the dollar becomes more valuable, the creditor is enriched and the debtor is impoverished, and vice versa.

From the beginning of the World War the trend of the value of the dollar was downward, until in 1920 the dollar had a value or buying power of only 64 cents.

From 1921 the trend of the value or buying power of the dollar was upward until 1926, when the value was 100 cents.

The value of the dollar continued to rise until in February 1933 its value was 167 cents.

The yardstick by which we measure the value or purchasing power of the dollar is the point of rise or fall of the average wholesale prices of some 784 commodities. Economists universally agree that such a value-measuring device is the most accurate and dependable yet invented.

I am not suggesting that we return to the cheap dollar of 1920, but I have demanded that we get away from the high-valued dollar of 1933.

The program suggested by me is to eliminate the 67 cents of excess value by adjusting the buying power of the dollar downward to the 1926 level of 100 cents.

The program suggested and adopted is working.

To date we have reduced the value of the dollar domestically 40 cents. So long as the dollar has an excess value, the people who have taxes, interest, and debts to meet must earn, produce, and save an excess amount of wealth to exchange for such high-valued dollars.

The cause of the extra high prices in 1920 was the low value or purchasing power of the dollar. The cause of the extreme low prices in 1932 and 1933 was the high value of the dollar. History will record that the major causes of this depression were high taxes, excessive debts, and high-valued dollars.

As stated, our policy is to cheapen the dollar so that the people may secure dollars with which to meet their obligations.

Of President Coolidge's policies, I am willing to return to his 1926 valued dollar. The 1926 dollar was worth 100 cents

in commodities and property. I am not asking to go further.

I have never, and do not now, advocate a cheap dollar. I want the best possible money, and the soundest dollar is the one that will serve the best interests of our people, our Government, and our American economic system.

Recently the Federal Advisory Council, an adjunct of the Federal Reserve System, submitted a report criticizing the administration's financial program. The Council protested against a dollar of fluctuating value and recommended that the United States return to the gold standard.

Answering this protest, permit me to suggest that from 1900 to 1933 the United States was on a gold standard, and that since the World War our dollar has had a value ranging from 64 cents in 1920 to 100 cents in 1926 and 167 cents in 1933.

In this report the Federal Council inveighed against the threat of inflation as a barrier to thrift.

As an answer to this complaint I might remind the members responsible for the report that we had the gold standard when the 1929 crash came, and the gold standard was still in force on March 4, 1933, when every bank in America was closed, when business was at a standstill, and when 14,000,000 wage earners were walking the highways and byways looking for jobs, food, clothing, and shelter.

The Council and all bankers must know that under the gold standard bankers lost most of the capital, surplus, and undivided profits of 15,000 banks, and the depositors in such banks lost billions of dollars—in many cases the savings of a lifetime of toil and privation.

The Federal Reserve Board acted promptly and correctly on the report by returning it to the Council with the suggestion that the protests and recommendations were prepared and submitted without authority of law.

I mention this incident as further evidence of the importance of the money question.

Again I ask—what is the money problem?

It is not the gold standard.

It is not silver or the free coinage of silver.

It is not bimetallism.

It is not the commodity dollar.

The money problem is the proper regulation of the value of the dollar. Hence the question uppermost today is to what value will the dollar be regulated and thereafter stabilized?

The Congress has made the President its agent to regulate the value of the dollar. The President, in the exercise of the power conferred, has already reduced the gold content of the dollar some 40 percent. By this act the dollar has been cheapened abroad as measured by foreign exchange, but the dollar has not been correspondingly cheapened at home. Tentatively the gold content of the dollar has been fixed at 15 grains plus. This may not be the permanent weight of the gold dollar for the reason that when world currencies are adjusted and stabilized, we, of necessity, must regulate the gold content of the dollar so the value of the dollar will serve and protect our interest in foreign exchange and trade. Any other course of action may place our foreign as well as our domestic trade at a possible disadvantage with other nations ambitious for world economic supremacy.

At this time it is impossible to say, or even speculate, upon the future value of the American dollar.

The money question is fundamentally a domestic problem, yet the relation of the dollar value to the value of other world-currency units must not be omitted from our consideration and final action of stabilization.

Apparently, the world is not now ready for the stabilization of currencies. At least, reports indicate that neither England nor the British Empire are ready to return to the gold standard with fixed gold contents for their several units of money. Inasmuch as Great Britain is our major competitor for world trade, it would not be a wise policy for the United States to go too far with regulation and stabilization prior to joint action with such country, and preferably prior to joint action with the leading commercial nations of the world.



Since world conditions are somewhat chaotic, since each nation regards its money as its own local problem, and since world stabilization of currencies seems at the moment impossible, then the American problem is to proceed to adjust the value of the dollar so as to serve the best interests, not of any one group or class but of all groups and classes of our people.

As already stated, the cause of this depression was debt—tax debt, interest debt, and bonded debt—all made doubly heavy and burdensome by the rise in the value of gold so that the 23 grains of gold in the dollar had a value of purchasing power of not 100 cents but, instead, a value of 167 cents.

World conditions and sentiment provide a bar to world stabilization of currencies at this time. Such stabilization will not come until the several nations complete the process of regulation of the value of their monetary units to best serve the needs and demands of their peoples and interests. Even here at home we are not yet ready to approve and fix the present value of the dollar as the definite dollar value for the future.

If it were not for our fixed obligations in the form of taxes, interest, and debts, the value of the dollar would not be so important; but with our mass of taxes, our annual interest burden, and our incomprehensible debt structure, the value to be fixed for our future dollar becomes the all-important question and issue of the day.

Our problem now is to so cheapen the domestic dollar as to raise the general price level to that point which will permit the people to produce wealth and in turn exchange such wealth for sufficient dollars with which to meet their taxes, interest, and debts.

To illustrate, let me be specific. I will use figures from my own State of Oklahoma. In 1931 our consolidated State tax bill was \$131,000,000. During 1931 we had a fair yield of all crops; but having at that time a 136-cent dollar, our farm products brought only \$66,000,000 and our petroleum brought only \$110,000,000. In short, in 1931 we did not make enough money by \$50,000,000 to pay our taxes. Consequently, the results were inevitable that the payment of taxes—city, county, State, and Federal—was postponed, interest payments were defaulted, and insurance premiums were permitted to lapse.

What did a 136-cent dollar mean to Oklahoma? It meant that Oklahomans had to give up goods, wares, merchandise, commodities, and services to the value of 136 cents to get a dollar.

To pay their consolidated State taxes of \$131,000,000 they had to give up and part with value to the extent of \$178,160,000 to get the necessary \$131,000,000, which in effect caused an over and unjust payment in the sum of \$47,160,000.

To pay their Federal taxes of \$96,000,000, Oklahomans had to give up value to the extent of \$130,560,000, or a forced overpayment in the sum of \$34,560,000.

To pay their interest of \$60,000,000 they had to part with value in the sum of \$81,600,000, or an excess payment in the things Oklahoma produces in the sum of \$21,600,000.

Our insurance bill is estimated to be \$60,000,000, hence another excess payment in the sum of \$21,600,000 was made necessary by having forced upon us a 136-cent dollar.

The items of taxes, interest, and insurance are fixed overhead charges, hence on these items alone the two and one-half million people I am privileged to represent had demands made upon them in that year for an excess value in the total sum of \$124,920,000. Thus through an unjust, indefensible, and dishonest dollar, demand was made upon the taxpayers of my State for an excess value represented by farm commodities, oil, coal, lumber, lead, zinc, and manufactured goods in a total sum representing \$50 for every man, woman, and child residing in Oklahoma.

I pointed out this injustice then; I have continued my campaign for a just, equitable, and honest dollar from then to now, and no power save health can swerve me from my course.

What happened in Oklahoma has been duplicated in other States, and the record in the States is being duplicated by the Federal Government at Washington.

Let me again be concrete. The regular expenses of running the Federal Government are approximately \$5,000,000,000 per annum. This year we will collect in taxes approximately three billion, thus making necessary borrowing of some \$2,000,000,000. This year, because of various forms of public relief, including loans to almost all classes of industry, grants and loans to municipalities, and direct relief to our citizens in distress, we will spend some three billions additional, so that this year we must borrow some \$5,000,000,000 to meet our bills. The only place we can borrow money is from the banks. What might happen if the bankers should become frightened and refuse to make further loans, or refuse to buy additional bonds or Treasury paper? Before this thing would happen, however, the banks would begin to sell the bonds they already have, and in such a contingency the only possible buyer would be the Government itself.

If the bank bond-selling campaign should persist until the Government trust funds are exhausted, and the \$2,000,000,000 gold stabilization fund should become depleted, then the Government would have to resort to the exercise of the powers granted the President to print and use paper money for the purchase of bonds thrown upon a distressed market. With the spending obligations already incurred, and with the amount of bonds outstanding, should such conditions arise, then inflation, real inflation, the kind the dictionary defines, would be a reality. It is this possible emergency I have been and am now trying to avoid.

Until recently, deflation was the national policy. Some insist that such policy should be continued. Deflation, if carried to the nth degree, brings about the same results as uncontrolled and unlimited inflation. The results in each case are repudiation or revolution or both.

At this point, let me ask the question: How will farmers, livestock men, and producers of raw materials generally, be able to secure dollars with which to meet their taxes, interest, and debts, unless the price of their products is raised?

Unless the people have interest- and debt-paying power, what will soon be the value of the notes, bonds, and fixed investments of the creditor class?

Still, again, let me be specific. It is estimated that all the people together have massed debts approximating \$250,000,000,000. If this estimate is correct, it is impossible for anyone to conclude that such a debt burden can be met with our present high-valued dollars; hence, the only conclusion is that either these debts must be repudiated or the dollar must be further cheapened so that the people can procure dollars with which to meet their debts contracted and outstanding.

During the past 4 years, the depression has cost the American people in loss of income the staggering total of over \$127,000,000,000. It has reduced our national income from \$83,000,000,000 in 1929 to \$39,000,000,000 in 1932. The recovery was only to forty-one billions in 1933. In addition to loss of annual income, the shrinkage of capital assets, of total national wealth, has amounted to almost twice as much as the loss in current income since 1929.

The total tax bill of all the people amounts to \$15,000,000,000 annually. The total interest bill of all the people amounts to at least ten billions annually. The tax bill of fifteen billion added to the interest bill of ten billion, makes a total sum of \$25,000,000,000 annually for these two items alone. As stated, our annual income now is approximately \$40,000,000,000. With taxes and interest paid, we have only \$15,000,000,000 left for all other forms and classes of expenditures. With this analysis, does anyone still wonder why business is so slack and slow?

How can this staggering burden ever be paid, unless the income and the property values of the United States are restored to higher levels? No government can live excepting by the taxes it collects from its citizens. To pay taxes, the



people must have profits. Profits are the foundation of our economic system and the pillars upon which our Government rests.

Short-term indebtedness of municipalities all over the country is held by local banks. The long-term bonds are distributed in insurance companies, savings banks, endowment funds of colleges and hospitals, and in the investments of widows and orphans.

Municipalities sunk under the weight of a deflationary dollar are not alone in their trouble. Mortgages securing the land-bank bonds guaranteed by our Government will show an enormous percentage of default. The record made by the Federal Land Bank System will be duplicated by the Home Loan Corporation. Only through the cheapening of the dollar and the consequent increase in commodity prices and property values can the Federal Government and the taxpayers be saved from tremendous losses in these institutions.

The cheapening of the dollar is not necessarily inflation. Inflation is an excessive and over issue of irredeemable paper money.

If the mere reduction of the value of the dollar constitutes inflation, then we have inflated our currency some 40 percent during the past 18 months.

The facts are that we have over \$1,000,000,000 less in circulation today, with a 15-grain gold dollar, than we had on March 1, 1933, with a 23-grain gold dollar.

It is but fair to say that the public, at least those not versed in the economics of money, understand that the cheapening of the dollar and the consequent raising of prices constitutes inflation. The public is neither interested, nor much concerned, over the weight of the standard gold dollar. The unemployed want jobs; the farmer wants profitable prices; the merchant wants business; the factories want orders; and governmental units want taxes, and it is the duty of the Federal Government to provide sufficient money of the proper measure of value to promote the creation of jobs, profitable prices, sustained if not increased business for merchants and factories—all to the end that the people and the corporations may be able to meet their taxes, interest, and debts.

Wage earners, producers of raw materials, merchants, and manufacturers generally are demanding the kind of a dollar which will permit them to exchange their services and wares for enough of such dollars to enable them to survive and to permit those dependent upon them to continue to exist.

What will the bond holders, mortgage holders, and creditors do? See their claims wiped out, or support measures that will restore the values which alone can make their claims collectible? The habit of respecting creditors' claims is a social habit, slow to inculcate and difficult to reestablish. Never in the history of this country has the feeling of obligation to pay debts been so seriously impaired as during the last 5 years of deflation. Prior to 1933 the managers of our money gave us not only a dishonest but an impossible dollar. The people could neither earn nor borrow dollars; hence, our taxes, interest, and debts, went unpaid.

Not only the debtors suffer from a deflationary dollar, but the creditors stand to lose as well. Unless property values are restored, the debtor cannot pay. If the creditors are wise in their own interest, they will take this into account. We cannot retain our present deflationary dollar without precipitating social overturn or Nation-wide repudiation.

It is high time that bankers, other than international money changers, should look at this issue from the standpoint of their home communities. How and when will banks ever collect their notes and have profitable business on the basis of the present rate of taxation, volume of debts, and existing price level? My question to bankers is likewise directed to managers and directors of trust and endowment estates, life- and fire-insurance companies, mortgage and investment companies, savings banks, and building-and-loan associations.

Let me remind the holders of farm and urban mortgages, corporate, municipal, State and Federal bonds, that the policy of deflation has already brought into existence the

several special bankruptcy acts; and to the extent these laws are used, mortgages and bonds will be scaled down, or voided and repudiated.

A falling price level has always brought unemployment, stagnation, and depression. The United States had the longest and severest drop in price level; consequently it has the largest amount of unemployment and the greatest burden of public relief.

If we start a rising price level, we will release the most powerful force for recovery. Wage earners, farmers, business men, corporations, and industrial systems will again make profits, and profits are the foundations of both our form of government and the capitalist system.

How can the price level be raised? The benefits secured to date have been due in the main to the program of cheapening the dollar. Had the dollar not been reduced in value, wheat would be selling today for less than 60 cents per bushel, and cotton would be selling for less than 7 cents per pound. These would be the prices in terms of the 25-grain dollar, notwithstanding a drought of unprecedented proportions.

In addition to raising prices, let me call your attention to another substantial benefit already derived from our monetary-adjustment program. We have revalued our gold by increasing the price from \$20.67 to \$35 per ounce. Under existing law, the price of gold can be increased to \$41.34 per ounce. Already this policy has added a profit to the Federal Treasury in the sum of \$2,800,000,000. By a further bidding up of gold, now authorized by law, we can add some one billion in additional profits to the Treasury. When we bid up the price of gold to \$35 per ounce we at the same time reduced the gold content of the dollar from 25 to 15 grains of gold nine-tenths fine. If we take the next step and increase the price of gold to the legal limit of \$41.34 per fine ounce, it will follow that the new dollar will contain only some 12 grains of gold, and thereby the dollar will be still further cheapened and the price level will be raised accordingly.

We now have in our Treasury and in the mints over \$8,300,000,000 in gold, and if and when our gold is further revalued, the eight billion three hundred million will become over nine billions, and the total profit for our Treasury through such revaluation will be at least three and one-half billion dollars.

The Congress has adopted a second plan for the expanding of our currency, the cheapening of the dollar, and the raising of the price level. This plan is a wider use of silver. The policy adopted contemplates a metallic base for the support of our currency consisting of 75 percent of gold and 25 percent of silver. We are now acquiring silver for addition to our metallic stocks. We now have about 1,000,000,000 ounces of silver and our plan calls for an additional billion ounces. With our gold revalued and the silver acquired, we will have a metallic stock of over \$11,000,000,000. The total profit from the gold and silver program adopted by the Congress will reach approximately four and one-half billion dollars.

At this time we have gold and silver to the total monetary value of over \$9,000,000,000, and have in circulation money of all kinds in the sum of only five billion three hundred million; hence, we could issue an additional four billion of currency and have one dollar in gold or silver in the Treasury to redeem each dollar of the \$5,300,000,000 outstanding and the four billions which might be issued. It is my contention that in order to cheapen the dollar sufficiently, it will be necessary to revalue our gold by increasing the price to at least \$41.34 per ounce, and, in addition, issue and place in actual circulation sufficient currency to reduce the value of the domestic dollar to the 1926 level.

It is obvious that the value of the dollar in foreign exchange is governed by the gold content of the dollar. Gold is available for export; hence, the value of the dollar can be fixed in grains of gold, and such value can be maintained and stabilized. There are only a few possible ways to cheapen the dollar. One is to bid up the price of gold by decreasing the gold content of the dollar. Another way is to add silver to our metallic base on a plan whereby such silver will compete equally with gold in the redemption of



paper currency. By such use of silver as basic money, the demand for gold would decrease and its value thereby would diminish; hence, gold dollars would decrease in value or buying power. The third way to cheapen the dollar would be to go off gold, and then regulate the value of the paper dollar by the amount or number of such dollars placed in circulation.

I have and am advocating a further devaluation of the gold dollar. By bidding up gold to the legal limit of \$41.34 per ounce, we will still have a dollar of equal, if not a higher value than the Coolidge dollar of 1926.

I have and am advocating a wider use of silver as basic and primary money.

I have and am advocating the issuance and circulation of currency against the vast stock of gold now impounded in the Treasury. If these plans are not followed, then unprecedented tax increases are inevitable. However, raising tax rates does not insure a greater tax return. Until corporations can make net profits and until individuals can make net incomes, tax rates of whatever amounts will not bring funds to the Federal Treasury.

By continuation of the program for cheapening the dollar, the price level will be raised. When prices rise, value will return to commodities; and with the return of profitable commodity prices, value will return to securities; and with the return of security values, our banks will be enabled to make loans again. Until these things happen, we cannot possibly have a return of prosperity.

Again I say our program is working.

The dollar is becoming cheaper.

On March 4, 1933, the dollar was worth in commodities, goods, and services, 167 cents.

On October 1, 1 year ago, the dollar was worth 140 cents.

On May 1 the dollar was worth 135 cents.

On August 1 the dollar was worth 132 cents.

On January 26, 1935, the dollar was worth 126 cents.

As the dollar comes down, the general price level rises; hence prices are now going up.

Value is returning to property.

Banks are commencing to make loans.

One hundred and twenty-five millions of Americans are tired of resting, and I confidently predict that the new deal is destined to bring a new era of unparalleled prosperity.

Mr. HARRISON. Mr. President, I merely wish to express appreciation to the Senator from Oklahoma for the high degree of cooperation he has shown. There is no Senator, I am sure, to whom Senators would rather listen on the monetary question, and certainly no Senator has given more sincere and studious thought to it than he, and when he speaks he is always interesting and contributes to the literature on this question.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment.

Mr. VANDENBERG. May I ask the Senator from Mississippi for some further information? In his explanation of the bill he confined himself to the \$25,000,000,000 section.

Mr. HARRISON. Yes.

Mr. VANDENBERG. Will the Senator indicate to me whether the \$10,000,000,000 authority in section 3 is in addition to or included in the \$25,000,000,000?

Mr. HARRISON. Where in the pending measure there is a \$10,000,000,000 limitation on certificates of indebtedness and Treasury bills and notes, it carries the same provision as the present law, except that it combines the two. The limitation on each class now is \$10,000,000,000, and this combines it by making the figure \$20,000,000,000. In that respect only does the bill change the present law.

Mr. VANDENBERG. Is the Senator now discussing the \$20,000,000,000 figure in section 5? I am asking him about the \$10,000,000,000 figure in section 3. What is the significance of that figure?

Mr. HARRISON. That applies to the Treasury bills. They can issue up to \$10,000,000,000 of Treasury bills under the present law.

Mr. VANDENBERG. Is the \$10,000,000,000 that the Senator is now discussing included in the \$20,000,000,000 in section 5?

Mr. HARRISON. That is included in the \$20,000,000,000 in section 5.

Mr. VANDENBERG. So that the sum total—

Mr. HARRISON. The sum total is \$20,000,000,000.

Mr. VANDENBERG. And the final sum total is \$45,000,000,000.

Mr. HARRISON. By adding that to the \$25,000,000,000 of bonds which may be issued, it makes the total \$45,000,000,000. Under the present arrangement, under the Second Liberty Loan Act, the issue of bonds is limited to \$28,000,000,000, and Treasury bills and certificates are limited to \$20,000,000,000.

Mr. VANDENBERG. Is there any type of authority whatsoever which would permit borrowings beyond the \$45,000,000,000?

Mr. HARRISON. None at all.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no amendment proposed, the question is: Shall the bill be read the third time?

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

#### CALL OF THE ROLL

Mr. VANDENBERG. I suggest the absence of a quorum. The PRESIDENT pro tempore. The clerk will call the roll.

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

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Loneragan	Schall
Bankhead	Davis	Long	Schwellenbach
Barbour	Dickinson	McCarran	Sheppard
Barkley	Dieterich	McGill	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkeley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hatch	Nye	Walsh
Caraway	Hayden	O'Mahoney	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

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

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HOLLISTER, and Mr. WOLCOTT were appointed managers on the part of the House at the conference.

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 amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. ARNOLD, Mr. OLIVER, Mr. TABER, and Mr. BACON were appointed managers on the part of the House at the conference.



ADDITIONAL APPROPRIATIONS FOR FEDERAL COMMUNICATIONS AND  
OTHER COMMISSIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission, for the fiscal year ending June 30, 1935, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ADAMS. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ADAMS, Mr. GLASS, and Mr. HALE conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. FLETCHER. I move that the Senate proceed to the consideration of Order of Business 32, being the bill S. 1384, to amend the emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KING. Are we not proceeding on the call of the calendar, taking bills up in their order?

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the calendar cannot be taken up except by unanimous consent, and bills may be taken up on motion only.

Mr. VANDENBERG. Mr. President, it was the understanding of the Senator from Arkansas [Mr. ROBINSON] that we would have a call of the calendar at the conclusion of the last preceding bill. He so announced on the floor in response to an inquiry from me. I am sorry he is not present at the moment. I want to be sure that the calendar shall be called before the afternoon shall be over.

Mr. LEWIS. Mr. President, I am authorized, serving merely as a substitute for the majority leader, to affirm the statement of the Senator from Michigan that there was an understanding that the calendar would be called, and, specifically, that some measure alluded to by the Senator from Michigan might be considered. The leader on this side stated the Senator from Michigan would be given that opportunity. I do not, however, wish to interfere with the Senator from Florida.

Mr. FLETCHER. I do not think it will take very long to dispose of the bill for which I desire consideration.

Mr. VANDENBERG. Is the bill on the calendar?

Mr. FLETCHER. It is.

Mr. VANDENBERG. Will we not reach it if we call the calendar?

Mr. FLETCHER. I do not know. I am disposed to be agreeable about it. There did not seem to be any other Senator pressing for the consideration of any measure, and I want to dispose of the bill I have in charge as soon as it may be done. I do not, however, wish to displease any other Senator. I had supposed that it was in order to move to take up a bill on the calendar on which it was desired to secure action.

Mr. HARRISON. Mr. President, if the Senator will permit me, it was stated this morning by the Senator from Arkansas, in answer to a question, that after the bill then under consideration was disposed of the calendar might be taken up. It seems to me that there are only about five bills on the calendar and all of them may be rapidly disposed of, I think.

Mr. FLETCHER. I have no objection to that being done, and I withdraw my motion, so that we may proceed regularly with the calendar.

The PRESIDENT pro tempore. If the Senator from Florida will pardon the Chair, the Chair will state that, under the rule, the calendar may be called until the hour of 2 o'clock. The hour of 2 o'clock having passed, the calendar will not be called except upon unanimous consent. There is no request

for unanimous consent that the calendar shall be proceeded with. Therefore, the motion of the Senator from Florida to proceed with the consideration of a particular bill is in order, unless he withdraws the motion and unless unanimous consent is asked otherwise.

Mr. FLETCHER. That is what I had supposed, and that is the reason I made the motion.

The PRESIDENT pro tempore. The parliamentary situation is as the Chair has stated it.

Mr. LEWIS. Mr. President, in view of what I am compelled to state was something of an understanding, and in view of the statement of the leader on behalf of this side, and in order that the understanding may be carried out because of the belief in it and reliance upon it by the Senator from Michigan, I ask unanimous consent—

Mr. FLETCHER. I made a motion.

Mr. LEWIS. I do not wish to usurp the motion. I did not know what was pending.

The PRESIDENT pro tempore. Does the Senator from Florida withdraw his motion to proceed with the consideration of Senate bill 1384?

Mr. FLETCHER. I withdraw the motion, and ask unanimous consent that the calendar may be proceeded with.

The PRESIDENT pro tempore. The Senator from Florida withdraws his motion and asks unanimous consent to proceed with the consideration of bills on the calendar. Is there objection? The Chair hears none, and the clerk will state the first business in order on the calendar.

USURY LAWS OF THE DISTRICT OF COLUMBIA

The bill (S. 396) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury was announced as first in order.

Mr. BULKLEY. Mr. President, I ask that that bill go over; and in that connection I wish to state that the Senator from Utah knows I have no purpose to obstruct the bill, but there are certain constructive amendments which are being prepared. I therefore ask unanimous consent that this bill be passed over until notice be given by the Senator from Utah and myself that it may be proceeded with.

Mr. KING. I agree to what the Senator has said, except that, after a reasonable time shall have elapsed, I shall ask that the bill be considered.

Mr. BULKLEY. That will be perfectly proper.

The PRESIDENT pro tempore. The bill will be passed over.

LOCATIONS IN MINING DISTRICTS

The bill (S. 575) to amend the Mining Act of May 10, 1872, as amended, was announced as next in order.

Mr. KING. I ask that the bill be read.

The PRESIDENT pro tempore. The clerk will read the bill.

The legislative clerk read the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 575) to amend the Mining Act of May 10, 1872, as amended, which had been reported from the Committee on Mines and Mining with an amendment, on page 1, line 5, after the word "where", to insert the word "unreserved", so as to make the bill read:

*Be it enacted, etc.,* That section 2357 of the Revised Statutes of the United States be amended to read as follows:

"Sec. 2357. Where unreserved land in the United States or Alaska situated in the vicinity of mining districts is not contiguous to a vein or lode and contains practically no known mineral value, and where the surface of such land is more valuable for the use and purpose of ore-reduction works or any other equipment necessary or convenient for economical working and treatment of ores, including landing fields and airports, such lands may be located under this act by designating the use and purpose thereof as "mill-site claims": *Provided*, That no location shall exceed more than 20 acres to the claim, and where such locations are upon surveyed lands, and conform to the legal subdivision, no further survey or plat shall be required. When it is apparent that such non-adjacent land located is suitable for the installation of such equipment necessary or convenient for the development and operation of mines, the reduction of ore, and treatment thereof, including landing fields and airports, the owner or owners, their heirs, assigns, or legal representatives, shall within 1 year from date of location pay to the United States of America \$1 per acre or frac-



tion thereof, said payment to apply upon the purchase price of said land in compliance with these provisions. The locators or claimants thereof shall have exclusive right of possession and enjoyment of all the benefits thereof, and thereafter shall annually pay \$1 per acre or fraction thereof, for a period of 4 years. Said payment of \$1 per acre must be paid at the land office in which the claims are located and the same must be paid at such land office on or before the 30th day of June each year. It shall be the duty of the register and receiver of such local land office in whose district such claims are located to receive and register all payments made by the claimants and to receipt therefor to them. That the payment or payments of said \$1 per acre shall apply on the purchase price of said lands in any patent proceedings instituted in compliance with the provisions of this act: *Provided*, That the claimant or holder thereof shall on or before 5 years from date of location make application for a patent by proceeding as provided for in section 2825, and upon failure to comply with the provision of this act the rights of the holder thereof shall be deemed forfeited, and such land thereafter shall be open to location in the same manner as if no location of the same had ever been made. That the purchase price of said mill sites shall be \$5 per acre or fraction thereof."

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

Mr. KING. Mr. President, I should like to ask the Senator from Idaho for an explanation of the bill.

Mr. BORAH. Mr. President, the design of the bill, which has been introduced at the request of a number of mining organizations, is to provide for what are in the nature of airport facilities for the great inland mines. The bill has the endorsement and approval of the different mining organizations, and I do not know of any objection to it.

Mr. KING. May I ask the Senator whether there is anything in the bill which would restrict the right of persons who are qualified to enter upon the public domain for the purpose of discovering and operating mining properties from exercising the right which the law now gives them?

Mr. BORAH. There is nothing in the measure, I think, that would affect that right at all. If there is any such provision, I should want it eliminated.

Mr. KING. I know the Senator would.

Mr. BORAH. The bill reads in part:

Sec. 2337. Where unreserved land in the United States or Alaska situated in the vicinity of mining districts is not contiguous to a vein or lode and contains practically no known mineral value, and where the surface of such land is more valuable for the use and purpose of ore-reduction works or any other equipment necessary or convenient for economical working and treatment of ores, including landing fields and airports, such lands may be located under this act by designating the use and purpose thereof as "mill-site claims":

It is similar to legislation heretofore enacted in connection with mill sites except that it enlarges the area.

Mr. KING. I have no objection.

Mr. LA FOLLETTE. Mr. President, I note in the report of the committee that the Chairman of the Federal Power Commission takes exception to the proposed legislation. I should like to ask the Senator from Idaho if the committee made any provision to take care of that objection?

Mr. BORAH. The proposal of the Federal Power Commission was accepted by the authors of the bill. The word "unreserved" and some other amendments were inserted at their request.

Mr. LA FOLLETTE. Very well.

Mr. FLETCHER. I think the main purpose of the bill is to afford an opportunity for landing fields.

Mr. BORAH. That is its object.

Mr. POPE. Mr. President, the point which has just been suggested was thoroughly discussed by the committee of which I am a member—the chairman of the committee is not present at the moment—and it was the unanimous thought of the committee that the objection was taken care of, and there was a unanimous vote in favor of the bill.

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

The amendment was agreed to.

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

#### PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

The Senate proceeded to consider the bill (S. 411) to authorize an annual appropriation of \$10,000 to pay the pro-

rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, which was read, as follows:

*Be it enacted, etc.*, That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, an annual sum of \$10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, created pursuant to a resolution of the Sixth International Conference of American States.

Mr. KING. I should like to ask whether it is designed to make this a permanent appropriation which will not call for action by Congress at each session, but I will make no objection to the measure.

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

#### LOUISE FOX

The bill (S. 736) for the relief of Louise Fox was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Louise Fox, widow of William C. Fox, late minister to Ecuador, the sum of \$10,000, being 1 year's salary of her deceased husband, who died of illness incurred while in the Consular Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

#### WALES ISLAND PACKING CO.

The Senate proceeded to consider the bill (S. 753) to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co., which had been reported from the Committee on Foreign Relations with an amendment inserting a proviso at the end of the bill so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000 to the Wales Island Packing Co. for the injury to the business and property of said company on Wales Island on account of the decision of the Alaska boundary tribunal, under which the possession of said island has passed from the United States to the Dominion of Canada, as found by the Court of Claims and reported in Senate Document No. 61, Seventy-second Congress, first session: *Provided*, That no part of the amount appropriated in this act in excess of 20 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, or other party or parties, on account of services rendered in any way in connection with the presentation, passage, or collection of said claim or any part thereof. It shall be unlawful for any such agent or agents, attorney or attorneys, or others as herein provided, to collect, receive, exact, or withhold a portion of the amount appropriated in this act in excess of 20 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

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

#### BILL PASSED OVER

The bill (S. 92) to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes, was announced as next in order.

Mr. WHEELER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### GREAT LAKES CAR FERRIES

The Senate proceeded to consider the bill (S. 619) to amend section 27 of the Merchant Marine Act, 1920, which had been reported from the Committee on Commerce with amendments, on page 1, line 10, after the word "vessel", to insert "as part of a rail and water route"; in line 12, after the word "carrier", to insert "by water"; on page 2, line 2, after the word "carrier", to insert "by water"; and in line 7, after the word "rail", to insert "and if such ferries and vessels are documented under the laws of the United States", so as to make the bill read:

*Be it enacted, etc.*, That section 27 of the Merchant Marine Act, 1920, as amended, is amended by striking out the final period and inserting in lieu thereof a colon and the following: "*Provided further*, That this section shall not apply to merchandise loaded on railroad cars and transported in any railroad-car ferry operated



between fixed termini on the Great Lakes as part of a rail route or to railroad freight traffic transported in any vessel as part of a rail and water route pursuant to rail and water rate tariffs, if such car ferry or vessel is owned by a common carrier by water and operated as part of a rail route with the approval of the Interstate Commerce Commission, and if the stock of such common carrier by water, or its predecessor, was owned or controlled by a common carrier by rail prior to June 5, 1920, and if the stock of the common carrier owning such car ferry or vessel is, with the approval of the Interstate Commerce Commission, now owned or controlled by any common carrier by rail and if such car ferries and vessels are documented under the laws of the United States."

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. VANDENBERG. Mr. President, this is emergency legislation created by a peculiar and unexpected situation. Under the Merchant Marine Act of 1920, no coastwise shipping, as the Senator from Utah knows, may be carried on by any corporation which is less than 75 percent American owned. It is an appropriate protection. Within the last few months it has unexpectedly developed, and really to the great embarrassment of the Department of Commerce as well as to the jeopardy of established transportation, that the Grand Trunk Ferries on the Great Lakes are owned by the Grand Trunk Railway of Canada; that also the only freight-car carrier connecting the two peninsulas of Michigan at Mackinac City and St. Ignace is owned by the Duluth, South Shore & Atlantic Railroad, which in turn is one-third owned by the Canadian Pacific. There is only one other situation in the entire country like it, and that is the Vermont Central Railway. Unexpectedly, 15 years after the passage of the law, it is discovered that our car ferries come within the proscriptions of the 1920 act.

The Department of Commerce is very eager to exempt these three long-standing operations, which were never contemplated when the 1920 act was originally placed on the statute books, and against which there can be no appropriate inhibition or possible objection. The Department of Commerce asks that they be exempted and is very careful to see that the exemption does not go beyond the limitation as defined. Except that such a bill be passed, these car ferries will be taken from the Great Lakes and there will be no other winter navigation, because the car ferries are the only ships powerful enough to keep lanes open through the ice. We propose no new relaxation in the standard requirement that American coastwise shipping shall be at least 75 percent American owned. We propose simply that railway-water ferries, all-American documented and all-American manned, in existence prior to 1920 shall not be interrupted. So far as I know, there is no objection. The Department of Commerce recommends the passage of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the Committee on Commerce.

The amendments were agreed to.

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

#### BILL PASSED OVER

The bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934, was announced as next in order.

Mr. McNARY. Mr. President, I received a letter this morning containing some criticisms of this measure. I gave the letter to the able Senator from Utah [Mr. KING] and hope he will be willing to let the bill go over for a day so that I may confer with him.

Mr. KING. Mr. President, the communication to which the Senator refers is in line with a number of communications which I have received from lawyers who think that the bill rather restricts the compensation which they may receive. However, in the light of the request of the Senator, if it is agreeable to the Senator now presiding [Mr. PITTMAN], I have no objection to the bill going over until tomorrow. I shall ask then that it be taken up.

Mr. McNARY. I shall not ask for greater postponement than that.

The PRESIDENT pro tempore. On objection the bill will be passed over.

#### CONDEMNATION OF INSANITARY BUILDINGS, DISTRICT OF COLUMBIA

The bill (S. 403) to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections numbered 5 and 6, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the act of March 1, 1899, is hereby amended to read as follows:

"That if in the District of Columbia any building or part of a building, staging, or other structure, or anything attached to or connected with any building or other structure or excavation, shall, from any cause, be reported unsafe, the inspector of buildings shall examine such structure or excavation, and if, in his opinion, the same be unsafe, he shall immediately notify the owner, agent, or other persons having an interest in said structure or excavation, to cause the same to be made safe and secure, or that the same be removed, as may be necessary. The person or persons so notified shall be allowed until 12 o'clock noon of the day following the service of such notice in which to commence the securing or removal of the same; and he or they shall employ sufficient labor to remove or secure the said building or excavation as expeditiously as can be done: *Provided, however,* That in a case where the public safety requires immediate action the inspector of buildings may enter upon the premises, with such workmen and assistants as may be necessary, and cause the said unsafe structure or excavation to be shored up, taken down, or otherwise secured without delay, and a proper fence or boarding to be put up for the protection of passers-by.

"Sec. 2. That when the public safety does not, in the judgment of the inspector of buildings, demand immediate action, if the owner, agent, or other party interested in said unsafe structure or excavation, having been notified, shall refuse or neglect to comply with the requirements of said notice within the time specified, then a careful survey of the premises shall be made by three disinterested persons, one to be appointed by the Commissioners of the District of Columbia, one by the owner or other person interested, and the third to be chosen by these two, and the report of said survey shall be reduced to writing and a copy served upon the owner or other interested party; and if said owner or other interested party refuse or neglect to appoint a member of said board of survey within the time specified in said notice, then the survey shall be made by the inspector of buildings and the person chosen by the Commissioners, and in case of disagreement they shall choose a third person, and the determination of a majority of the three so chosen shall be final.

"Sec. 3. That whenever the report of any such survey shall declare the structure or excavation to be unsafe, or shall state that structural repairs should be made in order to place the said structure or excavation in a fit condition for further occupancy or use, and the owner or other interested person shall for 10 days neglect or refuse to cause such structure or excavation to be taken down or otherwise to be made safe, the inspector of buildings shall proceed to make such structure or excavation safe or remove the same. After the expiration of the 10 days in which the owner or other interested person is given to make the structure or excavation safe, or to be taken down or removed, the owner or other interested person, having failed to comply with the provision of the report of the board of survey, shall not enter, or cause to be entered, the premises for the purpose of making the repairs ordered, or razing the building, as the case may be; or in any other way to interfere with the authorized agents of the District of Columbia in making the said structure or excavation safe, or in removing same, without first having obtained the written consent of the Commissioners of the District of Columbia or their duly authorized representatives. The inspector of buildings shall report the cost and expense of said work to the Commissioners of the said District, who shall assess the amount thereof upon the lot or ground whereon such structure or excavation stands, or stood, or was dug, and unless the said assessment is paid within 90 days from the service of notice thereof on the agent or owner of such property, the same shall bear interest at the rate of 10 percent per annum from the date of such assessment until paid, and shall be collected as general taxes are collected in said District; but said assessment shall be without prejudice to the right which the owner may have to recover from any lessee or other person liable for repairs.

"Sec. 4. That the existence on any lot or parcel of land, in the District of Columbia, of any uncovered well, cistern, dangerous hole, excavation, or of any abandoned vehicles of any description or parts thereof, miscellaneous materials or debris of any kind, including substances that have accumulated as the result of repairs to yards or any building operations, insofar as they affect the public health, comfort, safety, and welfare is hereby declared a nuisance dangerous to life and limb, and any person, corporation, partnership, syndicate, or company owning a lot or parcel of land in said District on which such a nuisance exists who shall neglect or refuse to abate the same to the satisfaction of the Commis-



sioners of the District of Columbia, after 5 days' notice from them to do so, shall, on conviction in the police court be punished by a fine of not exceeding \$50 for each and every day said person, corporation, partnership, or syndicate fails to comply with such notice. In case the owner of, or agent or other party interested in, any lot or parcel of land in the District of Columbia, on which there exists an open well, cistern, dangerous hole or excavation, or any abandoned or unused vehicles or parts thereof, or miscellaneous accumulation of material or debris which affects public safety, health, comfort, and welfare, shall fail, after notice aforesaid, to abate said nuisance within 1 week after the expiration of such notice, the said Commissioners may cause the lot or parcel of land on which the nuisance exists to be secured by fences or otherwise enclosed, and the removal of any abandoned vehicles, parts thereof or miscellaneous accumulation of material or debris adversely affecting the public safety, health, comfort, and welfare, and the cost and expense thereof shall be assessed by said Commissioners as a tax against the property on which such nuisance exists, and the tax so assessed shall bear interest at the rate of 10 percent per annum until paid, and be carried on the regular tax rolls of the District of Columbia and shall be collected in the manner provided for the collection of general taxes.

"Sec. 5. That for the purposes of this act any notice required by law or by any regulation aforesaid to be served shall be deemed to have been served (a) if delivered to the person to be notified, or if left at the usual residence or place of business of the person to be notified, with a person of suitable age and discretion then resident therein; or (b) if no such residence or place of business can be found in said District by reasonable search, if left with any person of suitable age and discretion employed therein at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (c) if no such office can be found in said District by reasonable search, if forwarded by registered mail to the last known address of the person to be notified and not returned by the post-office authorities; or (d) if no address be known or can by reasonable diligence be ascertained, or if any notice forwarded as authorized by the preceding clause of this section be returned by the post-office authorities, if published on 3 consecutive days in a daily newspaper published in the District of Columbia; or (e) if by reason of an outstanding, unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, if served on the owner of record in the manner hereinbefore in this section provided; or (f) in case any owner be a nonresident of the District of Columbia, then after public notice by said Commissioners given at least twice a week for 1 week in 1 newspaper published in the District of Columbia, by advertisement, describing the property, specifying the nuisance to be abated. Any notice required by law or by any regulation aforesaid to be served on a corporation shall for the purposes of this act be deemed to have been served on any such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own right; and, if required to be served on any foreign corporation, if served on any agent of such corporation personally, or if left with any person of suitable age and discretion residing at the usual residence or employed at the place of business of such agent in the District of Columbia. Every notice aforesaid shall be in writing or printing, or partly in writing and partly in printing; shall be addressed by name to the person to be notified; shall describe with certainty the character and location of the unlawful condition to be corrected, and shall allow a reasonable time to be specified in said notice, within which the person notified may correct such unlawful condition or show cause why he should not be required to do so.

"Sec. 6. That all acts and parts of acts inconsistent with this act be, and the same are hereby, repealed."

#### BOARD FOR CONDEMNATION OF INSANITARY BUILDINGS, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 406) to amend an act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes", which had been reported from the Committee on the District of Columbia with an amendment, on page 4, line 20, after the word "condemned", to strike out "is not subject to condemnation" and to insert in lieu thereof "should not be condemned or ordered to be repaired", so as to make the bill read:

*Be it enacted, etc.,* That sections 7, 14, and 15 of the act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes", are hereby amended to read as follows:

"Sec. 7. That the owner or owners of any building or buildings condemned under the provisions of this act, which cannot be so changed or repaired as to remedy the condition which led to the condemnation thereof, where the repairs and/or alterations necessary to remedy the conditions which led to the condemnation thereof cannot be made at a cost not greater than 50 percent of the present reproduction cost of said building as may be agreed upon by a majority of said board, shall demolish and remove such

building or part of building within the time to be specified by said board in the order of condemnation. And if any owner or part owner shall fail or refuse to demolish and remove said building or part of building within the time so specified he shall be deemed guilty of a misdemeanor and liable to the penalties provided by section 13 of this act, and such building or part of building shall be demolished and removed under the direction of the board for the condemnation of insanitary buildings in the District of Columbia, and the cost of such demolition and removal, less the amount, if any, received from the sale of the old material, but including the cost of making good such damage to adjoining premises as may have resulted from carelessness or willful recklessness in the demolition of such building and the cost of publication, if any, herein provided for, shall be assessed by the Commissioners of the District of Columbia as a tax against the premises on which such building or part of building was situated, such tax to be collected in the same manner as general taxes are collected in the District of Columbia.

"Sec. 14. That the owner or owners of any building or part of building condemned under the provisions of this act may, within the time specified in the order of condemnation, institute proceedings in the Supreme Court of the District of Columbia, sitting as a district court, for the modification or vacation of the order of condemnation aforesaid, and the court shall give precedence to any such case, and is authorized to issue such orders and decrees as may be necessary to carry into effect the said order of condemnation as made by the Board or as modified by the court in accordance with the verdict returned as hereinafter directed. The court shall appoint a jury consisting of three disinterested persons, one of whom shall be an architect, the second a physician or a health officer, and the third either a structural engineer or a competent builder, each of whom shall have the qualifications of jurors in the District of Columbia and who, after taking the oath required of jurors in the trial of civil causes, shall proceed under the direction of the court to inspect the premises and to hear and receive evidence respecting the sanitary condition, state of repair, and state of depreciation of such building or part of building aforesaid, the present reproduction value thereof, the fitness and suitability of such building or part of building for occupancy, and the cost to place said building or part of building in a proper and lawful condition for occupancy. In such proceedings the owner or owners of the building or part of building condemned shall be considered the plaintiff and the Board shall be considered the defendant. After inspecting the premises and hearing and considering all of the testimony as hereinbefore provided, the said jury shall return to the court its verdict on a prepared form, which shall contain the following questions to be answered by them:

"1. Condition of the building or part of buildings:

"(a) As to sanitation; and

"(b) As to state of repair.

"2. Can the building or part of building condemned be repaired and placed in a proper and lawful condition for occupancy and made to comply with all laws and regulations in force in the District of Columbia relating to buildings without exceeding 50 percent of the present reproduction cost of such building or part of building?

"3. Is the building or part of building subject to condemnation?

"1. If the jury shall find that the building or part of building sought to be condemned should not be condemned or ordered to be repaired, they shall so report to the court, who shall enter a decree directing the vacation of the order of the Board.

"2. If the jury shall find that the building or part of building is subject to condemnation and cannot be repaired and put in a safe, sanitary, and usable condition and made to comply with all laws and regulations in force and effect in the District of Columbia relating to buildings therein, they shall so report to the court, who shall enter a decree directing compliance by the plaintiff with the order of the Board.

"3. If the jury shall find that the building or part of building can be repaired and put in a safe, sanitary, and usable condition, and made to comply with all laws and regulations in force and effect in the District of Columbia relating to buildings they shall so report to the court, who shall enter an order directing the plaintiff within a reasonable time to cause the said building or part of building to be put in a safe, sanitary, and usable condition and made to comply with all the laws and regulations relative to buildings in the District of Columbia, and in the event of the failure or neglect of the plaintiff to cause the repairs or alterations necessary to be made to comply with the order of the court and the provisions of this act, the Board shall inform the court of such fact and the court shall thereupon enter an order requiring the removal of the said building or part of building. Unless cause be shown to the court within 10 days from the filing of said verdict of removal why the same should not be confirmed, the court shall ratify and confirm the same and cause judgment thereon to be entered accordingly, all the costs of the proceeding to follow the judgment. The Commissioners of the District of Columbia, or their duly authorized agents, shall proceed with the removal of the building or parts of building, as ordered by the court, and the cost of removing the building or part of building, including the cost of making good such damage to adjoining premises as may have resulted in such removal, and the cost of publication, if any may be necessary, authorized by section 10 of this act, shall be assessed against the real estate upon which said building or part of building stood, should the owner at his expense fail to remove the same within such time as may be fixed by the court in the order confirming the verdict of said jury.



"Each member of the jury appointed by the court as aforesaid shall receive for each day's attendance the sum of \$8 to be included as part of the cost of the proceedings.

"Sec. 15. Except as herein otherwise authorized all expenses incident to the enforcement of this act shall be paid from appropriations made from time to time for that purpose in like manner as other appropriations for the expenses of the District of Columbia."

The amendment was agreed to.

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

#### LOANS TO FARMERS IN DROUGHT- AND STORM-STRICKEN AREAS

The Senate proceeded to consider the bill (H. R. 3247) to meet the conditions created by the 1934 drought and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and to insert:

That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers during the year 1935 for crop production, planting, fallowing, and cultivation and, to the extent of not exceeding \$1,000,000, for feed for livestock in drought- and storm-stricken areas.

Sec. 2. (a) A first lien on all crops growing or to be planted or grown or harvested during the year 1935, or on livestock, shall be required as security for any such loan: *Provided, however*, That in the case of a loan for the purpose of summer fallowing or the production of winter wheat, a first lien, or an agreement to give a first lien, on crops to be harvested in 1936, may, in the discretion of the Governor, be deemed sufficient security. Except as hereinafter provided, such loans shall be made through such agencies, upon such terms and conditions, and subject to such regulations as the Governor shall prescribe. Recording and other fees in connection with such loans shall not exceed \$1 in any case, which shall be paid by the Farm Credit Administration. Loans made pursuant to the provisions of this act shall bear interest at the rate of not to exceed 5½ percent per annum. For the purpose of collecting loans made under this act and under prior acts of the same general character, the Governor may use the facilities and services of the Farm Credit Administration or of any officer or officers thereof and may pay for such services and the use of such facilities from the funds made available under section 5 hereof for the payment of necessary administrative expenses; and such institutions are hereby expressly empowered to enter into agreements with the Governor for such purposes.

(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed \$500 unless, in the opinion of the Governor, the circumstances surrounding the loans are such as to warrant a larger amount, in which event the borrower shall be entitled to a loan not in excess of \$700: *Provided, however*, That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations, under such regulations and for such time as he may prescribe therefor.

(c) No loans shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe (1) that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act; and (2) that such applicant is cooperating directly in the crop-production control program of the Agricultural Adjustment Administration or is not proposing to increase his 1935 production of basic agricultural commodities in a manner detrimental to the success of such program.

Sec. 3. (a) The moneys authorized to be loaned by the Governor under this act are declared to be impressed with a trust to accomplish the purposes provided for by this act, namely, the production, planting, fallowing, cultivation of crops, and feed for farm livestock, which trust shall continue until the moneys loaned pursuant to this act have been used for the purposes contemplated by this act, and it shall be unlawful for any person to make any material false representation for the purpose of obtaining any loan or to assist in obtaining such loan or to dispose of or assist in disposing of any crops given as security for any loan made under authority of this act, except for the account of the Governor, and for the purpose of carrying out the provisions of this act.

(b) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

(c) Any person violating any of the provisions of this act shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding 6 months, or both.

Sec. 4. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this

act; but the compensation of such officers and employees shall correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended.

Sec. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any moneys so appropriated, and all collections of both principal and interest on loans made under this act, may be used by the Governor for all necessary administrative expenses in carrying out the provisions of this act and in collecting outstanding balances on crop-production, seed, and feed loans made under the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes", approved February 23, 1934, or under prior legislation of the same general character.

Mr. KING. Mr. President, is not this a measure which was considered and passed a few days ago?

Mr. NORRIS. Mr. President, this is a House bill on the same subject. The amendment strikes out all after the enacting clause and inserts the language of the Senate bill which has already passed the Senate.

Mr. KING. What was done with the change in the bill from \$50,000,000 to \$100,000,000?

Mr. NORRIS. The provisions of the Senate bill are contained in the amendment. In other words, the Senate bill without any amendment whatever was incorporated in lieu of the House text as an amendment to the House bill.

Mr. KING. Then it carries \$100,000,000 instead of \$50,000,000?

Mr. NORRIS. Yes.

Mr. FLETCHER. Mr. President, may I ask the Senator from Nebraska if this is a direct donation?

Mr. NORRIS. It is the same bill we passed the other day. It provides for a loan.

Mr. HARRISON. Mr. President, is not the bill in this situation? The House passed a bill on the subject. The Senate passed its bill and we have now taken the text of our bill and are proposing to substitute it for the text of the House bill so the matter can be taken to conference.

Mr. NORRIS. That is the idea.

Mr. LA FOLLETTE. Mr. President, on page 7, of the proposed committee amendment, the amount of money which may be made available for loans for livestock feed is limited to \$1,000,000.

Mr. NORRIS. One hundred million dollars.

Mr. LA FOLLETTE. No; the Senator is mistaken. I am referring to the committee amendment to be found on page 7 of the bill which reads:

That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers during the year 1935 for crop production, planting, fallowing, and cultivation and, to the extent of not exceeding \$1,000,000 for feed for livestock in drought- and storm-stricken areas.

I should like to ask some member of the committee how they arrived at the figure of \$1,000,000 as being an appropriate limitation to place upon the power of the Governor of the Farm Credit Administration in extending funds for livestock feed. So far as all the other categories for which loans are to be made there is no limitation placed upon them.

Senators from the drought-stricken States and those who are familiar with the conditions there realize, I believe, that a very serious situation is developing as far as livestock feed is concerned in those areas during the indoor winter feeding period. The livestock feed situation is becoming desperate in the drought-stricken areas. There should be no limitation on the amount which may be loaned for feed purposes. We can rely upon the discretion of the Governor of the Farm Credit Administration in this regard.

I move an amendment to the committee amendment, on page 7, line 1, after the word "and", to strike out the words "to the extent of not exceeding \$1,000,000."

Unless the information which is coming to me is entirely erroneous a very tragic situation is developing in the drought areas. In my opinion, \$1,000,000 will not provide adequately for the farmers who ought to be extended the privilege of making loans not only for the production of next year's crop but also for the purpose of maintaining their livestock during the winter months.



Mr. CONNALLY. Mr. President, in view of the fact that a maximum limit is named in the bill, why can we not merely change the figures so as to let them loan more for these purposes, without changing the total appropriation?

Mr. LA FOLLETTE. If my amendment were to prevail, I should say that it would not place any limitation upon this feature and would give the same discretion to the Governor of the Farm Credit Administration for making loans for livestock-feed purposes that he now has with regard to making loans for crop production, planting, fallowing, and cultivation. In my opinion, if the Governor of the Farm Credit Administration can be given authority, as I think he should be under this bill, to determine what proportion of the \$100,000,000 may be loaned for purposes of crop production for 1935, he ought to be extended the same discretion in regard to loans to farmers to carry their existing livestock through the winter months.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

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

The bill was read the third time and passed.

#### PHOTOGRAPHS, SKETCHES, ETC., OF MILITARY AND NAVAL DEFENSES

Mr. TRAMMELL. Mr. President, I ask that the Senate revert to Senate bill 92, Order of Business 21.

Mr. LEWIS. That bill was passed over because of the absence of the Senator only.

The PRESIDENT pro tempore. The Senator from Florida asks unanimous consent that the Senate return to the consideration of Senate bill 92, Order of Business 21. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 92) to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes, which was read, as follows:

*Be it enacted, etc.,* That whenever, in the interests of national defense, the President shall define certain vital military and naval installations or equipment as requiring protection against the general dissemination of information relative thereto, it shall be unlawful to make any photograph, sketch, picture, drawing, map, or graphical representation of such vital military and naval installations or equipment without first obtaining permission of the commanding officer of the military or naval post, camp, or station concerned, or higher authority, and promptly submitting the product obtained to such commanding officer or higher authority for censorship or such other action as he may deem necessary. Any person found guilty of a violation of this section shall be punished by a fine of not more than \$1,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

Sec. 2. Any person who uses or permits or procures the use of an aircraft for the purpose of making a photograph, sketch, picture, drawing, map, or graphical representation of vital military or naval installations or equipment, in violation of the preceding section shall be liable to the penalty therein provided.

Sec. 3. On and after 30 days from the date upon which the President defines any vital military or naval installation or equipment as being within the category contemplated under the first section of this act, it shall be unlawful for any person to reproduce, publish, sell, or give away any photograph, sketch, picture, drawing, map, or graphical representation of the vital military or naval installations or equipment so defined, without first obtaining permission of the commanding officer of the military or naval post, camp, or station concerned, or higher authority, unless such photograph, sketch, picture, drawing, map, or graphical representation has clearly indicated thereon that it has been censored by the proper military or naval authority. Any person found guilty of a violation of this section shall be punished as provided in the first section of this act.

Sec. 4. The term "aircraft" as used in this act means any contrivance known or hereafter invented, used, or designed for navigation or flight in the air. The expression "post, camp, or station" as used in this act shall be interpreted to include naval vessels, military and naval aircraft, and any separate military or naval command.

Sec. 5. The provisions of this act shall extend to all territories, possessions, and places subject to the jurisdiction of the United States, whether contiguous thereto, or not, and offenses under this act when committed upon or over the high seas or elsewhere within the admiralty and maritime jurisdiction of the United States and outside the territorial limits thereof shall be punishable hereunder.

Mr. TRAMMELL. Mr. President, this is a bill which was recommended to the Naval Affairs Committee by the Navy Department, and was also recommended to the Military Affairs Committee by the War Department. It seems there is a possibility that the present law, making an inhibition against taking photographs, and so forth, might not extend to airplane operations and installations of airplane facilities. For that reason both the Navy Department and the War Department recommend the passage of this bill.

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

#### MALHEUR NATIONAL FOREST, OREG.

The bill (S. 464) to add certain lands to the Malheur National Forest in the State of Oregon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the following-described lands be, and the same are hereby, added to and made part of the Malheur National Forest in the State of Oregon, and shall hereafter be administered subject to the laws and regulations relating to the administration of the national forests:

Southwest quarter section 13; section 14; southeast quarter section 15; southwest quarter and east half section 22; sections 23, 24, 25, and 26; north half and southeast quarter section 27; east half section 34; sections 35 and 36, township 10 south, range 26 east.

South half section 16; south half section 17; southeast quarter section 19; sections 20 and 21; southwest quarter section 22; southwest quarter section 26; sections 27 to 34, inclusive; west half and southeast quarter section 35, township 10 south, range 27 east.

Section 1; north half and southeast quarter section 2; northeast quarter section 11; north half section 12; southeast quarter section 24; section 25; north half section 36, township 11 south, range 26 east.

All of township 11 south, range 27 east, except southwest quarter section 31 of said township.

West half and southeast quarter section 18; section 19; sections 30, 31, and 32; southwest quarter section 33, township 11 south, range 28 east.

Sections 1 to 4, inclusive, and the north half section 5, and the northeast quarter section 12, township 12 south, range 27 east.

Sections 4, 5, 6, 7, 8, and 9, southeast quarter and west half section 13, township 12 south, range 28 east, and sections 14 to 24, inclusive.

Sections 16 to 21, inclusive, and section 25, township 12 south, range 29 east; all Willamette base and meridian.

#### WILLAMETTE NATIONAL FOREST, OREG.

The bill (S. 462) to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That any lands which are in private ownership within the following-described area, which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes, may be offered in exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), as amended by the act of February 28, 1925 (43 Stat. 1090), and upon acceptance of title shall become parts of the Willamette National Forest; and, by proclamation of the President of the United States and upon recommendation of the Secretary of Agriculture, any lands in public ownership within such described area, not now within the national forest, found to be chiefly valuable for national-forest purposes, may be added to the Willamette National Forest, subject to any valid existing claims. Townships 16 and 17 south, ranges 3 and 4 east, and sections 31, 32, 33, 34, 35, and 36 in township 15 south, range 3 east, of the Willamette meridian.

#### FARM CREDIT ACT OF 1935

The Senate proceeded to consider the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. KING. Mr. President, this bill seems to contain many provisions of very great importance. Therefore I ask the able Senator from Florida [Mr. FLETCHER], the chairman of the committee, to make a reasonably long explanation of the bill, so that we may understand it.

Mr. FLETCHER. Mr. President, the report fully sets out the facts in regard to each section of the bill. It is almost impossible to make a full explanation of the bill without reading the report.



The bill does not interfere fundamentally with the present legislation. It clarifies and in some respects changes the law so as to promote harmony and coordination and cooperation. It does not call for any extra expenditure of money. It does not call for any fundamental changes in the present law. It clarifies the present law, and smooths out certain irregularities, perhaps, in some of the older enactments. It involves to some extent the operation of the Federal land banks, the intermediate-credit banks, the cooperative banks, the Farm Credit Administration, and in some instances gives a little additional power to the Land Bank Commissioner. Where the Federal land banks are not allowed to make loans, and the Commissioner under the present law is restricted to loans for certain purposes, the bill liberalizes the law to some extent, and gives the Commissioner a little more leeway.

For instance, under subsection (a), in section 2 of the bill, we strike out the words "and made for the purpose of reducing and refinancing an existing mortgage", so that the Land Bank Commissioner may permit the making of loans secured by first or second liens on real property with maturities as long as 42 years. Now such loans are limited to 13 years. The ordinary Federal land bank loan is for 30 years. This bill authorizes adding a little further time to these loans. It does not absolutely require it, but it gives that leeway.

The next section enlarges the purposes for which the Commissioner may make loans so as to include in those purposes the loans authorized by the Federal land banks; and the situation is somewhat ameliorated by the amendment to that act proposed here.

The subsection removes whatever doubt exists in regard to the authority of the Land Bank Commissioner to refinance an indebtedness which has not been assumed personally by the borrower, but which is secured by a lien on all or part of the property accepted as security for the loan. The Federal land banks now can make loans for that purpose. This bill allows the Commissioner to make such loans.

Referring to subsection (c), the addition of the phrase "at the time, or shortly to become", will make the definition of the term "farmer" in the Emergency Farm Mortgage Act of 1933 identical with the term "farmer" as it is defined in the Federal Farm Loan Act, as amended. The committee amendment makes corporate applicants eligible, under certain restrictions, to obtain Commissioner loans.

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

Mr. FLETCHER. I yield.

Mr. SMITH. This is a matter of great importance; and certain features of this very bill are being considered by another committee. I am sure I voice the sentiment of a good many Senators here when I say that they are not sufficiently familiar with the terms of this bill for us to consider it this afternoon. Therefore, I ask the Senator if it cannot go over until tomorrow, so that we may have an opportunity to study the measure.

Mr. FLETCHER. I do not want to crowd the measure. The bill is on the calendar, and we have reached it on the call of the calendar in the regular order. It is not my business to see that others are kept informed about legislation; but I do not want to be put in the attitude of crowding the bill.

Mr. SMITH. I think the Senator need not get excited about the bill's being on the calendar. A great many measures go on the calendar that we have not had time to study before they are placed on the calendar. In a matter of such importance as this I certainly do not want to obstruct the passage of any bill which has merit, as this has; but—

Mr. FLETCHER. I am willing, if the Senator desires, to have the bill go over.

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

Mr. FLETCHER. I yield.

Mr. ROBINSON. It will be necessary to have a session tomorrow, as the Senate cannot recess for longer than 3 days at a time, and there is no other business that I know of to be taken up. So, if it meets with the approval of the Senator from Florida, I see no objection to letting the fur-

ther consideration of the bill go over until tomorrow. I myself shall not be able to be here tomorrow.

Mr. KING. Mr. President—

Mr. FLETCHER. I desire to accommodate the Senator so far as I can. I merely want to see that we keep busy here and that we are doing something. If the Senator desires to have the bill go over until tomorrow, will he be willing to take it up, say, at 12 o'clock tomorrow?

Mr. SMITH. Yes; that is satisfactory to me.

Mr. KING. Mr. President, the Senator from Arkansas just stated that so far as he knows, this was the only measure to be up for consideration tomorrow. There is one bill that we passed over today, the Mexican Claims Commission bill, which has gone over until tomorrow.

Mr. ROBINSON. When I left the Chamber, I understood that that bill was to be taken up today. I was necessarily absent for a short time.

Mr. KING. I shall ask, therefore, that that bill be taken up tomorrow.

Mr. FLETCHER. That will be all right. I will agree, then, that the bill may be temporarily laid aside, to be taken up tomorrow at 12 o'clock.

Mr. ROBINSON. The bill which the Senator from Florida has in charge will be the unfinished business.

Mr. NORRIS. Not unless he moves to take it up.

#### EXECUTIVE SESSION

Mr. ROBINSON. 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.

#### REPORTS OF A COMMITTEE

Mr. HAYDEN. From the Committee on Post Offices and Post Roads I report favorably sundry nominations of postmasters, and direct the attention of the Senator from Arkansas to two nominations in his State.

#### WILL W. COFFMAN

The legislative clerk read the nomination of Will W. Coffman to be postmaster at Harrison, Ark.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the nomination.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nomination is confirmed.

#### JORDAN B. LAMBERT

The legislative clerk read the nomination of Jordan B. Lambert to be postmaster at Holly Grove, Ark.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the nomination.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nomination is confirmed.

#### FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Power Commission.

Mr. ROBINSON. Before taking up that nomination, may we not dispose of the other cases on the calendar? There are only two others.

#### POSTMASTERS

The legislative clerk read the nomination of Elmer B. McCrone to be postmaster at Creede, Colo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James E. Smith to be postmaster at Riverton, Wyo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

#### FRANK R. M'NINCH

The legislative clerk read the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Power Commission.

Mr. BAILEY. Mr. President, I desire to make record of my opposition to the appointment and to the confirmation



of the appointment of Mr. Frank R. McNinch to a place on the Federal Power Commission.

Mr. McNinch was first appointed in 1930, and was appointed as from the minority party or parties on that Commission. He was appointed by the then President of the United States, the Honorable Herbert Hoover. It was my belief at that time—it is my conviction now, with all due respect to ex-President Hoover—that Mr. McNinch was appointed, not by reason of any merits in himself, or any qualifications for the office which anyone could identify, but wholly as the reward for his fight upon the Democratic Party in the election of 1928, in which fight he very greatly discredited himself amongst a great many of the Democrats of our State.

Mr. President, I realize that that base of the opposition is political, and I understand very thoroughly the reasons why political opposition would not be considered well founded under the existing circumstances. There were, however, other grounds for the protest by myself made at the time when President Hoover sent the appointment to the Senate, and other grounds for the opposition, and the very earnest opposition, of a great host of North Carolina Democrats.

Mr. President, we took that election in 1928 very seriously in my Commonwealth and in my party in North Carolina. Mr. McNinch was chairman of what was known as the "anti-Smith campaign." He had theretofore professed to be a faithful Democrat. Of course, we recognize, and we always will recognize, the right of men to express their views in politics, even protecting with the spirit of tolerance a man who based his political career in that campaign on intolerance, and a very dreadful intolerance. I realize that it becomes the Senate and becomes myself always to respect the spirit of tolerance.

I do not intend to go into a description of that campaign and of the impressions left upon the life of my State. They lie behind us. Times have very greatly altered. Problems of our Government and of the Senate now are very grave, and they eclipse the smaller considerations. I do not think it would be seemly in me to undertake to make a major matter, in the presence of the circumstances with which we are all familiar, of any appointment whatsoever. But it was a major matter then, and I am going to express for a great many Democrats, representative, very largely, of our party, their abiding resentment at this appointment. They feel now, as they felt then, that it was not made upon merit, but was made by a Republican President as a reward to a Democrat who led a movement which divided our party and had as its effect the casting of the electoral vote of our State for the Republican President, Mr. Hoover. So much for that aspect of the matter.

Mr. McNinch being appointed by President Hoover, not as a Democrat, but as a representative of the minority parties—that is the way the law read, that the majority of the Commission should be of the majority party, not saying anything about how the minority should be composed—he came here, and upon examination before the Committee on Interstate Commerce, and in my presence, and written in the record, knowing that he could not qualify as a Democrat, he stated that he was a prohibitionist.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from North Carolina yield to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. WHEELER. Will not the Senator call attention to the record? I have the record before me, and before the committee Mr. McNinch stated, when he was under examination, that he had been a Democrat, always had been a Democrat, but that he fought Mr. Smith on the prohibition issue.

Mr. BAILEY. Read the record where he said, "I do not know how I stand, but I might be considered a Prohibitionist." He meant for the present purposes.

Mr. WHEELER. But he did state that he had always been a Democrat.

Mr. BAILEY. I stated that just now. There is no controversy about what lay behind. I think he had always voted the Democratic ticket. He served in the General Assembly of North Carolina as a member of the house in 1905, I think, as a Democrat. He was elected mayor of the city of Charlotte, I think, as a Democrat.

I am not raising a question there. But in 1930 he stood here not as a Democrat but as a prohibitionist who had voted the Republican national ticket.

Let us get down to that matter though, since the question is raised. He went beyond fighting the election of the national Democratic ticket. He opposed the election of Alfred E. Smith in a violent and intolerant way which I have consented within myself not to describe. He opposed the election of the Honorable JOSEPH T. ROBINSON as Vice President of the United States. In the same campaign he supported the nominee of the Republican Party for Congress in the then Ninth District of the State of North Carolina. He supported the Republican candidate for the United States Senate in 1930. He has made that record. But when he came up here and the question of his political qualifications was raised, he characteristically sought to accommodate himself to a difficult situation by undertaking to classify himself as a prohibitionist. There was not any Prohibition Party that I know of at that time in North Carolina. But I understood, at any rate, what he was driving at.

And by way of further insight into the character and the qualifications of the man, I will say that in November of 1933 when we had an election in the State on repeal or anti-repeal, notwithstanding that Mr. McNinch had sought to make it appear that he opposed the election of Alfred E. Smith on the ground of his great devotion to national prohibition, when we had that election on repeal, the anti-repealists in North Carolina—that is, the people really devoted to prohibition—sent for him, but he declined to come, and he declined to express himself. That was perfectly characteristic of the man.

There are, Mr. President, qualifications for office in the nature of character, and I think a man who whips around from one party to another in order to get a political reward is disqualified. I have the utmost respect for people who, in response to convictions and at some sacrifice, choose to vote as their consciences determine. I will always respect that. But this man's course within these 4 years has shown, according to my judgment at any rate, by inference from the facts, just a disposition to accommodate himself politically to the circumstances as they arise in order that by any means he may continue to hold a public position.

However, that is not the only ground, Mr. President. When Mr. McNinch was conducting this campaign, and he was doing it in an official way, properly designated as chairman of the anti-Smith campaign committee, he conducted it under the laws of the State of North Carolina, and subject to those laws—to what we call our corrupt-practices law. The corrupt-practices law requires every political manager to file a statement of his receipts and disbursements in the first instance 10 days prior to the election, and in the second instance within 30 days after the election. Mr. McNinch refused to comply with the law. He claimed that he was outside the law. He defied the laws of my Commonwealth. All others in our parties, candidates and managers, from the time that law was enacted until today, have filed their reports as required by the law. But Mr. McNinch refused, and he stated in the papers that he had nothing to report, that he had received no money. However, when Bishop Cannon was tried last year in the District Court of the United States in this district, Mr. McNinch was put under oath to testify with respect to the disposition of the moneys received by Bishop Cannon in that campaign.

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

Mr. BAILEY. I yield.

Mr. WHEELER. Is the Senator acquainted with a Mr. Word H. Wood, of Charlotte, N. C.?

Mr. BAILEY. Very well.

Mr. WHEELER. Is he a responsible party down there?



Mr. BAILEY. Yes. He is the president of the American Bank & Trust Co. of Charlotte.

Mr. WHEELER. Does the Senator know a Mr. J. L. Moorehead, of Durham, N. C.?

Mr. BAILEY. Very well.

Mr. WHEELER. Is he a responsible party there?

Mr. BAILEY. I would say so.

Mr. WHEELER. Let me ask the Senator if it is not a fact that they were the ones who collected or handled the money in that campaign?

Mr. BAILEY. I will tell the Senator the facts about that. I would not say that they collected the sums and disbursed them. I will say, and the record in the court of this district will show it, that Mr. McNinch swore that he received \$5,000 in that campaign after having denied that he received a cent. That is a matter of record in the District Court of the United States in the trial of Bishop Cannon, with which most of us are familiar.

Mr. WHEELER. Will the Senator yield again?

Mr. BAILEY. Certainly.

Mr. WHEELER. Did Mr. McNinch testify that he got the \$5,000?

Mr. BAILEY. He did. He said Bishop Cannon sent it to him and he discussed it with Mr. Wood.

Mr. WHEELER. According to the testimony in the record, Mr. Wood, who I assume is a responsible party, because the Senator has said it, and who is the head of a bank, placed letters in the record, as I recall, saying that Mr. McNinch had repeatedly asked him with reference to these campaign expenditures, and that he, Mr. Wood, had refused to give them to him. Is the Senator's recollection the same?

Mr. BAILEY. That was what Mr. McNinch was saying all the time, and I was innocent enough to believe it until I read the record in the Cannon case.

Mr. WHEELER. Permit me to ask the Senator further, Is it the Senator's recollection that not only Mr. McNinch said it but that Mr. Wood also said that?

Mr. BAILEY. Said what?

Mr. WHEELER. Mr. Wood stated that he had refused to give Mr. McNinch this information?

Mr. BAILEY. I think that was about the other campaign contributions.

Mr. WHEELER. No; about all the campaign contributions.

Mr. BAILEY. Not about the ones from Bishop Cannon. Let us get the record straight. Mr. McNinch swore that he received \$5,000 from Bishop Cannon after having led the Committee on Interstate Commerce to believe, and the people of North Carolina to believe, that he never handled a dollar. That is that. If any Senator doubts it, let him go down and get the record of the testimony of McNinch in the Cannon case in this district. Let him read the newspapers with the verbatim report at the time.

Mr. President, I know something about that myself. One of the most prominent men in North Carolina, a most excellent gentleman, a man of very considerable means, met me last year, I think rather by accident, and in his conversation said:

Why, I contributed directly to Frank McNinch on three occasions, and I begged him to report it and let the people know it.

I do not care to involve that man's name. I do not care to go into that. I will rest on the record.

I bring this accusation against Frank R. McNinch. He defied the corrupt-practices law of my Commonwealth. I shall hold him to answer for it as long as I live when he applies for public recognition or any place of trust. That is not political. That goes to the roots of matters.

Mr. President, so much for that phase of it. I want to give some conception of the man from his record, not from my opinions. There were no prejudices against him to overcome so far as I was concerned. I will judge him by the record and let the Senate judge him by the record. Mr. McNinch came in under Mr. Hoover, and he served the purposes of the administration of Mr. Hoover with respect to the power question. He came in by reappointment, and the chairmanship of the Commission last year by the appoint-

ment of the present Chief Executive of the United States. And if by any peradventure Mr. Samuel Insull should be elected President of the United States, Mr. Frank McNinch would accommodate himself to Mr. Insull's policies as quickly as he would to Mr. Roosevelt's or to Mr. Hoover's.

That is my estimate of him, based on the facts, that when it paid him to stay with the Democrats he was a Democrat; when it paid him to say he was a prohibitionist he was a prohibitionist; when it paid him to serve President Hoover he served him; and if any Senator here has any doubt as to how the man will conduct himself so long as President Roosevelt is President, I will assure him he will "go along." I have no feeling, and I will say in passing that I think he has made a very satisfactory record under the Roosevelt administration, and I think he made it because it paid him to make it.

Now I am going to leave that and refer to another matter. The News and Observer, printed at the State capital, one of our most notable daily newspapers, edited in 1930 by Hon. Josephus Daniels, now ambassador to Mexico, contained certain editorials on the subject of Mr. McNinch. They were written at the time. I am going to read them in order that the Senate may know that the attitude I am taking and the accusations I am making were at least sustained by the then editor of that notable newspaper.

This is from the December 4, 1930, edition:

[From the Raleigh (N. C.) News and Observer—Dec. 4, 1930]

#### MR. McNINCH MUST COME CLEAN

The biggest issue in America today revolves around water-power companies. It loomed large in the November election. In every contest in which it was an issue, the agents or apologists were defeated. The courageous men, who stood for government ownership and operation of Muscle Shoals, or regulation in their States, won out—Walsh in Montana, Norris in Nebraska, Roosevelt in New York, to mention only three.

The Harding, Coolidge, and Hoover administrations have favored the Power Trust. The cabinet members of the Power Commission have been accused of like favoritism. Mr. Hoover caused the House to pigeonhole the Norris Muscle Shoals measure.

Yesterday Mr. Hoover named Frank R. McNinch, of Charlotte, on the new Power Commission. Primarily this was in payment of McNinch's activity in 1928 as chairman of the Democratic Anti-Smith Campaign Committee in North Carolina. It is notorious that McNinch had plenty of money for that campaign and spent it freely. Who furnished the money? During and after the campaign it was frequently stated, and widely believed, that power interests in North Carolina furnished McNinch the money to conduct that campaign. It was noticeable that those close to the power interests were also close to McNinch and favorable to the character of the campaign he conducted.

When the campaign ended, the chairmen of the Republican and Democratic State Committees filed their sworn reports of the amounts of money they had received, by whom paid, and how expended. Both national committees did likewise, as the law provided. Chairman McNinch, who ran an expensive campaign, filed no report. He was called upon to do so. He declined. The attorney general was called upon to compel Chairman McNinch to follow the example of the other two chairmen. He declined. It was believed the law required him to make such a report. Upon inquiry it developed that the law was not clear. McNinch and his apologists held that no law required him to say where his campaign money came from and how it was expended. He was then urged to do so as a matter due to the public. He defied his critics and up to date his books have been sealed.

Yesterday Mr. McNinch was appointed by President Hoover a member of the Power Commission. It was a surprise appointment. He possesses no peculiar qualifications for the position. He would never have been thought of in connection with it but for his activity as manager of the so-called "Democratic Anti-Smith Campaign Committee" in 1928. Before the Senate is ready to act on the confirmation Mr. McNinch should come clean and file under oath the overdue statement of the contributions and expenditures of the political committee of which he was head in 1928.

Unless he does that he should be rejected, for in North Carolina the belief is prevalent that part of the money furnished him came from those in close touch with the great power interests.

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

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

Mr. BAILEY. I yield.

Mr. WHEELER. Would the Senator mind my calling his attention at this time to an editorial from the same newspaper written on January 3, 1935?

Mr. BAILEY. Not at all; I have the editorial here and intend to put it in the Record.



Mr. WHEELER. I just want to call attention, if the Senator will allow me, to a portion of it; I do not intend to read it at length—

North Carolinians who are interested—

Mr. BAILEY. If the Senator will just take my word for it, I have the editorial here and am going to put it in the RECORD.

Mr. WHEELER. I merely want to call the attention of the Senate to the fact that in the year 1935 the same newspaper, owned by the same man, says that it was mistaken when that editorial was written about McNinch and that it has completely changed its opinion with reference to him.

Mr. BAILEY. Mr. President, I hope the Senator from Montana knows that I am incapable of concealing a fact like that.

Mr. WHEELER. I did not know the Senator knew it.

Mr. BAILEY. I consider it of the essence of a man's standing as a gentleman that he shall not practice deception, and I brought the editorial here and I intended to come to it. If there is a fact on earth with which any man can confront me, and I should fail to recognize or acknowledge the fact, I would be utterly ashamed of myself. Here is the editorial; I have it ready. I think the title is "Confirm McNinch." Is not that it?

Mr. WHEELER. That is correct.

Mr. BAILEY. Then, I have it and I have taken pains to bring it.

That does not disturb me at all, Mr. President. I am reading the statement of the evidence, given in public, and a demand made in the hour of the appointment for the man to "come clean." I am not concerned with the opinions of men or how they have changed them. I recognize the right of people to change their opinions, but the fact remains this editorial made the accusation; it demanded a statement, the statement was not forthcoming, and to this day it has not come forth. That is my point.

I am going to read another editorial dated December 9, 1930, from the News and Observer. It is entitled "Who Named McNinch?"

[From the Raleigh News and Observer of Dec. 9, 1930]

#### WHO NAMED McNINCH?

The Senate committee has announced it will hear Mr. McNinch this week. The question that will be considered is his attitude toward ownership and regulation of power companies and other utility corporations. During the campaign of 1928 it is well known that the big power companies resented the position of Governor Smith in New York and his statement against the monopoly of water-power companies. Most of them supported Mr. Hoover. In North Carolina Mr. McNinch, who had always been a Democrat, became the head of the Democratic anti-Smith committee, working earnestly for the election of Hoover. Many other Democrats voted for Hoover, mainly on the ground that Governor Smith was opposed to the eighteenth amendment and had led in securing a repeal of the New York State enforcement act.

It was observed during the campaign that the McNinch committee spent freely and all during the campaign the belief was widespread that power companies contributed liberally to his fund, actuated thereto because they expected Hoover to carry out the Harding-Coolidge policy of turning Muscle Shoals over to the Power Trust. At the end of the campaign, when the Republican and Democratic chairmen made sworn statements of their receipts and disbursements, Mr. McNinch filed no statement. In response to the call he was quoted as believing that the law applied only to political parties which polled a large vote in the preceding election. The attorney general, in response to a request of the secretary of state for his opinion, held that the law required Mr. McNinch to file a report.

I have the letter from the attorney general's office.

But the archaic laws of North Carolina, denying North Carolina a real department of justice, made no adequate provision for the enforcement of the law. Up to this date no report has been filed.

If parties close to the power companies are not responsible for the nomination of Mr. McNinch, to what influence is it to be attributed? The Republican State chairman and the Republican national committeeman from North Carolina deny that they recommended Mr. McNinch. They say they endorsed Maj. George Butler, of Sampson County, a Republican unsuccessful candidate for the senatorial nomination. Senator Simmons endorsed J. H. Bridgers, of the Henderson bar, who had made a study of utility matters, and Mr. Bridgers had other impressive endorsements.

Up to date nobody in North Carolina has been found who sponsored the suggestion that Mr. McNinch should be appointed.

Who suggested him? And why?

That question has never been answered.

I will detain the Senate to read some extracts from another editorial from the same newspaper dated December 19, 1930:

[From the Raleigh News and Observer, Dec. 19, 1930]

#### MAKES A BAD START

McNinch's failure to obey the law requiring a sworn statement of receipts and expenditures in political campaigns showed an absence of respect for law that is reprehensible. He was advised by the attorney general that the law required the filing of a sworn statement showing all moneys he had received and paid out in the attempt to influence the election. National and State laws seek to apply pitiless publicity to the source of campaign money. Mr. McNinch escaped prosecution for violating the law in North Carolina because the act imposes no penalty and gives no direction to the attorney general for its enforcement. A man in high station, animated by right motives, would have hurried to make public what he belatedly disclosed only when it was necessary to further his ambition for office. Men fit for important public position ought not to hide behind technicalities. The use of big money in elections corrupts and contaminates whatever it touches. Those who would hush up the sources encourage political corruption, whether intentionally or otherwise.

I might say that was when the Nye committee was coming down to the State in the midst of the campaign to look into the primary and not into the election.

The News and Observer, when some of BAILEY's unwise friends advised against public disclosure of all moneys spent, declared that failure to make such disclosure would be regarded as tantamount to admitting that there was something that could not stand the light. Everything was made public.

Everything was made public—of course it was!

The just rule is to open all books by all chairmen in every campaign, whether in a primary or a general election. McNinch violated this sound principle by resort to technicalities. His conduct was indefensible.

Mr. Hoover named Mr. McNinch on the bipartisan Power Board as a Democrat—

I think that is a mistake. I think the law requires that the majority of the Board should be of the major party, but it did not say how the minority party should be represented—

the law requiring that a certain number of the members of the Power Commission should belong to the minority party. Is Mr. McNinch a true representative of the Democratic Party, seeing that in 1930, in the Charlotte district, he voted for Jonas, the Republican Congressman and national committeeman who had voted for the nefarious Hawley-Smoot Tariff Act and other reactionary measures? To do this he had to oppose BULWINKLE, the drier of the dry Democratic Congressmen, who in 1928 declared that, while he would vote for Smith because he was the nominee, he would vote against every recommendation of Smith that might weaken prohibition. Mr. Hoover should have listened to Democratic recommendations for Democratic members of the Commission and not select minority members without reference to the desires of the leaders of that party.

But, while these matters should have been given their proper weight, high and above all of them for consideration was whether McNinch and the other nominees for membership on the Power Commission were the sort of men to pass upon power problems when power control is a commanding issue in America. It is a small matter whether McNinch or Garsaud or the other unknowns receive a \$10,000 job or not, and comparatively not important how they voted as to some one candidate. It is a great matter—a vital one—whether they wish to protect the rights of all the people in a God-given national resource or to continue to be deaf, dumb, and blind, as did the Commission they succeeded, while the Power Trust dominates and imposes exorbitant taxes to convert water into gold for the favored few.

I am content, Mr. President, to have read to the Senate these editorials. I assured the Senator from Montana that I would read the editorial from the same paper under the date of January of the present year, and probably the first week. It happens that my clipping does not carry the date. If the Senator will give me the date, I will insert it.

Mr. WHEELER. January 3.

Mr. BAILEY. January 3. I thank the Senator. The editorial reads as follows:

#### CONFIRM McNINCH

North Carolinians, who are interested in the success of the President's policies and in supporting the President in those phases of his program most violently opposed by the interests of the old order, hope that among the first acts of the new Congress will be the confirmation by the Senate of Frank R. McNinch, of North Carolina, as chairman of the Federal Power Commission.

This is a judgment deliberately arrived at. When Mr. McNinch was named by President Hoover as a member of the Federal Power Commission the News and Observer predicted that he had been named by the great engineer at the suggestion of the power interests, which always had Hoover's ear, to work with George Otis



Smith and other Hoover appointees in turning the Federal Power Commission into an agency not for the defense of the people from extortionate rates, but in defense of the power interests.

The News and Observer was mistaken. Instead of becoming the subservient servant of power, Mr. McNinch opposed the Hoover power policies while Hoover was President and long before Roosevelt was nominated. Since the inauguration of Roosevelt—

I should say "since the inauguration of 'Mr.' Roosevelt", and I think I should refer to the ex-President as "Mr." Hoover; but I am reading the editorial as it runs:

Since the inauguration of Roosevelt Mr. McNinch has continued in that attitude to such an extent that he has become the first Lieutenant of President Roosevelt in his program to provide cheap power to all the people. It was because of his record that President Roosevelt appointed him chairman of the Commission.

Such have been Mr. McNinch's services and such is his place in the new-deal administration that any vote against his confirmation will be interpreted as a vote against the President's power program. To fail to confirm Mr. McNinch at this time would be a failure to give the President support in the toughest fight against the toughest crowd that he faces. Every vote against Mr. McNinch will give encouragement and comfort to those old-order forces who are seeking to scuttle the new deal.

The best way to demonstrate to the enemies of the President that the country is behind him in his efforts to make power available at low cost to all the people will be speedy confirmation of Mr. McNinch by the unanimous vote of all the Democrats in the Senate.

I have read the editorial from the News and Observer of the first week in the present year, and I have read two editorials, with portions of a third, in 1930, when the offense and the character of Mr. McNinch were fresh in the mind of the writer of these editorials. I understand, Mr. President, the change that has come over the situation. There is a great difference, necessarily a great difference, between serving under Mr. Hoover with one policy and serving under Mr. Roosevelt with another.

There is also this great difference, and it is to this I am speaking. Mr. McNinch now comes to the United States Senate under this appointment with the imprimatur of the present President of the United States upon him, and that imprimatur of approval is stamped upon him after nearly 2 years of experience in dealing with Mr. McNinch and with observing him in his official career on the Power Commission. I do not wonder he has made a good impression upon the President. I am not surprised that he made a good impression upon the President. The same sort of chameleon capacity that has served him in politics will shape his course in any official position.

Mr. NORRIS. Mr. President—

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

Mr. BAILEY. I yield.

Mr. NORRIS. I should like to call the attention of the Senator to one or two sentences in the last editorial he read in which it is said that Mr. McNinch, during the term of Mr. Hoover, had followed a proper course in power matters and had not been the tool of the power people under the Hoover administration. Does the Senator endorse that statement? Is that correct?

Mr. BAILEY. That is correct.

Mr. NORRIS. Then does it not follow that the Senator must be mistaken when he says that Mr. McNinch is of such character that he would shape his conduct to be suitable to any administration or to any interest that gave him an office?

Mr. BAILEY. Mr. President, I wish very much I could feel that I was mistaken. I should not like to misjudge a fellow man about anything. I do not at all feel that I am mistaken. Assuming the statement referred to by the Senator from Nebraska was based upon the well-considered opinion of the editorial writer of it, I have quite a different view.

Mr. McNinch arrived at Washington in 1930 as the appointee of Mr. Hoover and intending to go along with him. In order to get his confirmation reported favorably before the Interstate Commerce Committee he sized up the situation and went progressive on the spot. I was there and saw him when he did it. It was a very timely maneuver.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina further yield to the Senator from Nebraska?

Mr. BAILEY. I do.

Mr. NORRIS. As one who I think had no prejudice in the matter, but who was here during the time when these hearings were going on and who attended the hearings, or at least part of them, because of being interested in the subject, I desire to say that it seems to me the Senator's policy would hardly be suitable to follow; that the reason given for Mr. McNinch's turning progressive "on the spot", as the Senator says, would hardly be satisfactory to a person who has no intimate acquaintance with Mr. McNinch. Would he not be justified in judging the man by his conduct, and, if his conduct was all right, in believing that he himself was all right?

I am not claiming to the Senator that that is correct. The Senator may have a better knowledge of the man, and have a different idea, and be correct; but for one who does not have that intimate acquaintance, would that be a just rule to follow? If Mr. McNinch's conduct under Hoover was satisfactory and progressive on the power question, as the Senator says it was, what other conclusion could all of us disinterested Senators reach than that Mr. McNinch was a good man for the place?

Mr. BAILEY. I am not raising the question there. I readily agree that any man may make an impression upon one man's mind and quite a different impression on the mind of another, and that both may be mistaken. I have learned that from the distinguished Senator from Nebraska, from hearing him frequently say, "I may be right and I may be wrong, but that is my judgment." That is all we can do. I am basing my judgment upon the record that I know, most of which I have recited.

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

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Kentucky?

Mr. BAILEY. Yes.

Mr. BARKLEY. In connection with the Senator's remark that Mr. McNinch had turned progressive suddenly and overnight in order to be confirmed—

Mr. BAILEY. And my further remark that it paid him—I do not mean financially, but politically—to go in some other direction. I will put that in. Go ahead.

Mr. BARKLEY. Of course, it has been some time since the nomination was first sent to the Senate. I happened to be a member of the Committee on Interstate Commerce at the time, and I heard the hearings and the objections made to Mr. McNinch. I cannot recall them with particular accuracy; but my recollection is that long before Mr. McNinch had ever been considered for appointment to this Commission, or before the Hoover-Smith campaign in 1928, Mr. McNinch had been very active in attempting to secure from a public utility in North Carolina lower rates for the people of the city in which he lives, which would not indicate that his liberal views on that subject were matters of a sudden temperament or desire to get an office, because it seemed that his previous record along that line had been rather consistent.

Mr. BAILEY. Mr. President, I do not think there is any substantial foundation for that. I recall that an effort was made to show that; but Mr. McNinch had had no opportunity of that sort. He was not prominent at the bar in North Carolina. The testimony in the record here was that he earned about a thousand dollars in the year before he was appointed. I do not say that in derogation of him. There was some explanation made at the time that he was sick all summer. Then an effort was made to show that he had been a man of progressive type.

I do not think there is anything in the record down there in the State to show that he had been conspicuous either way. All this progressive idea was developed after he came up here and found that there were some progressive Republicans on the Interstate Commerce Committee. It will be



remembered that the committee was then Republican by a majority, and it was very quickly seen that the proper maneuver was to cultivate the progressive Republicans. The Democrats were against him when this was done.

I leave that matter right there.

Mr. President, I was speaking just now of the fact that Mr. McNinch is appointed by our present President, and for reasons satisfactory to our present President, and that this would go to the consideration here by every Senator, I think, on either side. Senators like to stand by their President, Republicans and Democrats alike, I think. They do not wish to take any action tending to discredit a President of the United States. I am satisfied that when Senators vote contrary to the President's recommendations or nominations there is something of reluctance, if not of actual painfulness, about it.

I recognize that I would very greatly embarrass my fellow Senators if I should call on them to choose between my opposition and the considered recommendation of the President of the United States. I do not care to get into the position of embarrassing my fellow Senators about matters that are more or less local to my State, and I shall never embarrass one upon anything that is personal to me. So I have gone about this matter wholly by way of stating my position, stating without any reservation my opinion, and stating the facts and the considerations upon which the opinion is founded. I do not intend to draw the issue with the President of the United States. He is satisfied, and he is the head of our party and the head of our Government. I do not intend to pursue a course that would cause any Senator, for the sake of a courtesy to me, possibly, to feel—I do not say that he would actually, but he might possibly feel—that he was pursuing a policy embarrassing to himself.

That is my feeling about the matter. So, Mr. President, having said about all that I feel I should say about it, I am going to ask, in my own behalf, that a record be duly made that I, with great respect for the President of the United States, felt it my duty firmly to oppose the confirmation of this appointment.

Mr. WHEELER. Mr. President, as the Members of the Senate know, I have no personal interest in Mr. McNinch. I scarcely know the gentleman. I have not talked with him probably longer than 15 or 20 minutes in my life; and if the matter of his confirmation were coming here for the first time, I should be very much inclined to vote against his confirmation, basing that vote upon the objections coming from the Senators from North Carolina.

I desire to say, however, for the benefit of Senators who were not present when the question of Mr. McNinch's confirmation previously came up, that no new element has been injected into this particular case at this time. Each and every thing that has been testified to, with one exception—and I shall call attention to that a moment later—was considered by the Interstate Commerce Committee of the Senate in 1930, when Mr. McNinch's nomination was first submitted by President Hoover and referred to the Interstate Commerce Committee.

I was one of those who supported Governor Smith in his campaign for the Presidency; and it was with some reluctance that I supported a man who had bolted his ticket. It was only after I became convinced, from testimony presented to the Senate by the then Senator from North Carolina, that McNinch was a proper person to serve upon the Power Commission, that I voted for his confirmation. As Members of the Senate will recall, there was some opposition in the Senate to his confirmation at that time; and a vote—I think a record vote—was taken on it, but he was overwhelmingly confirmed.

Since Mr. McNinch has been a member of the Power Commission I am sure there is no man in this body, Democrat or Republican, who can honestly point to one thing against his public record as a member of the Power Commission. He is looked upon, I am sure, by this administration, and by everybody who has followed the work of the Power Commission, as one of the most efficient and one of the most valuable men upon the Commission. I think I agree

with what the Raleigh News and Observer says, that Mr. McNinch is one of the closest advisers of the President of the United States in matters relating to power.

I am not unmindful of the fact that the power interests of this country, bitterly opposed to the policies of the present administration, would like nothing better than to see Mr. McNinch's nomination defeated at the hands of the Senate of the United States, because they would feel that it was at least a partial victory for the power interests if they should be able to defeat in this body the nomination of a man who is one of the President's close advisers upon this subject.

Not only have I the editorial from the Raleigh News and Observer, a Democratic newspaper, to which I called to the attention of the Senator from North Carolina, and which he has read into the Record, but I wish again to call attention to what the editor of that paper said:

North Carolinians who are interested in the success of the President's policies and in supporting the President in those phases of his program, most violently opposed by the interests of the old order, hope that among the first acts of the new Congress will be the confirmation by the Senate of Frank R. McNinch, of North Carolina, as Chairman of the Federal Power Commission.

Mr. CLARK. Mr. President, will the Senator yield to me? Mr. WHEELER. I yield.

Mr. CLARK. The Senator has stated that the rejection of the nomination of Mr. McNinch might be taken as a victory for the power interests. Does not the Senator see also the danger that the confirmation of Mr. McNinch would be taken as an approval by the United States Senate of the policy of intolerance and unfairness which Mr. McNinch typified in the campaign of 1928?

Mr. WHEELER. No; I do not think that. A great many men who are honest and sincere voted against Governor Smith. I was not one of them. I differed from the vast majority of the people of my own State who voted against him, but I submit that they had a right to their honest views and their honest convictions as much as I did, and I would not proscribe them and say that because of the fact that they did not see eye to eye with me, they should no longer be permitted to serve as employees of the Government of the United States of America.

Mr. CLARK. If the Senator will yield further, I have no disposition on earth to assert that a man who happens to differ from me in a political campaign is necessarily a bad citizen, or should be debarred from all office, but I say that if any substantial proportion of the charges brought against Mr. McNinch by the Senator from North Carolina be correct, if it be a fact that Mr. McNinch was appointed to this office in the first place as a reward for a political betrayal in North Carolina, then he should not be confirmed.

Mr. WHEELER. Mr. President, the hypothesis suggested, of course, is a mere conjecture, and no statement of fact could be given and no facts have been produced before the Senate committee to that effect. So that there could be no mistake about it, I went to the Senator from North Carolina and asked him if he wanted to appear before the Committee on Interstate Commerce and testify against this nominee, and the Senator from North Carolina stated that he had no intention of doing so; that he desired to make his position clear, as he suggested, on the floor of the Senate; and that is all.

What we should look at, it seems to me, more than anything else, is the record this man has made since he has been in office. The President of the United States is satisfied with him as a public servant. He has appointed him, and has had him as one of his advisers with reference to power. It seems to me that if the President wants him in that capacity, he cannot be mistaken with reference to him, because he has had him in that capacity ever since he has been in public office, and there is no man in this body who has been watching the power fight going on in the Congress of the United States and throughout the country who will not say to the Senator that Mr. McNinch's attitude on the power issue has been entirely in accord with the progressive ideas in the United States and in accord with the policies of President Roosevelt not only while he, Mr. Roose-



vult, has been in office but likewise while Mr. Hoover was in office.

I think one statement of the Senator from North Carolina was an inadvertence, because he said that this man changed his views when he saw the make-up of the Committee on Interstate Commerce of the Senate in 1930. The make-up of the Interstate Commerce Committee in 1930 was not progressive by any manner of means.

Mr. BAILEY. Mr. President, I did not mean to leave the impression that it was made up of Progressives, but there were a number of Progressives on it, the Senator now speaking being one of them. But I shall not call the names. It was quite clear to a man with an elemental understanding of politics that since there were five, and perhaps seven, Democrats opposing the nomination, there was the necessity of looking to the other side, and the nominee looked to the Progressives; and he received their votes.

Mr. WHEELER. Mr. President, he received the votes of the progressives, of the liberal-minded, of those who are opposed to the power interests, yes; but he was taking his political life in his hands when he came before the Committee on Interstate Commerce of the Senate at that time and proclaimed himself to be liberal in his views against the power interests, because everybody knows what the make-up of that committee was at that particular time and what the views of that committee were on the power issue at that particular time.

Not only is there an editorial from the Raleigh News and Observer, but I ask whether the Durham (N. C.) Sun is a Democratic newspaper?

Mr. BAILEY. Mr. President, I should not like to give testimony, but I think all the newspapers in North Carolina are Democratic, except perhaps three or four, and I will testify generally that the newspaper to which the Senator refers is a Democratic journal. I should like to say in this connection, however, that our press in the State is disposed to treat questions in a rather free way, and they do not consider themselves party organs. There are very few newspapers in the State which describe themselves as party organs. It is a safe statement that 9 out of 10 of them are Democratic in temperament and in policy. I think that will cover the ground.

Mr. WHEELER. So that there could be no impression that it was coming from Republicans, I hold in my hand a copy of the Durham (N. C.) Sun of January 18, 1935, which speaks of Mr. McNinch as "too good a Democrat." I read just the headline.

I have another newspaper, the Wilmington (N. C.) Star of January 12, 1935, in which again it is stated in substance that they want to see Mr. McNinch confirmed, and that he has been too good a man to be defeated for this position.

I also have an editorial copied from the Winston-Salem (N. C.) Journal of June 23, 1934, entitled "McNinch Opposition Fails." It reads:

Mr. McNinch, by his able and constructive work as a member of the Federal Power Commission, has obtained the strong approval and support of President Roosevelt, who is more interested in efficiency in government than he is in partisan politics and prejudices. He measured Mr. McNinch with the yardstick of character and ability, did not find him wanting, and decided that he is the man for the place he holds.

Also, I call attention to an editorial from the Washington News of June 28, 1934, and the Washington News was one of the newspapers in this country belonging to the Scripps-Howard service which, as I recall it, supported Mr. Smith in the campaign, although I am not sure about that. This editorial in part reads:

Four years ago, when the Federal Power Commission was reorganized by Herbert Hoover, no one expected it to do much of anything. Today it is one of the most important agencies of the Government.

For this metamorphosis, Frank R. McNinch, just reappointed chairman of the Commission, deserves considerable credit.

Chairman McNinch personally led a successful attack on provisions of the electric utility code which would have brought public power plants under domination of private companies.

The Senate is much more likely to remember these facts next winter and act accordingly, than to punish him.

I have another editorial from the Washington Herald, in which it is stated:

#### CONFIRM MR. MCNINCH

If President Roosevelt derives satisfaction which the public enjoys from his reappointment of Frank R. McNinch as chairman of the Federal Power Commission, he must be a happy man indeed.

Frank R. McNinch honors the public service. He is a thoughtful, determined public official, who has been required to blaze new trails in the regulation of public utilities, in the preservation of the people's water-power sites from exploitation and in promoting the Government policies for hydroelectric development.

The temptation must have been great upon Mr. McNinch and his present colleagues to close their eyes to the encroachments of the vested interests and to permit them to wrest away the public properties for private profit. Too many of our public officials choose a course of least resistance.

Mr. McNinch has been faithful to his public trust in these matters. He has refused to be coerced or misled. His reappointment, therefore, is equivalent to saying to him, "Well done, good and faithful servant."

Mr. McNinch should be confirmed by the Senate.

I also have an editorial from the Richmond Times-Dispatch, of Virginia, a Democratic newspaper, which reads:

#### MCNINCH DESERVES IT

Frank R. McNinch deserves confirmation as chairman of the Federal Power Commission. We say that despite his activities in 1928 as manager of the anti-Smith campaign in North Carolina. We were in violent disagreement with him in that contest, and we should be in violent disagreement with him again, if another contest, involving similar issues, were to arise.

The time has come, however, as far as we are concerned, to bury that particular hatchet. In his position on the Power Commission Mr. McNinch does not have to deal with matters involving religious freedom, the machinations of Tammany Hall, or the most approved mode of marketing usquebaugh. The power question is wholly divorced from all such questions as these.

Not only so but as a member of the Federal Power Commission Mr. McNinch has evidenced a firm grasp of the issues involved in the present controversy over power and a constant regard for the public interest. In his capacity as chairman of the Commission he can be counted on to pursue the Roosevelt power program to its conclusion. That is an excellent reason for his confirmation. It would be an anomalous situation for the chairman of the Federal Power Commission not to be in sympathy with the President's power program.

As a matter of fact, there is little or no danger that Mr. McNinch will fail to secure confirmation.

Likewise I have another editorial from the Norfolk Ledger-Dispatch, a Virginia newspaper, entitled "Confirmation for McNinch." I shall not read the editorial.

I also have a number of telegrams from prominent Democrats of North Carolina. One says:

Wish to urge the confirmation of Frank R. McNinch as chairman Federal Power Commission. His valuable services should be retained by the country.

The telegram is from M. C. A. Currie, chairman Mecklenburg County Democratic executive committee.

I have another telegram from Charlotte, N. C.:

I wish to most heartily endorse the recommendation for the appointment of Hon. Frank R. McNinch as chairman of the Federal Power Commission and in doing so feel that I am voicing the sentiment of the citizenship of Charlotte, with a population of nearly 100,000.

ARTHUR H. WEARN, Mayor.

Here is another telegram from Charlotte, N. C.:

Having been mayor of the city of Charlotte and president of the chamber of commerce has enabled me to contact the leading citizens of this community, and I know that they as well as I would appreciate the confirmation of our Frank McNinch.

CHARLES E. LAMBETH.

Here is another one from T. P. Whitlock, past president Mecklenburg Bar Association:

It would be a shame as well as a national calamity if opposition to Frank R. McNinch because he let his conscience override strict party discipline on a great moral issue were allowed to defeat his confirmation and deprive the Nation of his invaluable services. He has demonstrated his ability and his fitness, and his confirmation should be a matter of course.

Here is another telegram from C. W. Tillett, Jr., president of the State bar association, whose home is at Charlotte, N. C., which is McNinch's home city.

I urge confirmation Frank McNinch as chairman Power Commission.

C. W. TILLET, Jr.



I read another telegram from Charlotte, N. C., as follows:

As a lifelong friend of Hon. Frank R. McNinch I respectfully urge his confirmation as chairman of the Power Commission. He has demonstrated his ability and fitness for the place, and his private character is without a blemish. His home town and county favor his confirmation.

J. D. McCall,  
An Al Smith Democrat.

I read a telegram from Asheville, N. C., as follows:

When the curtain falls at the end of the act in which the power group have had freedom to exploit the people the Nation will turn with gratitude to our President for his appointment of Frank McNinch who is honest, able, and unselfish, and did his part in hastening the coming of the great day of freedom. Ninety-five percent of North Carolina would vote today for the President's choice.

ERNEST LLOYD BROWN.

Here is another one from Charlotte, N. C.:

Confirmation of appointment of Frank R. McNinch because of his outstanding qualifications and invaluable services to the Nation is of paramount importance. President Roosevelt wants him and the "new deal" needs him.

E. B. BRIDGES.  
FRANK W. ORR.

Those two are lawyers of Charlotte, N. C.

I have numerous other telegrams from various people of North Carolina which I shall not take the trouble to read.

I also desire to call attention to the fact that in the CONGRESSIONAL RECORD of yesterday there was a statement by one of the Representatives from North Carolina who paid a tribute to Mr. McNinch. This statement by Mr. HANCOCK, one of the prominent members of the North Carolina delegation, is as follows:

I want to digress a moment, if I may, because I think in considering the purpose of this new section it is appropriate to pay a tribute to a North Carolinian who has had as much to do with shaping the effective policy of the Federal Power Commission in determining an honest price for electricity as perhaps any other individual in this country, and whose splendid efforts and constructive ability will eventually result in making power an article of standard use in America. [Applause.] I refer to the Honorable Frank R. McNinch, a trusted adviser of President Roosevelt. [Applause.]

Mr. President, I shall now discuss some of the facts in the case. I should have to disagree with the Senator from North Carolina as to the necessity of Mr. McNinch filing a report, such as has been suggested by the Senator from North Carolina. That matter was gone into before the committee at that time, and I am convinced from the reading of the law that in no sense of the word could it be determined that this organization which, as I understand, did not have candidates at all, but was simply an organization which passed a resolution saying that it was against Governor Smith for the Presidency, was a political organization within the meaning of the law of North Carolina. Yet, Mr. President, had there been a violation of that law, which the Senator from North Carolina says was violated, then I am sure the prosecuting officials of North Carolina would have prosecuted Mr. McNinch for failure to file the statement.

Mr. BAILEY. Mr. President—

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

Mr. WHEELER. I yield.

Mr. BAILEY. The Senator from Montana would not misrepresent the facts, I know. Of course, they had candidates. Mr. Hoover was a candidate. There was not any question about that, and there could not be any question about it. Hoover and Curtis were the candidates. They were not content to fight Al Smith. They rolled up a majority of 62,000 for Hoover and Curtis. There was not any question about that. I am astounded that any man would raise a question about it. They went in to carry the State for Hoover and they carried it.

Mr. WHEELER. I do not have a copy of the North Carolina law before me at this time, but we have had it before us previously. I do not recall the law at this particular time. However, my recollection is that at that time the matter was gone into, and it was the deliberate judgment of those who examined the law at that time that this organization did not

come within the provision referred to by the Senator from North Carolina. If the Senator will pardon me just a moment, I will state to him it seems to me passing strange, if there were a violation of the law, that the attorney general of the State of North Carolina, whose duty it is, I take it, to enforce the law, or the prosecuting attorney of that community, did not prosecute for a violation of the law. Do they not have such animals down in the Senator's section of the country?

Mr. BAILEY. I will say, Mr. President, that the attorney general, as pointed out in the editorials which I read, does not have that power. That was explained. Since that has been mentioned, however, I will say that the man who was attorney general at that time, who has recently died—a man of very noble life, who enjoyed the regard and confidence of all the people of our Commonwealth—formally held that Mr. McNinch was bound to make the report. I will stake his opinion as the law officer of the State, or rather the adviser of the State in his capacity of attorney general, against Mr. McNinch's defiance coupled with a deliberate deception.

Mr. WHEELER. I cannot subscribe to the statement made by the Senator from North Carolina with reference to Mr. McNinch's deliberate deception, as I shall point out. First of all, I want to say that when Mr. McNinch came before the committee he stated that he had voted the straight Democratic ticket all his life until 1928, when he voted for Mr. Hoover, but that he voted for all the other candidates on the Democratic ticket—National, State, and county. That was the statement made by Mr. McNinch at that time.

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

Mr. WHEELER. I yield.

Mr. CLARK. Will the Senator be kind enough to point out what was the remainder of the national ticket besides President and Vice President?

Mr. WHEELER. I assume there were Representatives to be elected. I do not know whether there was a Senator to be elected at that time or not, but certainly there were Representatives to be elected.

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

Mr. WHEELER. I yield.

Mr. LONG. The difficulty I have in justifying the McNinch appointment is that Mr. Hoover appointed him as a Democrat on the ground that he supported him. I do not think we ought to be childish about such matters, but here is what happened: Mr. Hoover appointed Mr. McNinch as a Democratic member of the Federal Power Commission for having supported him for President. That is what it amounts to.

I am very liberal in politics. I do not care very much about what they are. One is about the same as the other. But to have Mr. Hoover designate Mr. McNinch as one of the Democratic members on the ground, of course, that he is "a friend of mine and helped me carry the State", seems to me to be adding irony to injury. I want to ask my friend the senior Senator from North Carolina, is not that about what happened; that Hoover appointed his political supporter as a Democrat?

Mr. BAILEY. He appointed his political follower, but the law did not require that the members representing the minority party should be Democrats. It simply provided that the majority of the Commission should be Republicans. Mr. McNinch testified, knowing that he could not qualify as a Democrat, that he might be considered as a Prohibitionist, and thereafter when the Prohibitionists called on him he could not be found.

Mr. WHEELER. Mr. President, it is all right to blame Mr. Hoover and say that he appointed Mr. McNinch because he supported him; I presume that that had something to do with it; but likewise let me call attention to the fact that our own President, Mr. Roosevelt, has appointed Republicans on boards because they supported him; and if Senators will go back and read their history they will find that President Wilson appointed many Republicans to public office because of the fact that those Republicans supported him.



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

Mr. WHEELER. I yield.

Mr. BARKLEY. If my memory does not trap me, Grover Cleveland appointed Walter Q. Gresham as Secretary of State in his Cabinet because he had voted for him and supported him in Indiana, although he had been a lifelong Republican.

Mr. WHEELER. Yes; and I have no doubt that the Senator from Louisiana appoints many men down there because of the fact they are friends of his who may have belonged to the opposite political faith at some time in their lives. [Laughter.] So it seems to me that that is not a valid reason for opposing the nomination of anybody.

Mr. McNinch stated that in 1930 he had voted for Mr. Jonas, Republican candidate for Congress, but had not participated in the Democratic conventional primary that year; that he voted for all other Democratic candidates, but did not vote for Senator. As to the religious question he stated specifically that he had nothing to do with the religious question in that campaign; that he did not discuss it on the stump and did not allow any religious literature to be sent out by the committee.

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

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

Mr. WHEELER. I yield.

Mr. LONG. I merely want to add a further remark: It seems as if Mr. Hoover appointed this man McNinch for the reason that he was a Democrat who supported him, and for the further reason that he thought he would be a pretty good friend of the power interest; but he got fooled on the last part of it, because McNinch turned out to be a pretty decent kind of a fellow. So I do not know but that there may be just as much mistake about the partisanship question as there was about what he was going to do on the Commission. I am more interested in the last part of it. My understanding is—and I got this from a man named Russell when I was trying to keep Garsaud from being appointed on the Power Commission—that Russell testified McNinch had been a very good surprise from the side of taking care of the public interests. That is what I am more interested in right now when it comes to the second appointment of McNinch.

Mr. WHEELER. That is the only thing it seems to me that we should be interested in—has he been a faithful public servant?

Mr. LEWIS. Mr. President, does the Senator desire to have a vote today?

Mr. WHEELER. I think so. I intend to finish in a very short time.

Mr. CLARK. Mr. President, I am going to ask the Senator, in view of the issue which has been drawn between the Senator from North Carolina and the Senator from Montana, to let the matter go over until tomorrow. Otherwise I certainly shall have to ask for a quorum.

Mr. WHEELER. I am perfectly willing to have a quorum called; I am perfectly willing to have a record vote. I have no personal interest in this matter at all. If the Senate wants to turn Mr. McNinch down, it is perfectly all right with me, except I say that when we do that we are serving notice to the power interests that we are not in accord with the power policies being carried on by the President of the United States.

Mr. NORRIS. Mr. President, if the Senator will allow me to interrupt him, I should like to get some information.

Mr. WHEELER. I yield.

Mr. NORRIS. I heard the Senator from Missouri [Mr. CLARK] state that he was going to ask that this nomination go over.

Mr. WHEELER. Yes.

Mr. NORRIS. Is it going to go over?

Mr. WHEELER. It is not, so far as I am concerned, if we can get a vote on it today.

Mr. NORRIS. I ask for information, because, if it is going over, I am "going over", too; but I am not "going over" if

this nomination is not going over, for I want to be here when the vote is had.

Mr. BARKLEY. Mr. President—

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

Mr. WHEELER. I yield.

Mr. BARKLEY. I trust that we may obtain a vote on this nomination today. There is an important legislative measure on the calendar for tomorrow which will take considerable time, and if the nomination goes over it might take a whole day again to discuss it. I do not want to cut off anybody.

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

Mr. WHEELER. I yield.

Mr. CLARK. My request that it go over was predicated entirely on the proposition that the Senator from Montana seems to be making a direct issue with the Senator from North Carolina, and I think, since there is not a very large attendance present, that Members of the Senate should have an opportunity to read in the Record, at least, the issue that has been made between the Senator from North Carolina and the Senator from Montana. At the conclusion of the remarks of the Senator from North Carolina, in view of his statement that he did not intend to ask for a quorum or demand a roll call, I was entirely prepared to follow his suggestion in the matter, but since the Senator from Montana has seen fit to make a direct issue of Mr. McNinch's conduct in North Carolina with the Senator from North Carolina, I think the Members of the Senate are entitled at least to have an opportunity to read the discussion in the Record.

Mr. BARKLEY. Mr. President, I will say to the Senator that the matter of Mr. McNinch's conduct in North Carolina was thoroughly threshed out in 1930, not only before the Committee on Interstate Commerce but before the Senate. I happen to have been the campaign manager of Governor Smith in my State in the campaign of 1928, and I was one of those who seconded his nomination at the Houston convention in the same year. The present President of the United States was at that time quite actively engaged in seeking to obtain the election of Mr. Smith as President of the United States, having three times nominated him before the Democratic convention and having supported him enthusiastically.

I will say to my friend from Missouri, as, of course, I am sure he will recall, that there was much heat in that campaign and much resentment against those in all the States who did not support Mr. Smith. In my State there were thousands if not hundreds of thousands of Democrats who did the same thing in that campaign that Mr. McNinch is accused of having done and we felt in 1930—and I am one of those who felt that way—that it was not wise to proscribe men and seek to punish them because of what they had done in 1928.

Mr. CLARK. Even when they failed to file returns as required by law?

Mr. BARKLEY. That is a technical matter about which there might be a genuine difference.

Mr. CLARK. There are many men in the penitentiary on similar technical matters at the present time.

Mr. BARKLEY. There are not many in the penitentiary on technicalities of that sort, probably not as many as ought to be, as the Senator suggests. The point I am trying to make is that this political issue having been threshed out thoroughly in the committee and on the floor of the Senate 5 years ago, and some of us who were very vitally concerned in the campaign on the side of the Democratic nominee having felt that that was no legitimate bar to the appointment of Mr. McNinch, and that view having been confirmed now by the present President of the United States, who was equally vitally interested in the Smith campaign in 1928, it does not seem to me that we ought now to go back and thresh all that straw over again in order to



attempt to provide some legitimate reason for opposition to Mr. McNinch.

Mr. CLARK. Mr. President, with the very greatest respect for the opinion of the distinguished Senator from Kentucky, I should like to suggest that there are many Members of the Senate who were not Members of the Senate at that time and who are not necessarily bound by the profound conclusion the Senator from Kentucky reached at that time.

Mr. BARKLEY. I agree to that; and I do not even claim that the opinion was profound; it was probably very superficial; but it was at least sincere.

Mr. BAILEY. Mr. President—

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

Mr. WHEELER. I yield.

Mr. BAILEY. I do not care to have the nomination go over; I would prefer to have it settled; and certainly, while I have grateful feelings for the Senator from Missouri, I do not interpret the remarks of the Senator from Montana by way of drawing an issue with me.

Mr. WHEELER. Not at all.

Mr. BAILEY. I think after what I have said about Mr. McNinch it becomes me to remain quite patient while the Senator from Montana produces all he can in his behalf. I have no objection whatever to that. I do not intend to controvert with him about it. I have stated my views, furnished my facts, outlined my position, and I am entirely content.

Mr. WHEELER. There is no issue so far as the Senator and I are concerned with reference to what took place in North Carolina. The only issue is as to whether or not as a matter of law a statement should have been filed. The Senator contends that under the law there should have been. I am saying and propose to follow it further with the testimony that he is mistaken. I am proceeding upon the sworn testimony given before the Interstate Commerce Committee when this matter was previously under consideration. Here is the testimony with reference to the campaign fund:

Mr. McNinch stated to the committee that he did not personally collect or handle campaign funds. That was his testimony before the committee.

Mr. BAILEY. I desire that to be read in the light of the direct evidence that since then he swore in a court of justice that he did receive \$5,000. That goes to the heart of things.

Mr. WHEELER. I saw that statement in the newspapers, but I think there may be some error about it.

Mr. BAILEY. Let me interrupt the Senator further and ask if Mr. McNinch did not swear that he could not get a blank or did not get a blank to account for his funds.

Mr. WHEELER. The Senator is wrong about that.

Mr. BAILEY. No; I am right.

Mr. WHEELER. I think the Senator will find that the record shows that \$5,000 was paid, not to McNinch but turned over to this organization. That is what McNinch testified before the committee. I think the Senator will find that he is in error when he says McNinch testified that he got it personally. He testified that they got \$5,000 from an anti-Smith organization.

Mr. McNinch stated to the committee that he did not personally collect or handle campaign funds; that a finance committee did this and the funds were turned over directly to the treasurer; that he did not file a statement of the committee's receipts and disbursement with the secretary of state for North Carolina because it was clear that the committee was not a political party, as defined by the statute; that the committee had only one meeting and nominated no candidates and only passed a resolution opposing Governor Smith; that he and the leaders in the movement supported all of the rest of the Democratic ticket and in every campaign speech he called on his followers to support all of the Democratic ticket except Governor Smith; that he did not receive any request from the secretary of state to file a statement until during the last week of the campaign, when he was away from headquarters and on the stump,

with speaking engagements every day for the balance of that week. He has since told me that he forgot to state to the committee that neither he nor any member of the committee ever received from the secretary of state the blank forms calling for a report, which forms were sent to the Democratic and Republican committees in due time; that if he had filed the statement it would have characterized the committee, of which he was a leader, as a political party, and he knew it was not a party, but was fighting as a group of Democrats, supporting all of the Democrats except one. He has said publicly that he would publish a full statement promptly after the election and fully intended to do that, and when the campaign was over he called on the treasurer for a report on finances, and then learned that two members of the finance committee, Mr. J. L. Morehead, of Durham, N. C., and Mr. Word H. Wood, of Charlotte, N. C., had turned over to the treasurer their personal checks for lump sums, but without any statement as to who contributed the money.

I invite the attention of Senators to a letter written by Mr. Wood who, I understand, the Senator speaks of as a high-class gentleman. This is in response to a letter written by Mr. McNinch to Wood, as I recall:

Responding to your request, I am giving herewith a statement of the money I collected—

Mr. Wood collected it, not Mr. McNinch.

in connection with the anti-Smith organization and campaign. In justice to you—

Said Mr. Wood, and I should like to call the attention of the Senator to this because it seems to me the only new thing that has been brought into the case. This is a letter from Mr. Wood, who was treasurer of the organization in North Carolina. Mr. Wood is a banker. There is no question about him being an honorable, high-class, decent man, as I understand. If there is I should like to have it stated.

Mr. BAILEY. I said so. Mr. Wood is a man of excellent standing and that should be stated anywhere.

Mr. WHEELER. I will read the letter:

Responding to your request, I am giving you herewith a statement of the money I collected in 1928 in connection with the anti-Smith organization and campaign.

In justice to you I should like to state that I have several times previously declined to give you a statement of these contributions, because you had stated at our organization meeting that you did not want one dollar accepted from any Republican source, as we were to conduct a Democratic campaign, and I knew that I had taken the personal responsibility of receiving a few contributions from Republicans, and preferred not to tell you about it, as I knew it was contrary to your instructions and wishes. I remembered that you had stated from the stump and through the press that our campaign was being conducted independently of the Republicans and that it was being financed by money from Democrats, and knew that you were entirely sincere in those statements; but I did not agree with you as to the necessity for such a course, and therefore assumed the sole personal responsibility in this respect, and this alone is the reason why I have never been willing to give you a statement of these contributions before now.

I regret that my refusal to make a statement to you heretofore, and your being unable to publish a statement, as you have repeatedly told me you wanted to do, has resulted in any embarrassment to you, as you have not until now known anything about the sources from which these contributions were received, excepting those by Mr. Gossett, Mr. Johnson, the anti-Smith headquarters, and myself.

I sent to C. H. Ireland, treasurer of anti-Smith organization, Greensboro, N. C., an aggregate of \$3,800, covering the following contributions: \$1,800 contributed by W. H. Wood; \$500 contributed by B. B. Gossett; \$500 contributed by C. B. Johnson; \$1,000 sundry small contributions during campaign, of which I kept no record; \$5,000 received from the anti-Smith headquarters, Richmond, Va.; \$1,000 received from Arthur J. Draper, Charlotte, N. C.; \$3,000 received from Charles E. Lambeth, Charlotte, N. C.; \$2,000 checks received through David H. Blair, as hereinafter explained; \$300 I am unable to account for, unless it consisted of small cash contributions received here in Charlotte, of which I kept no record.

So Mr. Wood said that the \$5,000 received from the anti-Smith headquarters, which was the Bishop Cannon organization, was received by Mr. Wood. That was the testimony not only given by Mr. McNinch but confirmed by the secretary of the organization, Mr. Wood; and it is likewise, as I recall, confirmed by the testimony or statement of Mr. Morehead, who was also one of the organizers.



Mr. BAILEY. Mr. President, may I undertake to clear the Senator's mind upon that matter as to the facts?

Mr. WHEELER. Yes.

Mr. BAILEY. Mr. McNinch testified in the Cannon case that he received the money and turned it over to Mr. Wood, the chairman of that committee, and he undertakes now to exonerate himself by saying he did not get a blank. Is a man forgiven in this world for not filing an income-tax return because he did not get a blank?

Mr. WHEELER. Oh, no; of course not.

Mr. BAILEY. I wish to inquire if any of the numerous leagues being formed in America now—the Liberty League, for example, or the Crusaders—may go out into political fights, oppose candidates or advocate candidates, and not be accountable for their expenses? Certainly they are required to file statements. After the most tenuous evidence and taking advantage of technicalities he knew he was obligated and denied receiving the money, but he testified here that he had.

Mr. WHEELER. Mr. President, if under the law Mr. McNinch should have made a return of money that he received, it seems to me the prosecuting attorneys of North Carolina at least were derelict in their duty if they did not prosecute him. Apparently they agreed with him when they did not file any charges against his committee, and felt that they could not get a conviction under the law, or they would have filed charges. Otherwise, they were derelict in their duty.

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

Mr. WHEELER. Yes.

Mr. BARKLEY. My recollection—and it is refreshed by the testimony the Senator has read—is that when we had this matter up before the committee 4 or 5 years ago Mr. McNinch never denied that the \$5,000 contribution was made.

Mr. WHEELER. No; he never denied it.

Mr. BARKLEY. He did not deny it. He knew it was made. It was just a question whether it was paid to the secretary or to him. He said it was paid to the secretary. That, of course, would account for the \$5,000 contributed by Bishop Cannon, whether it was turned over to McNinch in person or to the secretary. So it seems to me it is a technical question of a man's recollection as to whether the money was turned over to him in person and then turned over to the secretary, or paid direct to the secretary. I do not see that there is any great controversy about that.

Mr. WHEELER. I do not see any controversy about it, in view of the statement. As I say, it was not McNinch's testimony from which I was reading. I was reading from a letter written by Mr. Wood, who was the treasurer of the organization.

I do not want to take up any more time.

Mr. CLARK. Mr. President—

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

Mr. WHEELER. I do.

Mr. CLARK. I am informed by the Senator from North Carolina that the requirement of the North Carolina law is, as it is in most States where returns are required, that it is the duty of the chairman of a political organization to file a return; so I do not see that the Senator answers that question by reading the testimony of the treasurer of the campaign. It may be that the treasurer had a right to file a return; but if the law makes it the duty of the chairman of a political organization to file a return, and Mr. McNinch has testified that he had knowledge of this contribution, as the Senator from Kentucky says, I do not think Mr. McNinch helps himself by bringing in at this late date the testimony of the treasurer of the committee that the money was paid directly to him.

Mr. WHEELER. All right; but suppose the Senator from Missouri were the head of an organization, and he asked the treasurer how much money he had received, and the treasurer refused to give the Senator the information, does the Senator think he could file a statement of it?

Mr. CLARK. I would not be the head of an organization in which I was compelled by law to make a return of the

expenditure of large sums of money, as the record in this case shows was done, and in which the treasurer refused to furnish me the information on which to make a return.

Mr. BLACK. Mr. President, will the Senator yield for a question?

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

Mr. WHEELER. I yield.

Mr. BLACK. Has the Senator covered Mr. McNinch's record as a member of the commission?

Mr. WHEELER. I have tried to cover it. I was coming back to it again.

Mr. BLACK. I happened to be out of the Chamber at the time.

Mr. WHEELER. I have covered it casually, just in general terms.

I desire to repeat, as I said at the outset, that I have no feeling at all with reference to Mr. McNinch. I scarcely know the man. I have never talked with him for over 15 minutes in my life. I heard him testify before the Interstate Commerce Committee when his nomination was here before. I was impressed with the fact that he was sincere, that he was liberal in his viewpoint on the power issue. The then Senator from North Carolina vouched for Mr. McNinch, and I voted for his confirmation. He has served ever since that time, and President Roosevelt has promoted him to the position of Chairman of the Commission. I challenge any Member of the Senate to point his finger to a single, solitary act detrimental to Mr. McNinch's record since he has been a member of the Commission.

As we all know, the power interests from one end of the country to the other, of course, are bitterly opposed to the present policies of this administration. There is not a time when they get together but that they are constantly berating the administration. I say to every Member of the Senate that by voting against Mr. McNinch, if the Senate should refuse to confirm him, he will be playing right into the hands of the power interests of the country, and they will hold a jubilation over the fact that the Senate has defeated the one man who has been closer than anyone else to the President of the United States during the past 2 or 3 years in the power fight.

If Senators desire to defeat Mr. McNinch because he bolted Al Smith, they may do so; but, as much as I have supported Al Smith, I cannot bring myself to be so narrow in my political feelings as to oppose somebody because of the fact that he has not always voted for the candidate for whom I have voted. If I did that in my State, and if most of the people in the Northern States did that, there would not be enough Democrats in the northern part of the country to flag a handcar.

I desire to say, further, Mr. President, that Mr. McNinch may have done wrong. I am not condoning what he did at all, and would not for one moment attempt to condone it. The Senate confirmed him on a previous occasion, however, after every single solitary thing that was brought up on the floor of the Senate this time was gone into at hearings before the Interstate Commerce Committee, and then again gone into on the floor of the Senate. Since that time Mr. McNinch has served upon the Power Commission as one of the most honorable, one of the most efficient, and one of the most brilliant men who served in any capacity on any of the commissions here in Washington. That is not merely my judgment with reference to the matter; it is the judgment of every single solitary man who has followed the power fight in the United States. It is the judgment of every newspaperman in the galleries who has followed the power fight in this country. It is the judgment of every single individual from one end of the country to the other. Senators may vote against Mr. McNinch if they desire; but if they vote against him because he bolted Al Smith, they will be setting themselves up as just as intolerant as they claim Mr. McNinch to have been.

I, for one, Mr. President, deplore intolerance, whether it is on one side or on the other. I, for one, will not permit myself, because of intolerance, to vote either for or against



any man for confirmation to any office within the United States. When we let our intolerance get the better of our judgment in these matters, whether it is political intolerance, economic intolerance, or religious intolerance, we are doing a disservice to the people of the United States of America.

Mr. McCARRAN. Mr. President, in approaching the discussion of this subject I desire first to dwell upon the expressions of the very able Senator from Montana [Mr. WHEELER]. I do not approach the discussion from the standpoint of intolerance. I do approach it from the standpoint of ability and capability.

The learned Senator from Montana said, "Vote to reject this man, and the power interests of the country will hold a jubilee." If there is anyone in the Senate who has done me the courtesy of watching my career, he will at least credit me with candor as against the power interests of the country. I am in favor, and I have been in favor, and I shall continue to be in favor of municipal control as against private control of the power of the country. It is because the man who is now nominated by the President is incapable of carrying out those great policies that I take the floor here today; not because of any intolerance, because I do not know his record. I take his record, however, from the two Senators from North Carolina, and I am willing to abide by that record. When neither of those Senators, so far as I know, is willing to subscribe to his nomination, I am one Senator on the floor of this body who will not vote for his confirmation. At least a man should have the endorsement of those who know him best.

So far as intolerance is concerned, that is a thing of the past, thanks be to God. So far as intolerance is concerned, I wish it had never come into American history. That does not enter into my consideration whatsoever. But I say, Mr. President, that from my study of this man, from my observation of him, from the fact that I have read his opinions, from the fact that from today on there must go forward the voice of the Executive of this country that natural resources must be conserved and applied to municipal benefits, I cannot and I will not lend my vote to the confirmation of Mr. McNinch.

I say nothing against him personally. I do not know his record. The learned Senators from North Carolina know it much better than I do. All I want is to be fair; but in my spirit of fairness and in my idea of fairness I conceive that a Nation must go forward, and a Nation going forward can best go forward when it utilizes natural resources for the best interests of the communities where those natural resources exist.

Mr. McNinch was nominated under a President who believed in private control of all natural resources. I do not think there is anyone who, having read the life of that President, will deny his natural inclination. When Mr. McNinch was serving under that administration, he served that administration. He is now willing to serve this administration, and if tomorrow another administration should come in, he would be willing to serve that.

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

Mr. McCARRAN. I yield.

Mr. WHEELER. I am sure the Senator is not familiar with Mr. McNinch's record during the Hoover administration, because he was most progressive, as any man who knows his record during that period of time will testify. As a matter of fact, he took office under Hoover, but he did not subscribe, as everybody who followed the power fight in this country knows, to the ideas of Mr. Hoover.

Mr. McCARRAN. He could be the most progressive and yet not be very progressive; so there you are.

Our vote on the confirmation of this gentleman does not involve a question of party lines. It is not a question of tolerance or intolerance. It is a question of his ability and capability and adaptability to the office to which he is nominated.

Mr. President, this is all I have to say. These are my views on the subject. I want to be recorded as voting

against the confirmation of this man for the reasons I have suggested.

Mr. NORRIS. Mr. President, I had not intended to debate this question, and I should not intrude myself on the Senate at this late hour if it were not for some of the things that have been said in regard to Mr. McNinch which I cannot understand.

Of course, while I may be wrong and others may be right about the matter, I have no sympathy with the man who makes objection to someone who is appointed to office because he does not wear a political badge of a particular kind. I know that many very fine and able men object to the appointment of anybody, regardless of his ability, regardless of his honesty, if he does not wear some particular political badge, and some go so far, if a man is a hundred years old, to say, "If a search of your life from the time you commenced to vote to the present shows that you ever voted for a township trustee or a school teacher or any candidate of that kind who did not bear your political badge, you were a traitor and you are not fit to hold office, and you never ought to be appointed to office by anybody, regardless of your ability." That carries partisanship further than I think it ought to go.

Mr. President, I wonder, too, what some of those who condemn others because they have not supported this man or that man for President, and make them out to be unfit for public office, think of me. I wonder why I am not expelled from the Senate. If that be a crime, we would not have a quorum here. I could not go on this side, of course, I could not go on the other side, of course, although this side and the other side both treat me with great respect when I happen to be supporting some man for office who wears their particular badge. I am a good fellow when I am supporting Smith for President, and the Democrats pat me on the back and say, "What a patriotic man you are." But they come here and say, "Here is a man who would not support Smith, a Democrat, but supported Hoover, and he is not fit to hold office. We do not care anything about his qualifications. Get anybody, we do not care who he is, how low he is, how incompetent he may be, but he must be a Democrat."

I did not agree with Mr. McNinch in the election in 1928. I supported Mr. Smith. I would do it again if I had the same chance. I am not ashamed of supporting him. I am not apologizing for it, either to this side or to the other. But if Mr. McNinch was a rascal because he supported Hoover, then I am a double rascal because I supported Smith. If he lost his citizenship for going over to the Republicans and supporting their candidate for President, then I lost mine when I went over and supported Smith.

The same reasoning applies to support of Roosevelt. There are none on the other side more anxious to see the Roosevelt administration succeed than I am. I think Mr. Roosevelt made, in this case, an exceptionally fine appointment.

When McNinch was first appointed I was suspicious of him. I am not a member of the committee; and, though I had no time to spare, I took time to go to the committee and listen to the hearings and the record that was made. When I went there I was against McNinch. I came back into the Senate and voted for him.

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

Mr. NORRIS. Just a moment. Everything was gone into. All the record was gone over. The Senate took a vote, and when we came to vote there were only 11 votes against McNinch. Democrats and Republicans alike voted for him.

Let me go a little bit further while I am on this point, if the Senator from Nevada will wait a moment. Then McNinch went into office. I did not see the man change the color of his coat and be different under Roosevelt than he was when he served under Hoover; neither did other Senators. It is conceded, I believe, that he has not done that. Underneath it all he may be a rascal of the deepest dye—I do not know—but from my standpoint he has made a record of which any man ought to be proud. He has



made a record of which I am proud. He has made a record of which ex-President Hoover ought to be proud, and he probably is. President Roosevelt made McNinch Chairman of the Federal Power Commission. I think he has made a wonderful record on the Commission. As the Senator from Montana [Mr. WHEELER] said, all over the country there is one class united in opposition to him, and that is the power interests, the private Power Trust.

I do not mean to criticize anyone else. Others may know Mr. McNinch better than I do, and they may be right about the matter; but when I see so much of the time of the Senate taken up in quibbling over the fact that this man is not a loyal Democrat, that once in his life he supported a Republican—a Republican whom I myself did not support—and saying that therefore he must be condemned, I confess that I do not subscribe to that kind of a doctrine. If that is good doctrine, then I am out of place; I ought not to be here; I have no place in public life.

Do Senators go into the campaigns when they are running for office and say, "I do not want any Republican votes"? Do Senators say, "If you are a Democrat and vote against me, you are branded"; or, "If you are a Republican"—the rule must work both ways—"if you vote for me you brand yourself as a traitor, and I will never give you an office nor will I ever support you if you are appointed to office"? Is that the kind of campaign that anyone makes in any party?

Senators welcome Republican votes when they are running on the Democratic ticket. They are good fellows if they vote for you. It would now appear, however, from this discussion, that any man who ever scratched his ticket was a demagogue and not entitled to the respect of his fellow men.

I feel deeply about this subject. When I supported Smith I found a good many in the Republican Party who bitterly criticized me for supporting him. There are just as many men in the Republican Party as there are in the Democratic Party who feel that way. There are men in the Republican Party who would not look at me or speak to me now if they met me on the street, just because I did not support Hoover; and apparently this man McNinch must be condemned because he did support him.

I myself think McNinch made a mistake when he supported Hoover. I think he was wrong; but I have to concede that he had a right to support Hoover, even though he himself was a Democrat.

I now yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, I think the learned Senator from Nebraska made the statement—and I hope to quote him correctly now, when so long a time has passed since he made it—that when Mr. McNinch's nomination came up on the first occasion, the Senator was suspicious of him. I hope I quote the Senator correctly.

Mr. NORRIS. Yes; I think I said that.

Mr. McCARRAN. I wonder if the learned Senator will state on what ground his suspicion was then founded.

Mr. NORRIS. I am speaking now from recollection, but I think it applies to all such cases.

I have found from my experience in public life that when a President appoints a man to a commission where there have to be appointed some members of the opposing party, as is the case with respect to the Federal Power Commission, the President always hunts around for a friend in the other party. I can point the Senator to illustrious men in the Democratic Party who always did that. The same thing is true of the Republican Party. It may not be right. Many good men argue that that is not right. I do not care much about it, because I never had much sympathy with the law and I have always opposed laws that required a man to be appointed because of political qualifications, as many of our laws do.

I was here under President Wilson, a Democrat. In the case of the commissions he had to appoint, where they were to be divided and had to be made up partly of Republicans, I noticed that the Republicans he selected were always men who supported him in the previous campaign.

Mr. Hoover had the same kind of appointments to make, and when he had to appoint a Democrat he always found some Democrat who had supported him. I suppose that is what Hoover did in this case.

I do not anticipate that Mr. McNinch had any deal with Hoover, or anything of the kind. I do not think there was anything crooked or wrong. However, I have an idea that so far as Hoover was concerned, he appointed McNinch because McNinch supported Hoover.

Senators may say what they like about that kind of politics, but that is the kind of politics under which we are living. That is the kind of politics Democrats practice. That is the kind of politics Republicans practice. It is the universal rule, and I suppose it always will be. Right or wrong, it is the practice; it is the procedure. I had an idea that we had better look carefully into an appointment to a position of this kind made by President Hoover, because I knew where President Hoover stood on the power question.

I listened to the testimony before the committee. I heard Mr. McNinch testify; and though I concede that I may be wrong, I concluded, and I did it without evidence, just from my knowledge of things in general, that Hoover had appointed McNinch because McNinch had supported Hoover.

I was suspicious at first that Hoover had appointed McNinch because the Power Trust owned him; that he had leanings toward the Power Trust or private companies. When I heard the evidence I reached the conclusion that I was probably wrong in that suspicion. Perhaps I was not certain about it, but I was sufficiently satisfied that I was wrong in that suspicion that I voted for his confirmation.

I believe that is a correct statement. I cannot prove any of those things. I do not know what was in the heart or the mind of the President when he appointed McNinch, but I think President Hoover appointed him because he had to appoint a Democrat and because he was the kind of a Democrat who had supported Hoover. That is what all the Presidents do. So President Hoover appointed him. Our bipartisan boards are filled with that kind of appointees. Grover Cleveland did it. I do not know any President who did not do it. All of them did.

Mr. BAILEY. Mr. President—

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

Mr. NORRIS. I yield.

Mr. BAILEY. I greatly delight in the candor of the Senator from Nebraska. I feel that he is probably right in believing that Mr. Hoover appointed Mr. McNinch because Mr. McNinch voted for Mr. Hoover.

Mr. NORRIS. I think so.

Mr. BAILEY. So far so good. He has received his reward. Why should the Democrats reward him?

Mr. NORRIS. The Democrats need not reward him.

Mr. BAILEY. I am not going to if I can help it.

Mr. NORRIS. If the Senator is going to say, "Here is a Democrat who was appointed and rewarded by a Republican President, so let us kick him out", that is one thing. If the Senator would go through all the boards and commissions and do that, he would find more vacancies than he could fill in the next 6 months, because they are filled with appointees of that kind who were appointed for that very reason.

Mr. BARKLEY. Mr. President, the Senator is mistaken that he could not fill them in 6 months. I could fill them in 6 hours from among the applications I have now on my desk for positions. I might not be able to fill them with as good men, but I could fill them.

Mr. NORRIS. If the Senator filled them from among the applicants whose applications are on his desk, he probably would make as many mistakes as he had appointments to make, and after a while he would find that out.

This man, as has been stated, has made good. In my judgment, he is entitled to this office. He is an outstanding character in the United States today on the subjects which come before that Commission. He is the leading authority and recognized as such. He is hated by the Power Trust.



His defeat here would be heralded as the greatest kind of victory in favor of the Power Trust. He has made good.

When President Hoover first nominated him I voted for his confirmation, after a great deal of investigation, because I then felt he would make good. Now the charge is made that something that was settled at that time, when we passed on the matter, has not been investigated again. The matter is brought up now and criticism made because the committee did not go into it again. They did it before, took volumes of testimony, went all over it and reached their conclusion, and after full debate the Senate, by almost unanimous vote backed up the nomination and voted for his confirmation.

I was one of the doubtful ones. I did not know the appointee. Knowing the source of his appointment and the ideas of President Hoover on the power question, I was suspicious. I went into it with suspicion in my mind. I became convinced. I am more convinced now than ever that he is one of the outstanding characters on the questions with which the Commission has to deal, one of the outstanding authorities in America on those questions. From my viewpoint it would be a terrible mistake if the Senate should not confirm his nomination.

I did not agree with him. He supported Hoover. He went against his party and supported Hoover. I went against my party on the other side and supported Smith. If he is a bad man because he did that, I am just as bad because I supported Smith and I ought to be kicked out. I have been reelected since in the face of that, and I received a bigger majority than ever before.

This man, because he was appointed by Hoover, ought not to be defeated now when he is appointed by another President.

Mr. McCARRAN. Mr. President—

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

Mr. NORRIS. Certainly.

Mr. McCARRAN. I want to say to the Senator—perhaps I am not within the realm of propriety in doing so—that I very much dislike having the learned Senator from Nebraska in the breach where he places himself now before us, to be voted up or down by the Senate in order to save Mr. McNinch.

Mr. NORRIS. Oh, no; I do not do that. I relieve the Senator entirely from any aspersion of that kind.

Mr. McCARRAN. I know the learned Senator during his entire discussion has dwelt on himself. Every one of us is a great admirer of the learned Senator from Nebraska. The learned Senator from Nebraska wants us to vote up or down, in or out, according to whether or not the learned Senator from Nebraska was right in abandoning his party, and thereby we will say that Mr. McNinch was right or wrong in abandoning his party.

Mr. NORRIS. No; I am not requesting anything of that kind. Of course, I would have no reason or right to request anything of that kind.

Mr. GLASS. Mr. President—

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. GLASS. I do not concede that the Senator from Nebraska properly places himself in the same category with Mr. McNinch. Why was Mr. McNinch appointed in the first place?

Mr. NORRIS. I went into that somewhat before the Senator came into the Chamber.

Mr. GLASS. Yes. I had no need of asking the question, because I know why he was appointed.

Mr. NORRIS. Then there is no necessity for me to answer the Senator's question.

Mr. GLASS. Not a bit in the world. I will answer my own question. He was appointed for no other reason than that he deserted his party and supported Mr. Hoover. That is all. He was not appointed on account of his fitness. He did not know anything more about the power interests, whether they were right or wrong, than the man in the moon. He was appointed simply because he voted for Mr. Hoover. Thousands of people in my State voted for Mr. Hoover. Virginia, for the second time since the Civil War,

voted the Republican ticket, voted for Mr. Hoover by 24,000 majority. Many of the best people of Virginia did that. That is not the question involved here. It is why Mr. McNinch was appointed. He was appointed because he deserted his party and voted for Mr. Hoover, and for no other reason on the face of God's earth.

Mr. NORRIS. The Senator could make the same statement about every other Democrat that Mr. Hoover or any other Republican President ever appointed to office. If there was a deal by which Mr. Hoover had agreed in advance, if a contract had been made with this man, "if you will support me I will appoint you to this office", it would have been a different thing. That cannot be proven. No one will attempt to prove it. He may have been appointed because he supported Mr. Hoover. That is natural. Presidents make such appointments, as I said when the Senator was not here. Democrats and Republicans alike have done that. It does not follow that the man appointed is incompetent or is a criminal or is guilty of anything that ought to bring about his defeat. If it were true that Mr. McNinch had supported Hoover because in advance a contract was made with Mr. Hoover that if he did support Hoover he would be appointed to this office, then it would be a different matter.

Mr. GLASS. I do not say that that is so.

Mr. NORRIS. Of course the Senator does not.

Mr. GLASS. I do not put Mr. McNinch in the category of an apostate for the price of his apostasy; but all the same he was an apostate and he got the job, and that is the only reason he got it.

Mr. NORRIS. The same thing would be true of other appointees. That may be said whenever a President appoints a man where we have minority political representation on these various boards and commissions. I have never favored that kind of representation but it is provided for in all kinds of laws. Where the President has to appoint representatives of different parties to the offices he cannot appoint more than so many from one party. It works out, as a rule, so that the President selects for the minority, nominees from the other party, men who supported him.

Democratic and Republican Presidents have always done that. That is the general rule. I do not think it is a good rule. I voted against the laws which provided that the minority of a body should be of one party and the majority of another party. I would rather give the President a free hand and let him appoint all the members of a body, if he desires to do so, from his own party. That, however, is not the law; and I take it that it is no disgrace to Mr. McNinch that he was appointed and accepted the office, although the appointment was made by President Hoover. It does not follow and nobody believes that when the appointment was made any promise was made or anything wrong was done by Mr. McNinch when he got the office, or that he supported Hoover with the understanding that Hoover was to give him an office.

Mr. GLASS. I do not think that occurred, but I think Hoover gave McNinch the office because he supported Hoover.

Mr. NORRIS. He probably did. That is true all the way around. All the Presidents have done that.

Mr. BARKLEY. Mr. President—

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

Mr. NORRIS. I will yield the floor if the Senator desires the floor.

Mr. BARKLEY. No; I have not any desire to speak on this nomination. I am wondering if we cannot get a vote. I may say that, as soon as this nomination shall be disposed of, it is the purpose to recess until tomorrow, at which time two important bills are to be considered, and, after they shall have been disposed of, to recess until Monday. It is, therefore, very desirable to get a vote on this nomination tonight if possible. If no other Senator desires to speak, I hope we may have a vote.

Mr. LEWIS. Mr. President, I rise merely to ask information from the Senators from North Carolina, if I may intrude.



Mr. BARKLEY. I yield to the Senator for that purpose.

Mr. LEWIS. When the appointment of Mr. McNinch was made, were the Senators from North Carolina informed, did they protest it, and was the appointment made despite their protest?

Mr. BAILEY. Mr. President, I will respond to that inquiry.

When Mr. McNinch was appointed in December 1930, other Senators than the present Senators from North Carolina were Members of this body. I was Senator-elect, and did appear, but I could not appear in my capacity as Senator. I did not qualify until March 4, 1931.

Mr. LEWIS. Has not Mr. McNinch been reappointed by President Roosevelt?

Mr. BAILEY. He has been reappointed.

Mr. LEWIS. It is as to that appointment that I should like to know if the Senators were informed, and if they protested, and if the latter appointment was made despite that protest.

Mr. BAILEY. I will answer that question. I was informed, and I did communicate with the President; and I think I made it perfectly clear, in speaking here just now, that I was respecting the President's decision in the matter. He heard it, and I have no complaint to make of the President.

Mr. BARKLEY. If the Senator will yield there, further to clear up this matter, at the time this nomination was made 4 years ago the present junior Senator from North Carolina [Mr. REYNOLDS] was not a Member of this body. Senator Morrison at that time was a Member of the Senate, having just been appointed by the Governor. The present senior Senator from North Carolina [Mr. BAILEY] had been elected, but had not taken his office; but, as the Senator-elect, he did appear before the Committee on Interstate Commerce and object to the appointment, very largely because of the campaign in 1928. The other Senator from North Carolina, who is not now a Member of this body, appeared before the Committee on Interstate Commerce and endorsed the appointment of Mr. McNinch, and asked for his confirmation, and made a speech on the floor of the Senate in behalf of his confirmation at that time.

I feel that that ought to be said, because the present junior Senator from North Carolina [Mr. REYNOLDS] was not then a Member of the Senate of the United States.

Mr. GLASS. Mr. President, I desire to have it distinctly understood that I make no criticism of the reappointment of Mr. McNinch by the present Executive. The fact of the matter is, I am inclined to think Mr. McNinch has been a good member of the Commission; but I voted in the first instance against rewarding party treason, and I am going to be consistent now and vote that way.

Mr. CLARK. Mr. President, in furtherance of the inquiry of the Senator from Illinois [Mr. LEWIS] as to the attitude of the Senators from North Carolina, I listened today to a very able and exhaustive speech by the senior Senator from North Carolina [Mr. BAILEY]. I should like to ask the junior Senator from North Carolina [Mr. REYNOLDS] if it is not a fact that he also protested against this nomination before it was made in this instance?

Mr. REYNOLDS. Mr. President, I recall very vividly that in 1928 the Presidential nominee of the Democratic Party was none other than Alfred E. Smith, from the great State of New York. Since you would have me speak at this hour, Mr. President, I shall avail myself of this delightful opportunity, despite the fact that the galleries are not filled. [Laughter.]

The PRESIDING OFFICER. It is not at the request of the Chair. [Laughter.]

Mr. REYNOLDS. But it will be my pleasure on this occasion to speak directly to the eminent Senator who now occupies the Chair [Mr. DUFFY in the chair], and I am delighted to have this opportunity, because heretofore, every time I have attempted to command the attention of the eminent Senator who now occupies the chair, he has left the Senate Chamber. [Laughter.]

In 1928, Mr. President, the members of my great party, the Democratic Party of North Carolina, bestowed upon me

a great honor—the honor of representing that party as one of the Presidential electors from what was then known as the Tenth Congressional District of North Carolina. Since 1928, however, our State has gone forward so miraculously, it has made such great progress in population and wealth, that the Federal Government has consented to give us 11 congressional districts instead of 10. So now, Mr. President, instead of residing in the Tenth Congressional District of North Carolina, as I did then, I reside in the Eleventh Congressional District of North Carolina.

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

Mr. REYNOLDS. I will come in just a moment to the matter the Senator has in mind.

Mr. BLACK. I understood that the Senator had fully answered the question now, and I thought perhaps we could vote.

Mr. REYNOLDS. Not just yet. [Laughter.]

Mr. President, as I have said, I was made one of the Democratic electors. I was so enthusiastic about our nominee, Alfred E. Smith, that I did not confine myself to public addresses in his behalf and in behalf of our great party and its principles only in my district, but I likewise covered every single county in North Carolina, in order that I might have the opportunity then of telling of this great man, and what he would do for the country should he be elected. During that campaign a lot of people in North Carolina said that Mr. Smith ought not to be elected because he was an antiprohibitionist. I differed in views from some of my fellow-citizens in North Carolina, and at that time I was thinking about becoming a candidate for the United States Senate. As a result, I availed myself of the delightful opportunity of going very deeply into the question of prohibition [laughter]. So, at the expense of those who were putting up the money for me to ride all over North Carolina, I talked about that subject, which I made one of the issues in my campaign of 1932.

Mr. President, I did not like it when I heard that Mr. McNinch was at the head of an organization that was opposing very strenuously our candidate, Mr. Smith, and it was said that his opposition was attributable to the fact that his views were not in accord with the views of Mr. Smith on the question of prohibition. Naturally, I did not like that, because we were not in thorough accord as to that particular subject.

As the campaign went on, I heard a lot of religious talk, about what they called "intolerance", and I rather thought perhaps that Mr. McNinch, who was heading the opposition, had started some of those tales about intolerance. So the campaign went on, and I talked a good deal about Mr. McNinch's interest in the campaign. Then, of course, when the time came for me to run for the United States Senate, I talked some more about Mr. McNinch. I felt rather that Mr. McNinch had gone too far, and that he had injected into the campaign the question of prohibition, and of intolerance, and it was perfectly natural for me to give expression to my thoughts at periods later.

So, in my primary campaigns—there were two of them in the year 1932—and likewise in the general election which followed, I stated to my constituents that I would oppose the reappointment of Mr. McNinch.

I had never heard of Mr. McNinch prior to the campaign of 1928. He lived in Charlotte, N. C., a lovely city a hundred and twenty-five miles from my town of Asheville. Asheville is said to be the finest resort in America. [Laughter.]

Soon, I think, we will have stretching in serpentine fashion a marvelous velvetlike highway from the Shenandoah National Park to the Great Smoky Mountain National Park. In 1933, according to the report of the Secretary of the Interior, more people visited the Great Smoky Mountain National Park than visited any other park of the United States, even including the Yosemite and the Yellowstone National Parks. As soon as the highway to which I have referred shall be completed, it will be the Mecca of all America, and I trust will make my beloved section of North Carolina the most popular playground of America.



Mr. President, carrying out my promises to my constituents, when I came to Washington and the newspapermen made inquiry of me about this matter, I told them that my position had not changed a particle, that I had stated that I was going to oppose Mr. McNinch's reappointment, that I had told my constituents that I was going to do that, and I was sticking by what I had said.

I came here in November 1932 to enter upon my first term. That was a short term and lasted until March 1933, when our great President took the oath of office as President of the United States, and, if I recall correctly, it was 16 months before the question arose as to the reappointment of Mr. McNinch.

It appears, from what I have learned here, that Mr. McNinch was appointed by President Hoover, and after serving under President Hoover, he served for a period of 16 months, up until June 1934, under the present great President of the United States.

I wrote a letter to the President of the United States before his reappointment of Mr. McNinch, in which I carried out the promises I had made to my constituents in North Carolina. I sent this letter to the White House, and I should like to read it into the RECORD. I stated in the letter:

MY DEAR MR. PRESIDENT: The term of Mr. Frank R. McNinch, first appointed to the Federal Power Commission by former President Hoover and later by your designation made Chairman of that Commission, is, as I am advised, upon the point of expiring.

I respectfully protest against Mr. McNinch's reappointment. In my campaign for the Senate I promised to oppose his reappointment, the ground of my opposition being his bolting of the Democratic national ticket in 1928 and his active leadership in the fight against Gov. Alfred E. Smith, Democratic candidate for the Presidency in that campaign.

This promise I made to the Democratic voters of North Carolina is sacred to me, and I must therefore, and do, declare my opposition to the reappointment of the present Chairman of the Federal Power Commission.

I write you now because I feel that it is my duty to you, as my beloved and trusted leader, to advise you in advance of my obligation and attitude with reference to the question of Mr. McNinch's reappointment.

With renewed assurances of my sincere affection and great respect, I am, my dear Mr. President,

Faithfully yours,

ROBERT R. REYNOLDS.

So, prior to the reappointment of Mr. McNinch by the present President of the United States as a member of the presently constituted Federal Power Commission, I dispatched that letter by special messenger to the President, in keeping with the promise I had made to my constituents in North Carolina.

It was after the receipt of the letter which I have just read that the President, over my opposition, and evidently over the opposition of my colleague, preferred to and did reappoint Mr. McNinch as a member of the Federal Power Commission.

Mr. CLARK. Mr. President, as we all know, the Constitution requires that appointments to certain offices be made by and with the advice and consent of the Senate of the United States. I gather from the eloquent remarks of my friend the junior Senator from North Carolina [Mr. REYNOLDS] that while the President did not follow his advice in the pending matter, he is going to get his consent.

I came into the Chamber this afternoon to listen to the debate on this nomination with as open a mind, I think, as I ever had on any subject in my life. I had no prejudice either for or against Mr. McNinch. I knew very little about him and had no reason either to favor the nomination or to oppose the nomination.

I listened with great care to the very able presentation of the case against the confirmation of Mr. McNinch by the senior Senator from North Carolina [Mr. BAILEY]. That address convinced me that if the charges contained in the remarks of the senior Senator from North Carolina as to the conduct of Mr. McNinch as chairman of a political organization in the State of North Carolina in the year 1928 and his failure to make a return as required by the North Carolina law were well taken, Mr. McNinch's confirmation should be refused.

I listened to the address of the Senator from Montana [Mr. WHEELER] taking issue with the Senator from North Carolina [Mr. BAILEY] on that point. So far as I am concerned, Mr. President, I desire to say now that if the Senator from North Carolina had desired to call for a record vote on the question of confirmation I should have been prepared, upon his presentation of the case, to vote against the confirmation of Mr. McNinch. However, the Senator from North Carolina is much more familiar with the case than I am; and in view of his expressed attitude of not desiring to force a roll-call vote, I am prepared to yield to his leadership in the matter.

I do desire to say, however, that my failure to demand a quorum and ask for a record vote is in no sense actuated by the desk thumping of my distinguished friend from Montana [Mr. WHEELER], nor his customary intimation that anyone who happens to differ with him on any particular matter is acting in the interest of the power companies.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Frank R. McNinch to be a member of the Federal Power Commission?

Mr. McCARRAN. In order that a record may be made, since I assume there will be no yea-and-nay vote, I desire to have the RECORD show that the junior Senator from Nevada votes against this confirmation. I do it for the reason I have stated, and I desire to have this statement go into the RECORD.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Frank R. McNinch to be a member of the Federal Power Commission? (Putting the question.) The "ayes" have it, and the nomination is confirmed.

#### LEGISLATIVE SESSION

Mr. BARKLEY. I ask that the Senate resume legislative session.

The Senate resumed legislative session.

#### MODIFICATIONS OF NATIONAL RECOVERY ACT

Mr. COSTIGAN. Mr. President, the growing discussion of desirable amendments to the National Industrial Recovery Act makes significant certain recent separate recommendations transmitted to the National Industrial Recovery Board by the Consumers Advisory Board and the Labor Advisory Board of that Federal agency. I ask unanimous consent to have these recommendations, and the reports in which they are included, incorporated in the CONGRESSIONAL RECORD.

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

#### RECOMMENDATIONS OF THE CONSUMERS' ADVISORY BOARD, JANUARY 7, 1935

The purpose of the act lost sight of: When the National Industrial Recovery Act was passed in 1933 Congress included in its statement of policy its purpose "to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production . . . to increase the consumption of industrial and agricultural products . . . and to conserve natural resources." With these purposes the Consumers' Advisory Board is in complete accord. The Board believes that such policies should have dominated the administration of the act and should be made effective in the revision which the new Congress is now compelled to undertake. If the Recovery Act, in its practical application, has unduly restricted production, prevented the fullest possible utilization of productive capacity, or failed to increase consumption, it is because the pressure of special interests for individual advantage has diverted the course of the act from that which Congress intended it to follow.

More than an emergency: The problem before the Congress is no simple one. It involves not only the adoption of those policies best calculated to promote industrial activity and employment but also the determination of methods to be employed in meeting the more persistent issue of industrial regulation. It presents for solution problems of the extractive industries, manufacturing, distribution, and the service trades. It raises the whole question of enforced competition as opposed to controlled monopoly.

Every producer a consumer: Every citizen has an interest in these issues both as a producer and as a consumer. His interest as a producer is a particular interest which may often come into conflict with the interests of others. His interest as a consumer is a more general interest which all citizens have in common. It is from the point of view of this general interest that the Consumers' Advisory Board offers its observations upon the forthcoming revision of the act.



The consumer interest: The consumer's interest requires that goods be turned out in large and increasing volume, that living standards may be advanced to the highest level to which our productive capacity and our technical skill can raise them. Competition which contributes to this end must be encouraged, prices kept low. There must be maintained in the industrial system a degree of flexibility which will permit the low-cost to displace the high-cost plant, the more efficient producer to supersede his less efficient competitor. The door must be kept open to new products and processes, to new blood and new ideas.

Should we put on the brakes? The evidence is conclusive that the people of the United States do not have and never have had an average standard of living high enough to justify complacent acquiescence in any program which restricts production. Thousands are improperly fed, badly housed, inadequately clothed. Nearly all of us could increase our consumption of goods and service without overindulgence. In such a situation it is fantastic to talk of overproduction. There has been overcapacity only in the sense that industry has produced more than it can sell at high prices. If prices are not so high as to prevent it, idle labor and capacity will be put to work and the so-called "surpluses" of the goods of which our people stand in desperate need will shortly disappear.

A floor for competition: The consumer wants a low price, but he does not want such a price if it is to be obtained only by depressing labor standards, by impairing the quality of goods, by practicing misrepresentation or by squandering precious natural resources. He does, however, want the lowest price which is consistent with conservation, with honest merchandising, with proper quality, and with decent wages, hours, and working conditions. His interest is to be served neither by unbridled competition nor by unbridled monopoly. Competition forces prices down, but it may do so at the expense of the worker, the consumer, the fair competitor, and the coming generation. There is no indication that monopoly deals more decently with labor, gives high quality, eliminates deceptive competitive methods, or conserves resources; it does, however, enjoy the power to establish prices which will reduce the volume of industrial output and impair the standard of living. What is needed is an intermediate program which might at once put a floor under labor, consumer, and trade standards and preserve the protection against undue price increases which competition affords above that floor. Adoption by industry of codes of fair competition confined to the establishment of minimum conditions of employment, quality guaranties, and competitive standards might have provided such a program. That the present codes have gone far beyond these simple minima is a matter of common knowledge.

The codes distorting the act: Some groups have employed the codes, frequently in violation of the purpose of the act and even in defiance of their plain terms, as a means of eliminating active price competition, increasing and protecting profit margins. Prohibitions against sales below cost with industry itself determining cost, basing point price systems, minimum mark-ups, maximum trade-ins, resale-price maintenance, limitations on discounts and guaranties, minimum prices—such restrictive code provisions have little to do with the establishment of basic standards for labor, quality standards for the consumer, or simple honesty for the trade. They may be used, directly or indirectly, to control prices and profits. They aim not to regulate competition but to eliminate it. Insofar as they boost prices they operate to reduce output and impair living standards. They are anticonsumer both in intent and effect. Such powers cannot safely be entrusted to private agencies unless accompanied by effective public supervision.

Industry puts on a strait-jacket: Certain industries have seized upon the codes as an opportunity to protect established concerns against the growth of rival producers. They have set up standard differentials in the discounts granted to different types of distributors, imposed standard methods of cost accounting, limited machine hours, endeavored to allocate production and to check the introduction of new equipment. The inevitable tendency of such provisions is to destroy that flexibility which is so essential to the success of small enterprises and to the growth of economic efficiency. When he adopts them, the business man deliberately places himself in a strait-jacket from which the community will soon be called upon to extricate him.

Can we prevent destructive price-cutting? It may well be questioned whether the Government should undertake to outlaw destructive price-cutting. In practice it is next to impossible to identify the destructive price-cutter. In general, the designation is applied to any business man who undersells his competitors. If he undersells by exploiting his workers or misrepresenting his products, his price-cutting may fairly be called destructive. But if he undersells by virtue of his superior efficiency, there is nothing socially destructive in his policy. The practical difficulty comes when we attempt to discriminate between price-cutting which is and that which is not socially justified. Any device which can be employed to check destructive underselling—resale-price maintenance, minimum price-fixing, prohibitions against selling below cost—can also be used to eliminate legitimate price competition. Any ban on destructive price-cutting lets the camel's nose in under the tent.

Open-price systems: The open-price reporting systems which are permitted under many of the codes carry possibilities both of use and of abuse. In some industries price reporting may be used to increase the general availability of price information and to stimulate genuine price competition. Elsewhere it may be employed to fix collusive prices and to compel individual business concerns to adhere to them. Any permission granted industry to make use of

open-price reporting should therefore be surrounded with such safeguards to guarantee against its abuse as have already been suggested by the Consumers' Advisory Board.

Profits without risks: The effort has been to stabilize profits. But profits cannot be stabilized under a system of industrial freedom. Freedom involves risks. Profits are the incentive, losses the hazards, of those who assume risks. When risks are eliminated, the economic function of profits disappears. The authors of many of the codes apparently were determined both to have their profit cake and to eat it. In attempting to guarantee themselves a profit margin they have tried to shift to other groups in the community those risks which it was their own function to assume. The effort to stabilize profits comes perilously near to stabilizing poverty.

A shotgun attack: No common formula can be applied to the control of several hundred separate industries and trades which differ from one another in their essential economic characteristics. Some are composed of several thousand small, scattered units; others are dominated by a handful of powerful concerns. In some it is next to impossible to subject the individual producer to any common control; in others it is fanciful to expect him to exhibit any real independence. Some employ a few hundred, others hundreds of thousands of workers. Some produce necessities, others nonessentials. In some, competition may be counted upon to eliminate waste; in others it inevitably begets it. Yet each finds itself functioning under a code authority which is administering the labor clauses, the fair-practice provisions, the price and quantity controls of a code of fair competition. It should be apparent by now that the complexity of the industrial system demands a more discriminating approach.

Conserving resources or conserving profits: Natural resources industries such as lumbering, bituminous-coal mining, and petroleum extraction differ from other code-controlled industries in that they alone present the problem of conservation. The active competition which elsewhere serves the consumer's interest here occasions flagrant waste. It is unthinkable, therefore, that they should again be subjected to the antitrust laws. But code control is not the only alternative. The codes are concerned not with ultimate shortages but with temporary surpluses. They are directed not toward the conservation of resources but toward the conservation of profits. In no case do they cope with the basic difficulties of the extractive industries. These industries require controls specifically designed to meet their peculiar needs. The very measures by which resources are conserved often place a check on one group of profit seekers and augment the receipts of others. Equity, therefore, demands that any set of output restrictions be accompanied by a tax which will appropriate for public uses the increase in income attributable to the controls which the Government has applied. The consumer may fairly be asked to pay more for oil in order to conserve its supply but he may reasonably object to a policy whereby the Government compels him to contribute to the creation of private fortunes. The natural-resource industries are too vitally affected with a public interest to be turned over to what is called "self-government in industry." They must be regulated by public agencies for the common welfare.

Where the antitrust laws fail: In other industries, not a few in number, monopolistic control is notoriously present. Competition had passed away long before the enactment of N. I. R. A. It could not conceivably be resurrected by the reapplication of the antitrust laws. Here these laws are impotent. But we are not ready to go to the other extreme of applying public-utility regulation, controlling securities, accounts, and services, determining valuations, and setting rates. We are confronted, therefore, with the necessity of applying some other type of control. We believe that it would be wise to experiment further with control by codes in this field. Such codes should outlaw monopolistic price practices, but they should be administered by authorities whose membership largely represents the public interest. They should require regular collection, reporting and publication of statistics on costs, prices, and profits. It may be necessary to supplement such supervision and publicity by revoking the monopolist's patents, removing the tariffs which protect his market, taxing his profits, forcing him to face public competition, or applying other controls which go beyond the scope of the Recovery Act. The Federal Trade Commission has recently made to the Congress a number of recommendations which should be seriously considered in this connection. The code of fair competition is one of many weapons in the arsenal of public control. It deserves a further trial.

Overdoing the codes: In the vast majority of industries, which present neither the problem of conservation nor that of de facto monopoly, the codes might serve three important purposes: They might create quality standards for the protection of the consumer. They might set up minimum wage and hour standards for the protection of labor. They might establish trade-practice rules for the protection of the business man against his less scrupulous competitor. Each of these purposes might be better served than it is through the present code mechanism. The amount of quality protection which the codes have given the consumer is negligible. It is unlikely that quality standards will ever emerge from a codification process in which the initiative resides primarily in industry. The standards which are needed by industry itself in order fairly to fix the quality level of price competition are unlikely to appear until they are developed and promulgated by some consumers' standards agency established by the Federal Government. Minimum standards for labor, if they cannot be established by statute, may be written into codes. But it should not be necessary to set up extensive and costly private machinery for their enforcement. It is already recognized that the enforcement of labor provisions cannot be left to industry alone. Public fac-



tory inspection and public prosecution of labor-code violators is the answer. Trade-practice rules, finally, if confined to matters which have already been legally established as unfair, may be enforced through the Federal Trade Commission and the courts. There is a necessity, however, for a simplification of procedure to expedite the handling of these complaints.

**Simplifying the codes:** It seems desirable in any future continuation of the N. R. A. to confine the great majority of the codes to a few simple provisions covering clearly established unfair trade practices, incorporating publicly approved consumer standards, prohibiting child labor, setting maximum hours and minimum wages, and providing for the right of collective bargaining. The Government, if it is to prevent competitive impairment of labor standards, must retain the right to impose such codes and must itself provide for the enforcement of their labor provisions.

**Business rights or privileges:** Under exceptional circumstances it may appear to be wise to carry a code beyond simple labor, quality, and fair-practice minima. Business may make out a case for the establishment of standard cost-accounting systems, open-price reporting, the collection and sharing of statistical information, the adoption of standard contract forms, the limitation of discounts, premiums, and guaranties; the prohibition of loss-leaders or even for the temporary imposition of output and capacity controls. Each of these devices substitutes central control for active competition. Each may be used to establish something other than a competitive price. Each achieves legal status only by public consent. None can be made completely effective without public support. If anything is granted to any business in a code, therefore, beyond the simplest labor, quality, and trade-practice minima, it must be granted not as a right but as a privilege.

**Balancing power with control:** Each such extension of privilege should be conditioned upon a proportionate extension of protective control. Government cannot safely turn over to private agencies public privileges which are subject to serious abuse. It follows that public membership on code authorities should increase as the powers of these agencies are increased. This is a principle which has already been recognized in the petroleum code. The precedent should be followed in the establishment of other authorities. A single administration member might suffice on a code authority which deals only with labor, quality, and fair-practice minima. Any agency, on the other hand, which administers the output, price, and profit controls which must be present in the government of the natural-resource industries must be predominantly public. Between these extremes, public control must balance grants of power. Public representation on the authorities administering the codes of those industries where high concentration assures market dominance should at least equal that of industry itself. We are not prepared to recommend a simple common formula for the designation of labor or consumer members on each of these bodies. It may be well for a time to experiment with different methods of representing these interests, both direct and indirect. Our only insistence is that they must be represented.

**The tariff:** The section of the act which provides for possible increases in customs duties has not been employed to raise trade barriers. It nevertheless carries, as long as it remains in the law, a constant threat to our trade with other nations. Insofar as it may be used to reduce the importation of such raw materials as lumber and petroleum, it conflicts with the announced policy of conserving natural resources. Insofar as it may be used to increase rates on goods which are produced under monopolistic conditions in the United States, it robs the Government of one of the most effective weapons which it can use to attack monopoly. Its very presence on the statute books cannot fail to embarrass the administration in its present efforts to negotiate reciprocal tariff pacts and to find foreign markets for our agricultural products. This section should be dropped from the act.

**Turning on the light:** Clearly included in any legislative reconstruction of N. R. A. should be detailed provision for the collection, analysis, interpretation, and publication of industrial and trade statistics. A Federal agency should be designated to prescribe the subject matter of reports, their form, and the time of their collection. It should be further empowered to place a member of its staff in every code, authority office to procure compliance with the reporting provisions of the law. Such representation might well be financed by levying a specific fee against the code authority for the Government's statistical service. Information thus collected should be made available in summary form, without identification of individual reporters, to the industry and to the general public. It might be extended to cover orders, materials on hand, goods in process, stocks on hand, sales, prices, employment, wages, hours, pay rolls, equipment, contracts, costs, and profits. The opportunity is now open to obtain the information upon which both business policy and public policy should be based in the years to come. It should not be passed by.

What needs to be done: We recommend in conclusion—

- (1) That the Government retain the right to impose codes of fair competition as a measure of industrial control;
- (2) That the vast majority of these codes be confined to the establishment of simple minimum standards governing hours, wages, child labor, collective bargaining, and fair trade practices;
- (3) That there be added to these standards comparable quality standards for the protection of the consumers;
- (4) That definite limits be set on such price and quantity controls as may be permitted to code authorities in exceptional cases;
- (5) That public membership on code authorities be made proportionate to the powers which they exercise;
- (6) That the tariff section of the act be repealed; and

(7) That provision be made for the collection of complete industrial statistics.

Whether the policy embodied in these recommendations should be written explicitly into the law is for Congress itself to decide. In the main, it might be carried out in the administration of the act without specifically amending its terms. These proposals do not constitute a complete program of public control. They are presented, rather, as minimum requirements which should be met even if Congress confined itself to a brief emergency extension of the act. Continuance of the recovery act as an emergency measure, however, will merely postpone issues which must sooner or later be faced. Social control of lumber, petroleum, bituminous coal, public regulation of those industries in which high concentration has destroyed market freedom, establishment of consumer quality standards, establishment and protection of minimum standards for labor—in short, the socialization of monopoly and the civilization of competition. These are human objectives which cannot long be delayed.

#### RECOMMENDATIONS OF THE LABOR ADVISORY BOARD, DECEMBER 17, 1934

The Labor Advisory Board has endeavored to play an active and important part in the N. R. A. organization since its creation in June of 1933. As advisers to labor in the field and as advisers to the administrative organization, it has participated in the drafting of the labor provisions of each code of fair competition. It has endeavored to aid in the administration and interpretation of these industrial laws during the past 17 months, carrying almost complete responsibility for those labor sections dealing with wages, hours, and conditions of employment.

In the light of the experience gained in this most important formative period, we submit the following recommendations for necessary changes in the National Industrial Recovery Act. We premise these recommendations on our belief that the N. R. A. should be perpetuated as a permanent part of the Nation's social and economic structure, and that its underlying assumptions should be strengthened rather than drastically upset. We believe, however, that if the underlying assumption of economic democracy is to be even approached, these recommendations must be carried out. They are aimed at correcting the outstanding failures of the N. R. A. to accomplish this objective for labor.

#### VOLUNTARY CHARACTER OF CODES

Section 3 (a) of title I of the act provides that trade or industrial associations or groups may apply for codes of fair competition. Yet, 17 months after the approval of the act, there are a large number of major industries, employing hundreds of thousands of workers, that have failed to voluntarily submit any codes. Other important industries have submitted codes whose labor provisions were so unacceptable to labor and to the administration that they could not be approved.

In these cases labor remains not only without the protection of minimum-wage and maximum-hours provisions, but without even code coverage of section 7 (a) of the act as to collective-bargaining rights to better their position. In other cases it has been labor's unhappy experience that the voluntary character of the codes submitted by industry has resulted in frequent imposition of undesirable provisions on labor in the industry.

The Labor Advisory Board does not believe that the purpose of the act to provide for the general welfare by promoting the organization of industry and to maintain united action of labor and management under adequate governmental supervision can be accomplished on the sole basis of voluntary action by industry. The experience so far shows that this can only result in state-ments or deliberate inaction in many important industries.

We, therefore, recommend that the act be amended to give power to a special board, on which labor shall have equal representation, to impose labor codes on any industry which has not voluntarily presented an acceptable code, to make amendments to any code which, in the Board's judgment, requires amendment, and to apply section 7 (a) of the act to any industry, trade, or group which has not been codified. In this way, and only in this way, will the purposes of the act be effectuated.

#### WAGE PROVISIONS

Section 1 of title I of the act declares the policy of Congress to be, among other things, "to eliminate unfair competitive practices . . . to increase the consumption of industrial and agricultural products by increasing purchasing power . . ." In order to accomplish this purpose, each code provides a minimum wage which has brought the wages paid to the least skilled and least experienced workers in the trade or industry up to a minimum standard.

But this group of unskilled and inexperienced workers represents a small part of the 40,000,000 wage earners in American industry. Hence the majority of those workers covered by codes have been left to the protection of some wishful thinking clause calling for an equitable adjustment of all those wages above the minimum.

Only 47 codes contain any provision for minimum scales for those workers whose skill and experience justify a higher earning power than that of the least skilled worker. The result has been to leave an unfair competitive situation in the wages paid in many industries, often at the expense of those plants who were paying a fair wage scale before the N. R. A. In many plants the minimum wage became the maximum, while in other plants the upper brackets of wages were reduced to make up for the increased wages of those brought up to the new minimum, or even to pay



the wage bill of the workers reemployed by reason of the hour reductions.

After more than a year's experience, we are convinced that only by establishing separate minimum for common, semiskilled, and skilled labor can any approach to a practicable solution of this problem be found. That is the only effective way to accomplish a wage situation which will mean fair competitive conditions and increased purchasing power. We, therefore, recommend that the act be amended to specifically provide for including different minima for common, semiskilled, and skilled labor in codes of fair competition.

#### LABOR REPRESENTATION

Section 1 of title I of the act declares that one of the policies of Congress shall be "to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision." Yet on over 500 separate code authorities established thus far, only 23 include any adequate representation of the labor interest. In the remaining industries, "united action of labor and management" remains accidental or mythical.

The Labor Advisory Board believes that desirable and practical industrial relations depend upon proper machinery for an economic democracy. We believe that the means to attain united action of labor and management depends upon giving labor the same opportunity to organize for collective action that has been accorded to employers in the code procedure; and, further, in giving labor an equal opportunity with management in the administration of the industrial laws which N. R. A. has created.

We, therefore, recommend that the act be amended to provide specifically that labor be equally represented with management on all code authorities or on any other administrative bodies established to administer codes of fair competition, including the National Industrial Recovery Board or its successors.

#### COMPLIANCE

During the first year's experience under codes of fair competition, one of the major obstacles toward an effective program has been the lack of compliance. The effort to live up to standards which are not adhered to by competitors is a costly and disastrous process. The wide-spread violation of those code provisions which are loose and easily evaded makes the improvement of codes all the more difficult. There results a cumulative undermining of the whole code structure.

The machinery for compliance has recently been reinforced by the establishment of 10 regional compliance boards with labor representation, and the undertaking of a program of mass enforcement whereby inspection of establishments will supplant the investigation of complaints. The Labor Advisory Board heartily supports and endorses this renewed effort for enforcement of code provisions.

Since the establishment and proper administration of effective compliance machinery depends largely on individuals whose tenure of office is problematical, we recommend that the act be amended to incorporate into legislation those provisions for proper enforcement machinery which are now being undertaken.

#### CODE AMENDMENTS

The Labor Advisory Board acts as the connecting link between the National Recovery Administration and those millions of workers in the field for whose protection the labor provisions in the codes are being administered. It therefore stands in a position to gain an intimate knowledge of the effect of code provisions on labor, of the abuses, and of the subterfuges by which the codes are evaded. It is in a position to know what provisions of codes are ineffectual or are detrimental to the workers in each industry.

The experience of the past year and a half has proved, however, that it is practically impossible to put the benefit of such experience into effect. Industry may propose amendments with every possibility of adoption. But labor representatives find it impossible to propose amendments except at such time as an industry initiates changes in its code—and frequently not even at such times. In order that the voice of all interests may be expressed, and that the experience of all groups may be utilized to make the codes flexible instruments for a democratic control of industry, the Labor Advisory Board requests that the act be amended to provide specifically for the opening of codes upon the initiative of the Labor Advisory Board, and for the imposition of such amendments where the necessity has been clearly justified.

#### STATISTICS AND PLANNING

Section 2 (b) of title I of the act empowers the President to establish an industrial planning and research agency to aid in carrying out his functions under this title. Section 3 (a) empowers him to impose requirements for the making of reports and the keeping of accounts, as a condition of his approval of any code.

Thus far very little effective work has been done to establish an adequate program for the collection of Nation-wide statistics. Even less effective have been efforts looking toward real industry and interindustry planning on a long-range scale. Many different agencies of the Government are engaged in statistical work which is only poorly integrated. Planning efforts have been left in the hands of individual code authorities whose membership usually represents a small segment of only the management factor in

the one industry. The inadequacy of this handling of important national economic problems can be excused only because of the more immediate program which has been prosecuted.

The Labor Advisory Board believes that real steps should be taken to budget production, to plan interindustry relations, to stabilize employment, and to increase the Nation's total consumers' purchasing power in accordance with the policies set forth in title I, section 1 of the act. It believes more adequate and better coordinated statistics to be an imperative feature of such a program.

We therefore recommend that title I be implemented by the addition of a provision for the establishment of a more adequate instrument for such planning, empowered more definitely to accomplish this end. Such an instrument of the Government should have full mandatory power to collect detailed statistics from each industry on employment, wages, pay rolls, production, income, costs, profits, and whatever other data it finds necessary or desirable.

#### ACTIVITIES OF THE RECONSTRUCTION FINANCE CORPORATION

Mr. CONNALLY. Mr. President, under the rules in regard to printing, if an article is more than two pages in length an estimate has to be secured before the article can be printed in the RECORD. I have a summary of activities of the Reconstruction Finance Corporation and its condition as of December 31, 1934. I have had such an estimate made, and I therefore ask unanimous consent to have the same printed in the RECORD.

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

#### SUMMARY OF ACTIVITIES OF THE RECONSTRUCTION FINANCE CORPORATION AND ITS CONDITION AS OF DEC. 31, 1934

Loans, investments, and allocations authorized from Feb. 2, 1932, through Dec. 31, 1934

Loans on cotton, corn, tobacco, and other commodities	\$993,608,431.84
Loans for distribution to depositors in closed banks	1,045,230,242.90
Loans to receive of building-and-loan associations	22,187,069.21
Loans to railroads (including receivers)	465,106,080.00
Loans to drainage, levee, and irrigation districts	81,785,918.34
Loan to Chicago Board of Education to pay teachers' salaries	22,500,000.00
Loans to industrial and commercial businesses (616 loans)	34,522,035.00
Loans to banks and trust companies (10,528 loans)	1,343,417,082.28
Loans to Federal land banks	399,636,000.00
Loans to mortgage-loan companies (including 160 loans to community mortgage-loan companies for lending to industry)	360,160,979.33
Loans to aid in financing self-liquidating construction projects (including \$12,600,000 loans for the repair and reconstruction of property damaged by earthquake, fire, tornado, and cyclone)	258,247,054.86
Loans to regional agricultural credit corporations	178,840,452.48
Loans to building-and-loan associations	121,219,119.14
Loans to insurance companies	102,883,558.28
Loans to joint-stock land banks	21,103,172.68
Loans to livestock credit corporations	14,474,962.00
Loans to Federal intermediate-credit banks	9,250,000.00
Loans to State funds created to insure deposits of public moneys	8,387,715.88
Loans to agricultural credit corporations	6,013,379.64
Loans to credit unions	622,967.80
Loans to processors or distributors for payment of processing taxes	26,089.27
Loans on preferred stock in banks	29,877,505.00
Loans on preferred stock in insurance companies	35,775,000.00
Purchase of preferred stock in one insurance company	100,000.00
Purchases of preferred stock in 3,913 banks	776,469,240.00
Purchases of capital notes and debentures in 2,781 banks	426,019,800.00
Purchases of securities from P. W. A.	44,260,581.56
	6,801,724,437.49
Allocations to other governmental agencies by direction of Congress	862,988,492.25
Allocations for direct relief by direction of Congress	800,000,000.00
Available to the President for direct relief and/or public works under Emergency Appropriation Act, fiscal year 1935, subject to Executive order	500,000,000.00

Total 8,964,712,929.74

Of the above authorizations \$784,266,138.70 has been canceled or withdrawn.



*Loans, investments, and allocations actually disbursed from  
Feb. 2, 1932, through Dec. 31, 1934*

Loans on cotton, corn, tobacco, and other commodities	\$322,656,144.39
Loans for distribution to depositors in closed banks	761,704,109.41
Loans to receivers of building-and-loan associations	1,043,859.02
Loans to railroads (including receivers)	447,283,272.11
Loans to drainage, levee, and irrigation districts	12,298,223.96
Loan to Chicago Board of Education to pay teachers' salaries	22,300,000.00
Loans to industrial and commercial businesses	6,767,780.11
Loans to banks and trust companies	1,133,062,912.38
Loans to Federal land banks	387,236,000.00
Loans to mortgage-loan companies	205,867,792.98
Loans to aid in financing self-liquidating construction projects (including loans for the repair and reconstruction of property damaged by earthquake, fire, tornado, and cyclone)	131,715,622.73
Loans to regional agricultural credit corporations	173,243,640.72
Loans to building-and-loan associations	113,928,233.52
Loans to insurance companies	89,517,863.45
Loans to joint-stock land banks	15,659,372.29
Loans to livestock credit corporations	12,817,732.81
Loans to Federal intermediate-credit banks	9,250,000.00
Loans to State funds created to insure deposits of public moneys	8,387,715.88
Loans to agricultural credit corporations	5,536,130.27
Loans to credit unions	580,854.21
Loans to processors or distributors for payment of processing taxes	14,718.06
Loans on preferred stock in banks	20,656,705.00
Loans on preferred stock in insurance companies	30,125,000.00
Purchase of preferred stock in one insurance company	100,000.00
Purchase of preferred stock in 3,207 banks	592,000,545.90
Purchases of capital notes and debentures in 2,490 banks	325,346,800.00
Purchases of securities from P. W. A.	29,760,750.46
	4,858,861,779.66
Allocations to other governmental agencies by direction of Congress	719,638,197.98
Allocations for direct relief by direction of Congress	799,573,245.66
Allocation for direct relief through the Federal Emergency Relief Administration by Executive order of the President	470,000,000.00
Total	6,848,073,223.30

*Loans, investments, and allocations authorized prior to Mar. 4, 1933, and after Mar. 4, 1933*

	Feb. 2, 1932, through Mar. 3, 1933	Mar. 4, 1933, through Dec. 31, 1934
Loans on cotton, corn, tobacco, and other commodities	\$55,495,722.87	\$938,112,708.97
Loans for distribution to depositors in closed banks	96,738,510.05	948,491,732.85
Loans to receivers of building-and-loan associations		22,187,069.21
Loans to railroads (including receivers)	359,885,015.00	105,221,065.00
Loans to drainage, levee, and irrigation districts		81,785,918.34
Loan to Chicago Board of Education to pay teachers' salaries		22,500,000.00
Loans to industrial and commercial businesses		54,522,035.00
Loans to banks and trust companies	1,101,633,338.98	241,753,743.30
Loans to Federal land banks	29,000,000.00	370,636,000.00
Loans to mortgage-loan companies	101,065,313.57	259,095,665.76
Loans to aid in financing self-liquidating construction projects (including loans for the repair and reconstruction of property damaged by earthquake, fire, tornado, and cyclone)	180,041,006.44	78,206,048.42
Loans to regional agricultural credit corporations	46,400,396.22	132,440,056.26
Loans to building-and-loan associations	107,953,328.92	13,265,790.22
Loans to insurance companies	93,674,931.66	9,208,626.62
Loans to joint-stock land banks	8,066,822.68	13,046,350.00
Loans to livestock credit corporations	13,313,302.85	1,161,659.15
Loans to Federal intermediate-credit banks		9,250,000.00
Loans to State funds created to insure deposits of public moneys		8,387,715.88
Loans to agricultural credit corporations	3,981,404.16	2,031,975.48
Loans to credit unions	482,001.00	140,966.80
Loans to processors or distributors for payment of processing taxes		26,089.27
Loans on preferred stock in banks		29,877,505.00
Loans on preferred stock in insurance companies		35,775,000.00
Purchase of preferred stock in one insurance company		100,000.00
Purchases of preferred stock in 3,913 banks		776,469,240.00
Purchases of capital notes and debentures in 2,781 banks		426,019,800.00
Purchases of securities from P. W. A.		44,260,581.56
	2,197,721,094.40	4,604,003,343.09
Allocations to other governmental agencies and for direct relief	589,715,474.80	1,573,273,017.45
Total	2,787,436,569.20	6,177,276,360.54

Of the above authorizations \$784,266,138.70 has been canceled or withdrawn.

The purpose of this tabulation is to show the authorizations prior to Mar. 4, 1933, and since Mar. 4, 1933.

*Loans, investments, and allocations actually disbursed prior to Mar. 4, 1933, and since Mar. 4, 1933—Continued*

	Feb. 2, 1932, through Mar. 3, 1933	Mar. 4, 1933, through Dec. 31, 1934
Loans on cotton, corn, tobacco, and other commodities	\$1,547,572.25	\$321,108,572.14
Loans for distribution to depositors in closed banks	79,572,017.26	682,132,092.15
Loans to receivers of building-and-loan associations		1,043,859.02
Loans to railroads (including receivers)	325,417,074.57	121,896,197.54
Loans to drainage, levee, and irrigation districts		12,298,223.96
Loan to Chicago Board of Education to pay teachers' salaries		22,300,000.00
Loans to industrial and commercial businesses		6,767,780.11
Loans to banks and trust companies	951,440,497.27	181,622,415.11
Loans to Federal land banks	18,800,000.00	368,436,000.00
Loans to mortgage-loan companies	90,702,926.48	115,164,896.50
Loans to aid in financing self-liquidating construction projects (including loans for the repair and reconstruction of property damaged by earthquake, fire, tornado, and cyclone)	18,674,000.00	113,041,622.73
Loans to regional agricultural credit corporations	41,435,449.61	131,808,191.11
Loans to building-and-loan associations	101,523,591.68	12,404,641.84
Loans to insurance companies	80,523,480.19	8,994,383.26
Loans to joint-stock land banks	4,897,203.38	10,762,162.91
Loans to livestock credit corporations	11,928,530.78	889,202.03
Loans to Federal intermediate-credit banks		9,250,000.00
Loans to State funds created to insure deposits of public moneys		8,387,715.88
Loans to agricultural credit corporations	3,615,227.28	1,920,902.99
Loans to credit unions	440,653.00	131,201.21
Loans to processors or distributors for payment of processing taxes		14,718.06
Loans on preferred stock in banks		20,656,705.00
Loans on preferred stock in insurance companies		30,125,000.00
Purchase of preferred stock in one insurance company		100,000.00
Purchases of preferred stock in 3,207 banks		592,000,545.90
Purchases of capital notes and debentures in 2,490 banks		325,346,800.00
Purchases of securities from P. W. A.		29,760,750.46
	1,730,527,229.75	3,128,334,549.91
Allocations to other governmental agencies and for direct relief	296,537,006.28	1,692,674,437.36
Total	2,027,064,236.03	4,821,008,987.27

The purpose of this tabulation is to show moneys actually disbursed prior to Mar. 4, 1933, and since Mar. 4, 1933.

*Receipts and disbursements from Feb. 2, 1932, through Dec. 31, 1934*

RECEIPTS	
From repayments on loans (including \$1,532,961.08 on loans secured by preferred stock of banks)	\$2,339,794,961.62
From retirement of preferred stock, capital notes, and debentures	71,387,603.93
From sale of P. W. A. securities	28,232,140.76
From sale of Chicago Board of Education bonds (teachers' loan) (sold at premium of \$223,000)	22,300,000.00
From relief advances, 1932 act	2,211,409.00
From advances and other reimbursable items	4,386,749.63
From interest	145,929,601.55
From dividends on preferred stock	9,342,708.16
From sale of gold to Secretary of the Treasury (at book)	131,977,955.52
From regional agricultural credit corporations as reductions of capital and for deposit	54,725,000.00
From miscellaneous sources (including \$18,822,094.59 suspended credits and \$9,421,335.40 other remittances not credited on borrowers' indebtedness)	33,517,052.41
Total receipts in ordinary activities of Corporation	2,843,805,182.58
From sale of capital stock to Secretary of the Treasury	500,000,000.00
From sale of notes:	
To Secretary of the Treasury	3,910,000,000.00
To banks whose preferred stock, capital notes, or debentures were purchased by the Corporation	254,436,666.67
Total receipts	7,508,241,849.25

DISBURSEMENTS	
Loans on cotton, corn, tobacco, and other commodities	\$322,656,144.39
Loans for distribution to depositors in closed banks	761,704,109.41



*Receipts and disbursements from Feb. 2, 1932, through Dec. 31, 1934—Continued*

DISBURSEMENTS—continued	
Loans to receivers of building-and-loan associations	1,043,859.02
Loans to railroads (including receivers)	447,283,272.11
Loans to drainage, levee, and irrigation districts	12,298,223.96
Loan to Chicago Board of Education to pay teachers' salaries	22,300,000.00
Loans to industrial and commercial businesses	6,767,780.11
Loans on preferred stock in banks	20,656,705.00
Loans on preferred stock in insurance companies	30,125,000.00
Loans for all other purposes	2,281,480,786.57
Purchase of preferred stock in one insurance company	100,000.00
Purchases of preferred stock in banks	592,000,545.90
Purchases of capital notes and debentures in banks	325,346,800.00
Purchases of securities from P. W. A.	29,760,750.46
Advances and other reimbursable items	5,061,675.33
Redemption of notes issued for gold	131,575,460.82
Regional agricultural credit corporations for increases of capital and return of deposits	54,725,000.00
Interest paid on notes sold to Secretary of the Treasury	96,607,316.23
Interest paid on notes sold to banks	4,293,262.02
Operating expenses	22,262,773.64
Miscellaneous disbursements (including \$7,137,510.20 refunds of suspended credits)	15,012,242.47

Total disbursed in ordinary activities of Corporation	5,183,061,707.44
Disbursed to other governmental agencies and for direct relief	1,989,211,443.64
Disbursed for payment of notes issued:	
To Secretary of the Treasury	325,000,000.00
To banks	5,100,000.00
Total disbursements	7,502,373,151.08

*Receipts and disbursements during the year 1934*

RECEIPTS	
From repayments on loans (including \$1,379,962.22 on loans secured by preferred stock of banks)	\$1,286,268,548.12
From retirement of preferred stock, capital notes, and debentures	70,141,303.93
From sale of P. W. A. securities	28,232,140.76
From sale of Chicago Board of Education bonds (teachers' loan) (sold at premium of \$223,000)	22,300,000.00
From relief advances, 1932 act	1,241,324.00
From advances and other reimbursable items	3,621,694.88
From interest	64,500,608.04
From dividends on preferred stock	8,871,653.69
From sale of gold to Secretary of the Treasury (at book)	131,977,955.52
From regional agricultural credit corporations (transfer of capital from one regional corporation to another)	4,625,000.00
From miscellaneous sources, including suspended credits (principal and interest approximately \$34,000,000)	48,690,688.95

Total receipts in ordinary activities of Corporation	1,670,470,917.89
From sale of notes:	
To Secretary of the Treasury	1,560,000,000.00
To banks whose preferred stock, capital notes, or debentures were purchased by the Corporation	153,137,000.00
Total receipts	3,383,607,917.89

DISBURSEMENTS	
Loans on cotton, corn, tobacco, and other commodities	\$240,770,505.62
Loans for distribution to depositors in closed banks	372,382,927.67
Loans to receivers of building-and-loan associations	1,043,859.02
Loans to railroads (including receivers)	53,189,013.62
Loans to drainage, levee, and irrigation districts	9,884,268.36
Loan to Chicago Board of Education to pay teachers' salaries	22,300,000.00
Loans to industrial and commercial businesses	6,767,780.11
Loans on preferred stock in banks	10,293,605.00
Loans on preferred stock in insurance companies	25,750,000.00
Loans for all other purposes	421,701,245.97

*Receipts and disbursements during the year 1934—Continued*

DISBURSEMENTS—continued	
Purchase of preferred stock in one insurance company	100,000.00
Purchases of preferred stock in banks	455,002,429.23
Purchases of capital notes and debentures in banks	208,356,800.00
Purchases of securities from P. W. A.	29,760,750.46
Advances and other reimbursable items	3,265,500.23
Redemption of notes issued for gold	131,575,460.82
Regional agricultural credit corporations (transfer of capital from one regional corporation to another)	4,625,000.00
Interest paid on notes sold to Secretary of the Treasury	42,523,686.05
Interest paid on notes sold to banks	4,293,262.02
Operating expenses	10,518,631.93
Miscellaneous disbursements	9,693,220.08
Total disbursed in ordinary activities of Corporation	2,063,802,946.74
Disbursed to other governmental agencies and for direct relief	990,493,529.42
Disbursed for payment of notes issued:	
To Secretary of the Treasury	325,000,000.00
To banks	5,100,000.00

Total disbursements 3,384,396,476.16  
The purpose of this tabulation is to show actual receipts and disbursements during the year 1934.

*Earnings and expenses for the year 1934*

Income:	
Interest earned (collected and accrued)	\$74,568,775.93
Dividends earned on preferred stock (collected and accrued)	17,842,157.08
Other income	364,201.14
	92,775,134.15

Expense:	
Interest paid and accrued on notes issued:	
To Secretary of the Treasury	47,583,411.83
To banks	4,937,633.35
Other interest	8,340.37
Operating expenses	10,485,701.03
	63,015,086.58

Earnings above interest and expenses	29,760,047.57
Less adjustment of prior years' earnings	3,757,130.51

Net increase in earnings above interest and expenses	26,002,917.06
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*Earnings and expenses, Feb. 2, 1932, through Dec. 31, 1934*

Income:	
Interest earned (collected and accrued)	\$179,117,736.41
Dividends earned on preferred stock (collected and accrued)	19,413,775.29
Other income	366,720.72
	198,898,232.42

Expense:	
Interest paid and accrued on notes issued:	
To Secretary of the Treasury	106,369,781.71
To banks	5,007,259.89
Other interest	23,829.61
Operating expenses	22,321,398.03
	133,722,269.24

Earnings above interest and expenses	65,175,963.18
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*Statement of condition as at the close of business Dec. 31, 1934*

ASSETS	
Cash on deposit with Treasurer of United States	\$5,868,698.17
Cash held by Federal Reserve banks as collateral	44,523.27
Loans outstanding	1,546,198,710.28
Preferred stock, capital notes, and debentures of banks and one insurance company	846,059,741.97
Advances for direct relief (under 1932 Relief Act)	297,773,590.00
Allocated to other governmental agencies (including advances for direct relief under Relief Act of 1933 and Emergency Appropriation Act, 1935)	1,689,226,444.64
Advances for care and preservation of collateral and other reimbursable expense	674,925.70
Accrued interest and dividends	42,760,913.10
Other assets	4,019,583.85
Total	4,432,627,130.98



Statement of condition as at the close of business Dec. 31, 1934—  
Continued

## LIABILITIES AND CAPITAL

Notes.....	\$3,834,336,666.67
Accrued interest.....	10,961,142.45
Liability for funds held as cash collateral.....	341,699.80
Remittances not credited on borrowers' indebtedness.....	21,105,920.79
Unearned interest and discount.....	13,287.56
Other liabilities.....	692,459.53
Capital stock.....	500,000,000.00
Earnings above interest and expenses (available to cover losses).....	65,175,963.18
<b>Total.....</b>	<b>4,432,627,130.98</b>

## MEMORANDUM

Undisbursed authorizations and commitments to make loans; to purchase preferred stock, capital notes, and debentures; to make advances for care and preservation of collateral; to purchase securities from Federal Emergency Administration of Public Works and for direct relief under 1932 act.....	\$1,158,813,982.50
Undisbursed allocations to other governmental agencies (including advances for direct relief under Relief Act of 1933 and Emergency Appropriation Act, 1935).....	173,762,047.61
<b>Total.....</b>	<b>1,332,576,030.11</b>
<i>Total allocations to other governmental agencies and for direct relief from Feb. 2, 1932, through Dec. 31, 1934</i>	

	Amount allocated	Amount disbursed
Secretary of Agriculture for crop loans.....	\$115,000,000.00	\$115,000,000.00
Capital of regional agricultural credit corporations (reallocated from amount originally allocated to Secretary of Agriculture).....	44,500,000.00	44,500,000.00
Governor of Farm Credit Administration (reallocated from amount originally allocated to Secretary of Agriculture).....	40,500,000.00	40,500,000.00
Total originally allocated to Secretary of Agriculture for crop loans.....	200,000,000.00	200,000,000.00
Regional agricultural credit corporations for expenses prior to May 27, 1933.....	3,107,492.25	3,107,492.25
Regional agricultural credit corporations for expenses since May 26, 1933.....	10,140,000.00	7,285,005.73
Secretary of the Treasury to pay for capital of Federal home loan banks.....	124,741,000.00	81,645,700.00
Land Bank Commissioner to make loans to joint-stock land banks.....	100,000,000.00	2,600,000.00
Land Bank Commissioner to make loans to farmers (\$200,000,000 original allocation reduced by reallocation to Federal Farm Mortgage Corporation).....	145,000,000.00	145,000,000.00
Federal Farm Mortgage Corporation to make loans to farmers (reallocated from \$200,000,000 originally allocated to Land Bank Commissioner).....	55,000,000.00	55,000,000.00
Secretary of the Treasury to pay for capital of Home Owners' Loan Corporation.....	200,000,000.00	200,000,000.00
Federal Housing Administrator (amount stated is amount disbursed; total allocation not limited to specific amount).....	25,000,000.00	25,000,000.00
Total to other governmental agencies by direction of Congress.....	862,988,492.25	719,638,197.98
For direct relief under Emergency Relief and Construction Act of 1932.....	500,000,000.00	299,984,999.00
For direct relief under Federal Emergency Relief Act of 1933.....	500,000,000.00	499,588,246.66
Total allocations for direct relief by direction of Congress.....	800,000,000.00	799,573,245.66
Allocation for direct relief and/or public works by Executive order under Emergency Appropriation Act, fiscal year 1935.....	500,000,000.00	470,000,000.00
Total allocations to other governmental agencies and for direct relief.....	2,162,988,492.25	1,989,211,443.64

## Authorizations to aid in the reorganization or liquidation of closed banks and trust companies, by States, from Feb. 2, 1932, through Dec. 31, 1934

[Includes loans to receivers, conservators, loans through mortgage-loan companies to aid closed banks, and loans on assets of closed banks under section 5e of the Reconstruction Finance Corporation Act]

State	Amount authorized	Amount disbursed	Amount repaid
Alabama.....	\$5,928,812.46	\$2,709,334.49	\$569,165.91
Arizona.....	457,500.00	279,701.73	149,333.53
Arkansas.....	9,350,479.54	5,135,208.44	2,002,236.76
California.....	14,022,074.88	11,534,246.29	9,840,070.67

## Authorizations to aid in the reorganization or liquidation of closed banks and trust companies, by States, from Feb. 2, 1932, through Dec. 31, 1934—Continued

State	Amount authorized	Amount disbursed	Amount repaid
Colorado.....	\$1,399,900.00	\$1,054,840.67	\$467,790.25
Connecticut.....	1,810,000.00	1,464,801.49	304,426.63
District of Columbia.....	11,896,500.00	10,366,892.96	4,257,484.00
Florida.....	6,800,272.27	2,380,666.99	595,282.79
Georgia.....	4,879,038.71	1,880,387.68	610,395.87
Idaho.....	3,263,400.00	2,942,393.27	1,042,645.67
Illinois.....	50,373,985.87	31,788,167.76	13,859,022.21
Indiana.....	18,136,664.77	11,040,957.64	4,912,547.04
Iowa.....	16,584,100.00	13,219,989.30	10,843,318.51
Kansas.....	3,233,900.00	2,057,281.75	1,391,484.00
Kentucky.....	8,090,208.87	6,281,876.81	3,599,342.51
Louisiana.....	33,879,977.34	25,528,508.46	4,930,768.84
Maine.....	36,727,776.50	34,028,577.48	19,355,486.38
Maryland.....	12,837,024.00	9,649,946.50	3,403,636.18
Massachusetts.....	26,008,035.94	21,321,644.79	6,125,359.15
Michigan.....	271,976,805.64	209,129,095.62	80,750,696.92
Minnesota.....	4,904,800.00	2,027,472.75	1,212,531.61
Mississippi.....	6,691,559.94	5,253,966.19	2,185,793.99
Missouri.....	12,716,176.62	8,879,447.27	5,051,953.86
Montana.....	958,200.00	766,113.66	245,123.22
Nebraska.....	3,366,653.43	2,100,009.77	1,039,048.78
Nevada.....	1,272,677.44	676,164.39	130,500.00
New Hampshire.....	500,000.00	460,402.31	460,402.31
New Jersey.....	28,289,920.91	17,678,877.45	7,894,562.52
New Mexico.....	478,473.54	417,677.04	114,758.10
New York.....	46,615,840.17	34,709,023.65	18,632,656.11
North Carolina.....	9,314,012.52	6,096,526.89	3,635,189.79
North Dakota.....	2,182,266.87	1,181,252.32	460,303.20
Ohio.....	191,982,679.23	155,767,888.86	63,744,777.52
Oklahoma.....	2,339,204.60	939,307.39	366,333.22
Oregon.....	1,682,800.00	1,063,784.81	813,228.51
Pennsylvania.....	104,742,146.83	62,531,065.23	19,065,121.86
Rhode Island.....	600,000.00	595,300.00	202,711.85
South Carolina.....	6,181,343.30	4,395,720.92	2,205,869.37
South Dakota.....	1,933,057.70	881,112.16	576,500.04
Tennessee.....	17,016,119.32	15,286,580.63	5,257,821.67
Texas.....	10,774,384.28	8,167,532.27	3,054,179.34
Utah.....	1,658,375.06	282,123.72	156,074.94
Vermont.....	842,000.00	498,099.29	418,499.29
Virginia.....	4,983,600.00	4,128,781.94	2,230,727.94
Washington.....	14,421,016.19	12,075,411.51	4,750,444.69
West Virginia.....	10,839,240.16	6,419,127.62	3,090,711.45
Wisconsin.....	10,613,638.00	4,550,472.95	2,281,397.16
Wyoming.....	185,500.00	---	---
<b>Total.....</b>	<b>1,035,687,742.90</b>	<b>761,704,109.41</b>	<b>318,322,974.06</b>
Conditional commitments outstanding Dec. 31, 1934.....	9,542,500.00	---	---
<b>Total.....</b>	<b>1,045,230,242.90</b>	---	---

## Loans on and subscriptions for preferred stock, and purchases of capital notes and debentures of banks and trust companies, by States, from Mar. 9, 1933, through Dec. 31, 1934

State	Amount authorized	Amount disbursed	Amount repaid
Alabama.....	\$14,558,200.00	\$14,181,075.00	\$2,080,796.45
Alaska.....	37,500.00	37,500.00	---
Arizona.....	1,190,000.00	1,190,000.00	15,000.00
Arkansas.....	5,150,500.00	4,104,000.00	258,80
California.....	58,248,070.00	48,227,425.00	213,719.05
Colorado.....	4,975,000.00	4,657,500.00	---
Connecticut.....	8,009,800.00	6,462,966.00	49,500.00
Delaware.....	2,680,000.00	545,000.00	55,000.00
District of Columbia.....	17,700,000.00	15,400,000.00	---
Florida.....	1,677,000.00	1,526,000.00	2,650.00
Georgia.....	5,822,500.00	4,785,500.00	215,000.00
Idaho.....	1,865,000.00	1,630,000.00	25,000.00
Illinois.....	92,882,000.00	89,417,864.17	120,000.00
Indiana.....	17,212,500.00	14,929,500.00	44,780.00
Iowa.....	12,395,000.00	10,028,000.00	23,700.00
Kansas.....	5,601,500.00	4,726,500.00	5,000.00
Kentucky.....	10,475,000.00	7,700,850.00	201,000.00
Louisiana.....	14,496,000.00	9,426,000.00	100,000.00
Maine.....	10,598,000.00	7,758,000.00	50,000.00
Maryland.....	10,640,630.00	7,230,040.00	---
Massachusetts.....	18,931,000.00	15,627,200.00	218,000.00
Michigan.....	41,052,000.00	36,647,961.00	765,010.00
Minnesota.....	17,531,125.00	16,684,500.00	175,000.00
Mississippi.....	13,818,150.00	10,003,150.00	1,464,286.71
Missouri.....	24,951,000.00	19,981,000.00	5,050,000.00
Montana.....	3,774,000.00	3,648,000.00	10,000.00
Nebraska.....	8,760,000.00	7,646,950.00	397,321.22
Nevada.....	205,000.00	205,000.00	---
New Hampshire.....	1,363,000.00	627,260.00	---
New Jersey.....	61,409,250.00	42,316,331.07	32,723.86
New Mexico.....	982,500.00	620,000.00	---
New York.....	365,663,000.00	284,173,262.50	54,422,082.36
North Carolina.....	7,800,000.00	7,270,000.00	32,150.00
North Dakota.....	4,379,500.00	3,757,000.00	---
Ohio.....	85,868,900.00	78,589,073.00	3,537,500.00
Oklahoma.....	11,118,500.00	10,734,000.00	775,000.00
Oregon.....	2,040,000.00	1,925,000.00	40,600.00
Pennsylvania.....	60,158,200.00	36,073,046.50	283,000.00
Puerto Rico.....	1,500,000.00	1,250,000.00	---
Rhode Island.....	1,160,000.00	898,500.00	---
South Carolina.....	2,605,800.00	2,156,800.00	11,000.00
South Dakota.....	4,486,100.00	4,318,100.00	28,000.00
Tennessee.....	13,136,600.00	9,869,100.00	200,000.00
Texas.....	34,879,250.00	29,393,750.00	469,236.43



*Loans on and subscriptions for preferred stock, and purchases of capital notes and debentures of banks and trust companies, by States, from Mar. 9, 1933, through Dec. 31, 1934—Continued*

State	Amount authorized	Amount disbursed	Amount repaid
Utah.....	\$4,280,000	\$3,965,000.00	\$525,000.00
Vermont.....	14,795,000	14,645,000.00	
Virginia.....	12,183,000	10,214,650.00	102,000.00
Virgin Islands.....	125,000		
Washington.....	6,616,500	5,162,000.00	196,500.00
West Virginia.....	6,176,000	5,455,566.66	384,750.00
Wisconsin.....	37,228,500	18,865,600.00	635,000.00
Wyoming.....	1,570,000	1,257,500.00	15,000.00
Total.....	1,156,904,075	938,004,050.90	72,920,565.01
Conditional commitments outstanding Dec. 31, 1934.....	75,462,470		
Total.....	1,232,366,545		

## RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Thursday, January 31, 1935, at 12 o'clock meridian.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate Wednesday, January 30, 1935*

## MEMBER OF FEDERAL POWER COMMISSION

Frank R. McNinch to be a member of the Federal Power Commission.

## POSTMASTERS

## ARKANSAS

Will W. Coffman, Harrison.

Jordan B. Lambert, Holly Grove.

## COLORADO

Elmer B. McCrone, Creede.

## WYOMING

James E. Smith, Riverton.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 30, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we rest and rejoice that we have such merciful evidence of Thy providential care. Continue to dwell richly with us, merciful Lord, by giving us firmness under resistance, hope in despondency, and consolation in affliction. O bring us into the realization that we cannot fulfill the whole law of God or climb the heights of moral manhood without Thee. In all circumstances subordinate our lower natures to the higher. Harmonize our emotions and keep them right. May they never be allowed to chill, wither, or rob the bloom and beauty of the immortal soul. We pray, our Father, that our temper may be kindly, just, and considerate of all men of every clime and of every section. Arm us with the fruits of the spirit such as love, joy, and peace. We pray in the name of Him who took upon Himself the form of a servant. Amen.

The Journal of the proceedings of yesterday was read and approved.

## THOMAS JEFFERSON MEMORIAL COMMISSION

The SPEAKER announced that, pursuant to the provisions of Public Resolution No. 49, Seventy-third Congress, he had appointed as members of the Thomas Jefferson Memorial Commission the following Members of the House: Mr. BOYLAN, Mr. SMITH of Virginia, and Mr. CULKIN.

## THOMAS A. DOYLE

Mr. BEAM. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House for 3 minutes. Is there objection?

There was no objection.

Mr. BEAM. Mr. Speaker, ladies and gentlemen of the House, it is with extreme regret that I have just learned of the death of former Congressman Thomas A. Doyle, of Illinois, a man who served with honor and distinction in the Sixty-eighth to the Seventy-first Congresses of the United States.

The world has been enriched because he has lived. His congenial disposition, his captivating personality, his genuine sincerity endeared him not only to a grateful and appreciative constituency but indelibly enshrined his memory in the hearts and breasts of countless devoted friends and associates.

Born and reared in the great stockyards district of the city of Chicago, with its teeming masses of humanity, his ability for public service was early recognized. He served many years as alderman of the city of Chicago, representative in the general assembly of his State, and as Congressman of the Fourth Congressional District of the State of Illinois.

His was a sympathetic and magnanimous nature, revered, respected, and admired by all who were privileged to know him intimately and to call him friend.

The old Persian poet Omar Khayyam beautifully epitomizes and portrays his nobility of character when he wrote the following:

So I be written in the book of Love  
I do not care about that book above  
Erase my name—or write it as you will  
So I be written in the book of Love.

Tommy Doyle was loved by his fellow citizens. He has erected for himself in their memory a monument which will endure long after those of marble and bronze have crumbled into dust and decay.

By his untimely death—in the prime of life—the city of Chicago, the State of Illinois, and the Federal Government have lost one of its most beloved, respected, and revered citizens of our present generation. [Applause.]

## THE PRESIDENT OF THE UNITED STATES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I rise at this time to pay a nonpartisan tribute to the man who holds the position of Chief Executive of this Republic, upon his fifty-third birthday.

He has shown truly great courage, before he entered the office of the President of the United States and since that time. Expression is given to this fact in the birthday balls which are to be held in every State in the Union tonight. He has brought relief to the helpless, to the individuals afflicted with infantile paralysis, and I am told there are more than 100,000 individuals suffering with this cruel malady in America at this time. The work that is being done at Warm Springs, Ga., by the Warm Springs Foundation upon a large scale, is being done upon a much smaller scale at Berkeley Springs, W. Va., in the county of Morgan, in the congressional district that I represent, and there today, because of the inspiration of the President of the United States and his interest in crippled children, we have some 15 boys and girls who are being given a chance to regain their health. This is being carried ahead by those who appreciate the interest which is being taken by the President, and I trust he can soon visit there.

The Man of Galilee said:

I was hungry and ye fed me, I was athirst and ye gave me drink, I was naked and ye clothed me; inasmuch as ye have done it unto the least of these, ye have done it also even unto me.

That is the rule of philosophy that should guide neighbor toward neighbor and friend toward friend.



I believe that that is the philosophy of life that accentuates the service of the man who today is the leader of these United States. Victor Hugo a long time ago wrote a significant sentence in which he said, "The smoothing out of rough places is the great policy of God." I believe that policy and I believe that that is the policy of the man who today is President of this Republic. It should be our delight also to aid those less fortunate than ourselves.

As Members of Congress, as lawmakers in this body, we should be happy today that we can have a part in the building of this Republic under the leadership of such an individual. We should be pleased to know that our services are called upon at this time when we are asked not to kill, but when we are asked to give life anew, when we are asked not to cripple but to heal, when we are asked not to tear down but to build up, when we are asked not to have fear in our hearts but to have faith in the institutions of America, and when we are asked not to walk the highways of this country and unjustly criticize but rather to have confidence in our hearts.

At the Vatican at Rome in the Sistine Chapel there are 300 pictures all more than lifesize, and some are 15 feet long. These are the products of the hand of Michelangelo. For 23 months, day after day, week after week, he lay on his back in a cramped position bringing out his artistic soul in that wondrous masterpiece. This was done at arm's length and can be seen in lifesize by the people below.

For days he never left his room. They sent up food to him with a string on a pail. When it was all over the old artist walked about the streets of Rome in a bent position with a crooked neck and his head over on one side. And he said, "My life is there on the ceiling of the chapel of St. Sixtus."

Today the Master Artist sends out the call to every citizen that feels and understands to come into the spirit of Michelangelo and say, "I shall place a part of my life there at the altar of a struggling humanity."

Less than 3 months ago in Charles Town, Jefferson County, W. Va., after I had spoken there during the campaign, I visited in the home of my friend, Merle Alger. As we sat there in the modest living room of that American citizen, the door was open a little ways into a bedroom, and I saw his little daughter, 9 years old, kneeling at the bedside saying her prayers. I shall never forget her closing words. This is what she said: "And please God, help President Roosevelt." I asked the mother and father if they had ever asked that little daughter of theirs to include that in her prayer, and they said they had never spoken to her about the President of the United States.

Mr. Speaker, today something not only takes hold of the hearts of little children but something takes hold of the hearts of men and women. We are asked not to pray alone but to work in behalf of the further building of America under the leadership of a man who calls on us for cooperation that hovels shall become happy homes, that distress may be lightened, and additional security be given those who exist on the ragged edge of life. [Applause.]

#### REMARKS OF MR. SUMNERS OF TEXAS BEFORE THE CRIME CONFERENCE

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, since 1913 the people of the Fifth Congressional District of Texas, including the city of Dallas, have honored themselves by sending to the House of Representatives Hon. HATTON W. SUMNERS, who is now entering upon his twelfth consecutive term. But the Members of the House, regardless of partisan affiliations, and especially those of us who have had the great privilege of serving under him on the Judiciary Committee, of which he is chairman, regard him as not merely the representative of a progressive city and a great State, but as one gifted with a Nation-wide horizon—as a distinguished American statesman. Apart from the strong affection and

respect which we all have for him, we know him as a learned constitutional lawyer and legal philosopher and a disinterested patriot. The House of Representatives and the Republic are, indeed, fortunate in having HATTON W. SUMNERS as Chairman of the Judiciary Committee.

During the Attorney General's crime conference, held in Washington last month, Mr. SUMNERS delivered a timely and significant address.

I ask unanimous consent to extend my remarks by including Mr. SUMNERS' address.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

ADDRESS OF THE HONORABLE HATTON W. SUMNERS, OF TEXAS, ON THURSDAY MORNING, DECEMBER 13, 1934, AT THE ATTORNEY GENERAL'S CRIME CONFERENCE HELD IN WASHINGTON, D. C.

Ladies and gentlemen of the conference, we are under much obligation to the Attorney General for having initiated this conference. In the beginning of this movement on the part of the Federal Government I was deeply apprehensive that it might constitute a sort of Federal vent, through which this revolution against crime would blow itself out and prevent this revolution against crime from doing the great service which it is required in this country shall be done by something, and that is to arouse the American people to a sense of general responsibility with regard to their civic and political duty. The fact that that has not occurred is due largely to the good judgment of the Attorney General and his able staff.

#### STATE BARRIERS PROTECTING CRIMINALS RIDICULOUS

There is much that the Federal Government can do in this situation and is doing and doing well. There is much that the States can do as separate governmental entities. There is much that the States can do in cooperation with each other under some system of compacts. I see no practical reason why the boundary lines of the States of this country should constitute a barrier behind which the criminal can find himself protected in large measure. It is perfectly ridiculous. It is ridiculous that practically the only time in going over this country we are conscious of the existence of a State line is when they are thrown up as a barrier to shield some murderer or crook from the officers of a neighboring State seeking to vindicate an outraged law and protect decent people. I mean that it is perfectly ridiculous among civilized people that that condition should obtain.

#### AVOID CAUSING REACTION

Of course, in the beginning of the working out of relationships between the States we have to be very careful. We must also be careful not to disturb the just safeguards which surround those charged with crime. May I say at this point (and I would like to emphasize this, my friends) that there are two enemies to every reform movement; one is those who do not want to move at all, and the other is those who want to go too fast. The latter is the more dangerous, because when you get a thing going—and this is going now, there is not a bit of doubt about that—it will usually move forward under the pressure behind it. We want to avoid anything being done that would tend to cause a reaction against this movement. I endorse the things that are being done to prevent crime to guide the youth of the country in the right direction; I endorse the things that are being done to reform the criminal; and I endorse, especially, the things that are being done in this country now to get rid of these arch criminals; I would like to see these people who live by violence and death given to understand that they are about to receive a visitation of that which they have been using. We have got to give them a big dose of their own medicine. Give it to them justly, but without a single tear except for the victims of their cowardly assassinations. That is the sort of business that will put the fear of God in the hearts of these people. That is a language they can understand.

#### CRIME AND OTHER PROBLEMS FROM SOME SOURCE

But I want to call the attention of the conference to one phase of this matter; and, as I view it, the most important; and which, insofar as I know, has not been discussed during your sessions. Looking at our problems fundamentally we see that this crime situation is but a part of our general difficulties—governmental and economic.

They all come from the same source. The thing which more than all others has made the present crime condition possible, and our general economic and governmental difficulties possible, is the low order of civic decency and efficiency which has been characteristic of this age. Possibly it was a natural sort of thing, a swing back from the stress of the war. We reached perhaps the highest point of unselfish world patriotism ever reached by any people on the face of the earth. It was a higher place than we could maintain. We have swung back from that; we have swung to the other extreme. We were under great stress, and in the reaction we came into the age of youth. Everybody who was old enough to have a mature judgment became ashamed of his age, and youth was idealized. We resorted to all sorts of subterfuges to hide the fact that we were old enough to have sound judgment. We could not be bothered. Grandmother whacked a couple of feet off her skirts, literally; and old granddad got his cane, straightened



up his old back, grabbed a horn, and got in the procession; and mother and father joined the parade. Youth led it; youth took its place at the head of the council table of the American home.

#### PEOPLE TURNED JOB OVER TO OTHERS

Somebody got to preaching in this country the self-determination of youth. It was a pretty handy sort of philosophy because mother and father turned the children loose and went off to the hootch party. Their children are coming back now, many of them by way of the penitentiary.

We turned the political government over to a lot of politicians, in many instances crooks. We turned the economic government over to a lot of supposed-to-be captains of industry, many of them economic brigands. And so we went along to the brink of moral, political, and economic bankruptcy.

It is not to our credit, but it seems a fact that under the circumstances we had to have these criminals; we had to feel their lash. We would not respond to anything else. This intolerable condition created by these criminals is the first thing which in more than a decade and a half has been potent enough to create any general reaction, any sign of real life and normal functioning in the body civic and politic of this people. For the moment at least there is centered in this movement much of whatever hope we have that the people of this country will feel again the thrill associated with sovereign responsibility and with self-reliance, and become again conscious of ability to preserve and operate the institutions of a self-governing people.

We are like a person who has been drugged, and many efforts to awaken him have failed, and finally something is applied which is beginning to have the desired effect. We are awakening now. This movement must be continued to a successful conclusion—I mean the movement of the people against crime. It might be fatal if we permit ourselves to go to sleep again now.

#### DILLINGER AND HIS MUSTARD PLASTER

Mr. Dillinger and "Baby Face" Nelson and that crowd have done what all the preaching in this country couldn't do—they created an intolerable situation.

They have put a mighty hot mustard plaster upon a lethargic civic condition. No doubt the people would like to have somebody else take that mustard plaster off, but it cannot be done. It would not be a good service if it were possible for some remote agency of the Government to do it. The Attorney General agrees with that proposition.

#### PEOPLE'S JOB

The Nation should applaud what the President and the Attorney General and Mr. Hoover had to say about the necessity for the States and the people in the community to have major responsibility in dealing with the various aspects of crime. There are certain definite advantages given to the defendant in criminal trials which are utterly ridiculous, among them the fact that in most jurisdictions it is a reversible error to mention the fact that the defendant has failed to testify. This is a very good illustration of the absurd lengths to which we have gone. In the old days torture was resorted to to compel persons to testify against themselves. There was a reaction against that barbarous and unfair treatment. Through the process of time we have gone to the present extreme so that the defendant under circumstances that would make every honest person anxious to testify, where he is under a definite moral duty to make an explanation, he may not only refuse to explain when he has opportunity, but no mention can be made of that failure.

#### MORE INVOLVED THAN CRIME SUPPRESSION

May I emphasize as bearing upon the importance of this movement against crime, let us always be conscious of the fact that there is a deeper interest and a more important concern involved than the possible effect upon crime per se, important as that is. That is the thought which I hope to leave with you. There is no other public service which gives to the individual citizen, to his home, and for his community, and the general Government, a development and fitness for civic service comparable to that which is given to the individual citizen who responds to the call of local duty in answer to the challenge of crime. Courage, patriotism, self-reliance, all the virtues are put to exercise, intelligence, everything. These things are necessary for our general salvation now.

Communities in the struggle with crime develop local leaders who probably were never before conscious of the ability to lead. They develop a consciousness of responsibility, a community solidarity, a civic decency, an aggregate courage, which fits them for the general responsibilities of good citizenship as no other public service possibly can do.

#### STRENGTH COMES FROM DOING

In a definite sense this movement at this time is as important as the hope and the aspirations of the American people now suffering under economic stress. I give it to you for what it may be worth, that unless the body of the American peoples become alive and begin again to discharge their civic duties, unless they again become conscious of their responsibilities as the governors of a free country, we cannot survive.

It is not written in the book of destiny, my friends, that the President of the United States and the handful of Members of Congress shall have all the development, all the progress, all the improvement that comes from a successful struggle with the difficult problems which confront us. Nothing short of a reawakened, regenerated people, operating under the consciousness of their own responsibility, can solve the problems of these times. It is going to be no easy thing to deal with this crime problem. That is to

our advantage; it is to our benefit that we have got a big difficult problem, which the people are working at, because it is only by doing the big things that the strength to do bigger things is acquired. Bigger things must be done soon.

This is the first hopeful sign that we have had in a decade and a half, and, if we keep this movement going, we have a chance to develop the citizenships able to win. As the muscles of the body are developed by exercise, so is governmental capacity of a people developed. It is the development of human beings which is the thing upon which all the forces of Nature center; people develop through the struggle. You cannot develop a nation able to carry forward the business of a nation when they sit back, dependent upon somebody else doing things for them which lies within their own capacity. This task of crime suppression is the one thing just now that the people are beginning to work at. It is well for the Federal Government to do what it is doing; it is well for the States, as governmental entities, to do what they are doing, but God Almighty, in fashioning the economy of this universe, has placed the major responsibility for taking care of the business of a free people back among the people in the small units of government, where the people have the major responsibility and the major power.

#### OPERATING GOVERNMENT BIG JOB

We have grave danger in this country that even our patriotism will become ritualistic. There is many a man today who thinks he is quite patriotic when he salutes the flag on his way down to swear a lie to get off the jury. Running the business of a great government of free people is a big job. This universe could have been made so there would not have been any difficulty; this earth could have been created so there would have been a system of concrete roads growing out of the ground just like trees grow, and everything else could have been arranged, but we would have been as a field of cabbages.

It is all right to doctor up these criminals; I am for that if it works, I want it understood that I thoroughly believe in that if it works; but what we have got to have in addition to that is men and women with red blood in their veins who will not submit to this supergovernment of crime. [Applause.]

I heard something about salvaging these murderers. I want to salvage, too; but I will spend my time trying to salvage these little kids that have been made orphans by these dirty hounds of hell. I will let somebody else work on them.

In estimating the importance of this challenge of crime, let us not forget that nature does not give additional capacity to those who do not use what they have. Of course, this task is difficult for the people; but their economic difficulties which must be dealt with now are more difficult. Difficulties are the gymnastic paraphernalia provided for the development of people. Our great difficulties are giving us a chance to be a great people. Nothing else would do that. No people were ever greater than their difficulties. We must have a great people now. We need a great people now. Nothing can save us except a great people. We have only the choice of conquering our difficulties or being destroyed by them.

#### CRIME DRIVING TO DUTY

It is a terrible reflection upon this generation that it has required the tyranny of the supergovernment of crime; that it has required the lash of these criminals to arouse us and drive us in the direction of our own security and liberty, and back to the responsibilities of a self-governing people. But the fact, the great fact is that at least we are moving in the right direction. I have recently taken many samples of public attitude. I know we are moving in the right direction. That is the brightest spot in the whole picture. We will win through when we become fitted to win and worthy to win, and not till then.

We are interested in the fact that in this movement against crime lies the hope that we may be able successfully to meet not only this crime problem, but with a citizenship fresh from the victory over organized crime, strengthened and developed and made fit by that contest, we may move on to a successful struggle with the greatest economic and governmental problems which up to this time have ever challenged the genius of any people. That is all I have got to say.

#### ADDITIONAL APPROPRIATIONS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 88, making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes, with Senate amendments thereto, disagree to all of the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table House Joint Resolution 88, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Are there very many points of disagreement in this suggested conference?

Mr. BUCHANAN. Not very many, because the resolution is short. However, there are several points in disagreement.



Mr. SNELL. In looking it over it seems to me that the main question in disagreement is the matter of the restoration of the pay of Government employees. If that is so, why can we not settle that right now?

Mr. BUCHANAN. Of course, that is a matter for the House to decide. In my judgment, the Senate provision should be modified somewhat.

Since the last Congress there have been a great many increases in salaries by the abolition of old positions and appointing the same employee to the new position, where the increases have ranged from \$60 to \$2,000, many of them five, six, seven, eight, eleven, fourteen, and to twenty thousand.

Mr. SNELL. How can that be done under the regular laws?

Mr. BUCHANAN. Does the gentleman think the 5-percent restoration ought to go to those people on that increased salary?

Mr. SNELL. I am in accord with the gentleman's position. I am not going to object to allowing this to go to conference, but I thought if that is all there was in dispute, the House is ready to express itself on the 5-percent proposition.

Mr. BUCHANAN. That is not all there is in dispute. There is another item in there of \$4,000.

Mr. SNELL. Under the rules and regulations, how can we do that?

Mr. BUCHANAN. They do that under a reexamination of the personnel of a department by some branch of the Civil Service Commission, under the set-up. They are supposed to be new duties. I believe the Civil Service Commission passes on that set-up. As a matter of fact, in my judgment, most of the duties do not require any greater ability. They may require all of their time which the Government is entitled to.

Mr. SNELL. It seems to me that is a fair criticism to be raised against the Civil Service Commission as presently constituted.

Mr. BUCHANAN. I do not know whether it is a criticism against the Civil Service Commission or the law which we enacted directing them to pass on these things. It is a criticism against somebody.

Mr. SNELL. I agree with the gentlemen that it is, and I am entirely in accord with his position that this should be stopped.

Mr. BUCHANAN. Then, if this goes to conference, the question I would consider is making the 5-percent restoration applicable to the small-salaried people. I can see no reason why ten, or twelve, or eight, or nine thousand dollar salaries should be restored. I am in sympathy with those who receive small salaries. Personally, I have no objection to the restoration of the 5 percent on those smaller salaries, but I do believe this can be trimmed down and I believe it ought to be trimmed.

Mr. MARTIN of Massachusetts. Will the gentleman tell us what he considers a small salary?

Mr. BUCHANAN. Twenty-five hundred dollars or \$3,000. I would not call that a small salary, but I would say that the limit I would endeavor to get in the Congress would be on \$2,500 or \$3,000 salaries.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Reserving the right to object.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. FITZPATRICK. What will the saving be if the increase is not given to people drawing five or ten thousand dollar salaries?

Mr. BUCHANAN. I have not figured what the saving will be. I can only tell the gentleman that the entire amendment will cost about \$22,500,000. That applies to all employees of the Government and corporations in which the Government holds a majority of the stock. It applies to the private pensions, the Civil War pensions, and includes the whole scope of Government employees in the increase of 5 percent in their salaries. The total cost of that would be approximately \$22,500,000.

Mr. FITZPATRICK. The gentleman cannot tell us what the saving would be?

Mr. BUCHANAN. On the salaries over \$2,500 I cannot. I can only say that in one Department 60 employees received an increase ranging from \$500 to \$2,000.

Mr. FITZPATRICK. Does not the gentleman think that prices have increased and the cost of living has increased to the high-salaried people as well as to those of small salaries?

Mr. BUCHANAN. It is 13 percent in the District of Columbia and 18 percent in the Nation, below the standard which we fixed in 1928. When we first passed this law we provided it should be restored whenever the cost of living increased to the standard of 1928. It is still 13 and 18 percent below that.

Mr. FITZPATRICK. Will the House have an opportunity to vote on this?

Mr. BUCHANAN. Certainly. Under the rules of the House, the conferees will be compelled to bring this back for a vote, unless the Senate yields.

Mr. FITZPATRICK. Then we would have to vote it up or down?

Mr. BUCHANAN. No. When we go to conference, I will try to get this compromise which I am indicating to you, and I will bring it back to the House for a vote, and then the House can either vote it up or down or amend it, either one.

Mr. KVALE. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. KVALE. I should like to address myself briefly, if the chairman will permit, to the gentleman from New York. I read a statement in the morning paper, I may say, by a disinterested student, who stated that withholding pay restoration from all above a certain salary level—in other words, this proposition of not granting the increase to the larger brackets of salaries—would be nothing more than a political gesture, and that the difference in saving would not be of any consequence.

Mr. FITZPATRICK. That is correct. There is no doubt about that.

Mr. BLANTON. Mr. Speaker, I reserve the right to object merely to enable me to make some observations. I heartily agree with my colleague from Texas [Mr. BUCHANAN], Chairman of the Committee on Appropriations, in his contention that this resolution ought to be sent to conference so that the conferees may give proper consideration to all of the matters in disagreement.

The chairman has called attention to the fact that since we adjourned last June numerous employees have been shifted around, with the names of their positions changed, but whose duties remain practically the same, and increases in salaries granted them ranging from \$60 on up to \$2,000 additional to the salaries they were drawing before the change.

This situation should remind us of the fact that Congress has lost all control of salaries. Prior to the passage of the Classification Act in 1923 Congress did control salaries. Prior to 1923 all salaries were fixed by Congress. The act of 1923 took such control away from Congress, and out of the hands of Congress, and placed in a board composed of Government employees the power and authority to grade, classify, and fix the salaries of all Government employees. Many employees had their salaries doubled. Some of them had their salaries trebled. Some employees who were getting \$1,000 were jumped to \$2,500 and even \$3,000. Some who were getting from \$1,300 to \$1,500 were increased to \$2,600 and on up to \$3,500. Some who were getting \$1,800 were increased to \$3,400 and on up to \$5,000. Some who were then getting \$2,500 were jumped up to \$5,000. Some who were getting from \$4,000 to \$5,000 were increased to \$7,500 and on up to \$9,000, and even up to \$10,000. Just when are we going to take back into this Congress the right to control those salaries?

We have got to do it sooner or later, and I hope we will do it in this session.



Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes; I yield.

Mr. BULWINKLE. I should like to ask the gentleman from Texas how many of these positions there are where there have been increases from \$3,000 or \$4,000 to \$10,000?

Mr. BLANTON. The ones raised to \$10,000 formerly received from \$5,000 to \$7,500. There are a good many of them. I wish our friend from North Carolina would get the hearings on the recent District bill and look on pages 104 to 110, which will illustrate my point by showing raises granted to the District officials here since said 1923 act. Practically every one of them has had his salary doubled and some of them have had their salaries trebled under this 1923 Classification Act. These raises well illustrate the raises granted to Federal employees.

Mr. BULWINKLE. I know, but the gentleman does not state that there is any number.

Mr. BLANTON. Oh, there is a bunch of them.

Mr. BULWINKLE. I should like the gentleman to tell us how many.

Mr. BLANTON. I think there are at least 5,000 employees who have had their salaries practically doubled under the 1923 act and have been increased beyond any reasonable amount, far beyond what this Congress ever would have done in any situation.

Mr. BULWINKLE. So the gentleman states that there are 5,000 who have had their salaries increased from \$3,000 to \$10,000?

Mr. BLANTON. Oh, no; not from \$3,000 to \$10,000, but who have had their salaries doubled. The ones raised to \$9,000 and \$10,000 formerly received \$5,000 or \$6,000 or \$7,500 before the Reclassification Act was passed in 1923.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. DUFFEY of Ohio. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. The regular order is, Is there objection to the request of the gentleman from Texas?

Mr. LEHLBACH. Mr. Speaker, I will object if we cannot have a little discussion on this important matter. I will object until the request for the regular order is withdrawn.

Mr. BLANTON. I wish, Mr. Speaker, that I had the time to point out specifically the many positions in this Government where, under the provisions of the Reclassification Act this Congress passed in 1923, allowing a board composed of Government employees to grade and fix salaries of Government employees, salaries of many employees have been doubled and trebled since 1923.

There is fresh in my mind the increases which under this same 1923 act were granted to employees of the District of Columbia, as we recently went into this matter thoroughly while we were holding hearings on the pending District of Columbia appropriation bill. The increases granted under this 1923 act to these District of Columbia employees will illustrate exactly like increases that were granted under this same 1923 act to regular Federal employees of the Government.

If you will look on pages 104, 105, 106, 107, 108, 109, and 110 of the hearings on the pending District of Columbia appropriation bill, you will see that I caused to be printed the names and positions of more than 400 employees of the District of Columbia, drawing salaries from \$2,500 to \$9,000, whose salaries were about doubled, and some trebled, by said act of 1923.

I want to mention some of them. The Commissioners were raised from \$5,000 to \$9,000. Their secretary was raised from \$2,700 to \$5,600. Their auditor was raised from \$4,000 to \$9,000. The corporation counsel was raised from \$5,500 to \$9,000. His principal assistant was raised from \$3,000 to \$7,000. Another assistant was raised to \$7,000. Another assistant was raised from \$1,800 to \$5,600, more than trebled. Another assistant was raised from \$1,500 to \$3,200. Another

assistant of the corporation counsel was raised from \$1,000 to \$3,200, more than trebled. The municipal architect was raised from \$3,600 to \$7,500. The tax assessor was raised from \$3,500 to \$7,500. He had four assistants raised from \$3,000 to \$4,800, and two assistants raised from \$2,000 to \$4,800. The coroner was raised from \$1,800 to \$3,200. The surveyor was raised from \$3,000 to \$5,000, and one of his assistants was raised from \$1,800 to \$3,500, and another from \$1,500 to \$3,000, and another from \$1,200 to \$2,800.

The chief librarian was raised from \$4,000 to \$8,000 and his assistant from \$2,000 to \$4,000, and one of his chiefs was raised from \$1,400 to \$3,200. The superintendent of trees was raised from \$2,000 to \$5,200 and his assistant from \$1,350 to \$3,200. The director of sewers was raised to \$7,500, and one of his assistant from \$3,300 to \$5,000. The superintendent of refuse was raised from \$4,000 to \$6,000, and his street-cleaning director from \$3,000 to \$5,000, and the garbage director from \$2,500 to \$5,000. The playgrounds supervisor was raised from \$2,500 to \$4,600. The superintendent of janitors in schools was raised from \$1,500 to \$3,500. The health officer was raised from \$4,000 to \$7,000, with one assistant from \$2,500 to \$5,600, and his chemist from \$2,000 to \$4,600, and one assistant from \$1,500 to \$2,600, and two inspectors raised from \$1,200 to \$2,700. The poundmaster was raised from \$1,400 to \$3,080. The juvenile judge was raised from \$3,600 to \$7,000. The alienist was raised from \$1,500 to \$3,500. The director of welfare was raised to \$8,000, his assistant to \$5,600, his medical officer from \$1,400 to \$3,400, and one social worker raised from \$900 to \$2,600. The jailer was raised from \$1,680 to \$4,400, and the superintendent of workhouse from \$3,500 to \$6,000, and of the reformatory from \$1,800 to \$5,000, and the brick-plant chief from \$1,500 to \$3,000. The superintendent of the Gallinger Hospital was raised to \$7,500, and one chief to \$5,600, another to \$4,600, 3 to \$3,200 each, and 6 to \$2,600 each. The chief of buildings and parks was raised from \$2,500 to \$5,000. The Zoo Park chief was raised from \$3,300 to \$6,500. The water superintendent was raised from \$3,300 to \$5,800.

I have quoted the above from the more than 400 District of Columbia employees, whose names and positions I had set out in said hearings, showing their increases granted under said 1923 act, and they will illustrate the raises which have been granted to thousands of Federal employees of this Government under said act. The District of Columbia is merely a city of 500,000 inhabitants, while the Government of the United States has almost 100,000 employees in Washington alone. The more than 400 District employees I listed by name and position in said hearings are additional to the 1,300 Metropolitan Police and almost 1,000 firemen and about 3,000 school employees of the District, all of whom got their raises under a different act of Congress. And it will be remembered that the salary of the superintendent of schools has been raised to \$10,000. Numerous Federal salaries have been raised to \$10,000, \$12,000, and some to \$15,000.

It is time, Mr. Speaker, that this Congress takes back unto itself the control of salaries. This Congress should fix all salaries. No board composed of Federal employees should have the right to classify and grade and fix the salaries of their fellow employees. The people of the United States elected their Representatives and their Senators and are depending upon them to hold the purse strings and to retain the control of salaries.

It is perfectly right and proper, therefore, that the request of our chairman should be granted, and this bill should go to conference, and he should be permitted to adjust all raises in salaries which have been granted, as he says to many employees of from \$60 to \$2,000, with their duties unchanged, and granted in addition to their former raises given them under the original Classification Act of 1933.

Mr. BOYLAN. Mr. Speaker, reserving the right to object, I may say to the chairman—

Mr. BUCHANAN. Mr. Speaker, I have the floor.

Mr. BOYLAN. I understand that; but I reserved the right to object.

Mr. BUCHANAN. I have the floor, but I will yield to the gentleman.



Mr. BOYLAN. I thank the gentleman. The matter of promotions as raised by the chairman of the committee is entirely beside the question; it has nothing to do with the matter of the increase in the present salaries. There is no question about it, and I sincerely trust the committee will not report any such amendment as proposed here this morning, because the saving by its adoption would be so insignificant as to savor almost of petty larceny. Everybody is entitled to the pay increase, irrespective of what his salary is. Many men in the higher brackets are suffering more from present conditions than are those in the lower brackets. Much time has been spent by certain Members of the Senate and House in working out this compromise. I sincerely trust the committee in its deliberations will not consider any such ridiculous amendment. [Applause.]

Mr. MEAD. Mr. Speaker, reserving the right to object, I believe the Members of the House are extremely anxious to pass judgment on this question, which has been, in my estimation, so reasonably adjusted by the Senate. I believe it would be proper parliamentary procedure if we were to permit the naming of the conferees and then to instruct our conferees to concur in the pay-cut restoration as prescribed by Senate amendment no. 7. I really believe the Members of the House are anxious to dispose of this question right now. They are thoroughly familiar with the subject. I really believe the matter ought to be decided definitely by the House by instructing our conferees to concur in the Senate amendment to this particular item.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. This would enable the House to save time. The House is ready to vote on it now, and we could dispose of this matter today.

Mr. MEAD. The gentleman is quite correct. We are ready to make our decision on this question today; further delay, in my judgment, is unnecessary.

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. Pending the appointment of conferees, after disagreement with all the Senate amendments, would it be in order, with the consent of the gentleman preferring the unanimous-consent request, now to move to recede and concur in Senate amendment no. 7?

The SPEAKER. The Chair will state that that would require unanimous consent. The gentleman from Texas is asking unanimous consent to take the bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference.

Mr. LEHLBACH. Assuming that request was not pending but that the bill was called up, would it be in order to make the preferential motion to recede and concur? I think this is a preferential motion, and the bill being before the House, it would be in order.

The SPEAKER. The Chair will state to the gentleman that unanimous consent would be necessary in the first instance to take the bill up for consideration. Of course, if that unanimous consent was granted, a motion of that kind would be in order.

Mr. TABER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TABER. Mr. Speaker, would it not be in order now to send the bill to conference, and then the House can take such action as it pleases with reference to the matter after it has gone to conference? Is not that correct?

The SPEAKER. Of course, the House could not take any action until after the joint resolution is reported back from the conference.

Mr. TABER. Mr. Speaker, could we not instruct the conferees?

The SPEAKER. Certainly, the House has it within its power, if the motion is made at the proper time, to instruct the conferees.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. That motion would have to be made before the conferees are appointed.

The SPEAKER. That motion could be made after the House agreed to the request of the gentleman from Texas and before the appointment of conferees. Is there objection to the request of the gentleman from Texas to take the bill from the Speaker's table, disagree to all the amendments of the Senate, and ask for a conference?

There was no objection.

Mr. MEAD. Mr. Speaker, I move that the conferees be instructed to concur in Senate amendment no. 7, the pay-cut amendment.

The SPEAKER. The gentleman from New York offers a motion to instruct the conferees, which the Clerk will report.

The Clerk read as follows:

Mr. MEAD moves that the conferees be instructed to concur in Senate amendment no. 7, the pay-cut amendment.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: MESSRS. BUCHANAN, TAYLOR of Colorado, ARNOLD, OLIVER, TABER, and BACON.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 1175) entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. NORBECK, and Mr. TOWNSEND to be the conferees on the part of the Senate.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1936

Mr. WOODRUM. Mr. Speaker, I call up conference report on the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, 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 amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

C. A. WOODRUM,

JOHN J. BOYLAN,

RICHARD B. WIGGLESWORTH,

Managers on the part of the House.

CARTER GLASS,

JAMES F. BYRNES,

FREDERICK HALE,

Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: Provides, as proposed by the Senate, for the purchase of one motor-propelled passenger-carrying vehicle at a cost of not exceeding \$2,400 for the American Battle Monuments Commission.

On amendment no. 2: Under the Securities and Exchange Commission, authorizes rent of "quarters outside the District of Columbia; rental of equipment", as proposed by the Senate, instead



of rent of "building and equipment at the seat of government and elsewhere", as proposed by the House.

On amendment no. 3: Under the Securities and Exchange Commission, appropriates \$2,234,494 for salaries and expenses of the Commission, as proposed by the Senate, instead of \$2,000,000, as proposed by the House.

On amendment No. 4: Corrects a total.

On amendment no. 5: Under the appropriation for administrative expenses of the Veterans' Administration, retains the following proviso proposed by the Senate:

*Provided further*, That when found to be in the best interest of the United States, not to exceed \$500,000 of this amount may be used for payments to State institutions caring for and maintaining veterans, suffering from neuropsychiatric ailments, who are in such institutions on the date of the enactment of this act.

On amendment no. 6: Corrects a date.

C. A. WOODRUM,  
JOHN J. BOYLAN,  
RICHARD B. WIGGLESWORTH,  
*Managers on the part of the House.*

Mr. TABER. Will the gentleman yield for a question?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. TABER. There is one item in the report I do not understand, and that is with reference to the authority to pay \$500,000 to State institutions. Will the gentleman explain that item?

Mr. WOODRUM. Mr. Speaker, amendment no. 5, referred to by the gentleman from New York [Mr. TABER] is the amendment offered in the House by the gentleman from Illinois [Mr. LUCAS], which went out on a point of order.

At this particular place in Illinois there are two State institutions where there are a number of veterans housed for which the Government pays a certain agreed amount under contract. Fear was expressed last year and again this year that those veterans might be moved from State institutions to Government hospitals, but assurance was given by the Veterans' Administration that such would not be the case. We hoped it would not be insisted that the amendment go in; however, the Senate has put it in and is very insistent upon the amendment.

The amendment does not increase the appropriation and so far as the practical effect of it is concerned is not material or important. The conferees did not feel it was a matter about which there should be any particular controversy.

The only amendment to the bill of any consequence is amendment no. 3 of the Senate which reinserts the full amount estimated by the Bureau of the Budget for the Securities and Exchange Commission. You will recall that in the House we made a substantial curtailment of that figure on the theory that we hoped this Commission would proceed a little more cautiously and conservatively in building up a very big organization. The House reinserted a portion of the cut, but the Senate put the whole figure back, so the bill comes here in final shape practically verbatim as the Budget sent it to the Congress.

At a more appropriate time and before the session is over, I hope to take a few moments to comment on the work of the Appropriations Committee, of which I am a member. It is one of the greatest committees of the House. It is a hard-working committee, with a splendid, fine crowd of clerks, but I hope I shall be able to point out to the House and to my colleagues on the committee where this great committee may perform a useful service to the House and a useful service to the country. We heard just a few moments ago from the Chairman of the Appropriations Committee, and in the colloquy that followed, that in many instances the specific edict of the Congress against increases in salaries during this emergency had been voided by having a man's or woman's position changed and the duties somewhat changed, thereby enabling them to get a higher grade and a larger salary. I do not think that has been abused quite so much as might appear from the colloquy, but undoubtedly it has been abused some.

It is utterly impossible for a committee of this Congress, with the limited facilities at our disposal, to go into anything like a careful or a thorough audit or scrutiny of the vast expenditures of this Government. Billions of dollars and

hundreds of thousands of employees are involved, and I say with all deference and respect to our great committee and with full appreciation of the splendid, untiring work of our clerks, eight in number, that when it comes to anything like a careful audit or scrutiny of the expenditures of the Government I do not believe any man on the committee will say that we do it. We do not scratch the surface.

Mr. ARNOLD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is aware of the fact that under our system of hearings they are more or less ex parte. We simply hear from the heads of the Departments. Has the gentleman in mind the idea of independent investigation by the Appropriations Committee?

Mr. WOODRUM. Absolutely.

Mr. ARNOLD. I commend the gentleman for his ideas along that line.

Mr. WOODRUM. I thank the gentleman.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. If the statements just made are correct and the eight clerks are not able to do the work necessary, does not the gentleman believe he ought to put on a clerk or two, and that that would be a matter of economy so far as the Government is concerned?

Mr. WOODRUM. I think so, but may I say that the Members, myself included, are cowards when it comes to the question of providing ourselves with proper facilities. We will put some little departmental chief behind a mahogany desk and give him so many secretaries, assistant secretaries, and messengers that you can hardly get into his office; yet when it comes to the question of giving ourselves the proper instrumentalities so that we may discharge our duty, we hesitate to do it, because we are afraid the people in the country will say we are creating just another position.

Mr. RICH. Does not the gentleman believe the people back home, when they know it is a matter of economy and can be so explained, will be glad to cut down the Government expenses and go along with Congress?

Mr. WOODRUM. I think they will.

Mr. BOYLAN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. BOYLAN. I am very glad that the gentleman answered the distinguished gentleman from Pennsylvania [Mr. RICH] who does not want a man to get even a little printed matter put in the Record, he is so careful about economy. That is the trouble. The House has always had an inferiority complex. They do not want to spend the money to get the right tools, the right help, and the right facilities. [Applause.]

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SNELL. I am very much interested in the statement the gentleman made relative to the duties and the good work of the Appropriations Committee of the House. I am 100 percent for that committee. I believe that the House, if given an opportunity through the Appropriations Committee, will guard these expenditures very carefully and that was one of the reasons I so strongly opposed the \$5,000,000,000 appropriation last week. I thought it would have a better effect on the whole country if Congress dictated the expenditure of those funds.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. O'CONNOR. Does not the Director of the Budget make an investigation of these matters between sessions of the gentleman's committee?

Mr. WOODRUM. I am going to refer to that. Perhaps it will not be wasted time if we take just a minute on this subject, because it is an important one.

Under our present system of appropriating for the regular establishments of the Government—and, after all, we must



make a distinction between these emergency expenditures and the regular administrative expenses of the Government—the appropriation estimates come to us as the estimates of the President. The investigation for the President is made by the Bureau of the Budget. We get nothing in the House or in the Committee on Appropriations except the estimates.

The Bureau of the Budget estimates, for instance, for the Securities and Exchange Commission, \$2,300,000 for the following employees, and we have no way whatever of knowing what facts influenced this action by the Bureau of the Budget; what investigation or examination they made or why they increased it or reduced it, as the case may be. We have no way of knowing what representations were made to the Budget for such an appropriation, and bear this very important fact in mind: This confidential hearing of the President before the Bureau of the Budget was probably from 6 to 8 or 9 months before the time we come to take action and, usually, 12 months from the date upon which the particular estimates of appropriation come into being and are referred to our hard-working, diligent, careful subcommittees.

I want to reiterate here, Mr. Speaker, if you will take the hearings of some of these subcommittees, including the one of the distinguished gentleman from Illinois who is now bringing you the Post Office and Treasury bill, with Mr. TABER as the ranking Republican member, and the subcommittee of the distinguished gentleman from Alabama [Mr. OLIVER], whom I see sitting here, and others, you will see that they give a great deal of time and patient thought to these hearings. But what does it amount to?

We summon before the subcommittee the bureau chiefs and their confidential advisers and their Budget officers. They have been busy for 6 months getting their data and their statements ready to bring to the Appropriations Committee to justify their expenditures; and if you ever think that they are not cagey, then go and examine some of them. They have spent days and nights and months caucusing and reviewing and preparing themselves and building up their defense—and what do we have?

We have, as my friend here has stated, an ex parte hearing, and if we are persistent and so fortunate as to be able to back one of them up in a corner, perhaps, sometimes we can catch him and cut a few thousand dollars off his estimated appropriation; and then, if we do, he usually goes to the Senate and it is promptly put back.

Most of you gentlemen are lawyers, and I will speak to you in the parlance of the craft. I think when a department comes to Congress for an appropriation it ought to be a situation somewhat analogous to a man who is suing a person in court for a certain amount. I think the department ought to say to the House of Representatives, "You have given us a job to do or a contract to perform, and here is the bill that we present you for it." I think they ought to be required to produce evidence and show by a preponderance of satisfactory proof that it does require that many employees and that many dollars to do the job.

Examine some of these estimates. I wish I might have prepared and presented to you some of the figures. The item of travel expense alone runs into hundreds of thousands of dollars, as well as the item of stenographic reporting, the item of rent, and so on. I might go down the category of these estimates.

When we go into our hearing we bring the bureau chiefs or the department chiefs before us, and we proceed to try to cross-examine and try to get something on them by way of cross-examination.

Mr. Speaker, it would be like going into court to defend a case where you have to rely entirely on your ability to build up a defense of the case by your cross-examination of your opponent.

Now, to what does this lead me? To answer the question of my friend from Illinois, I want in these hearings a witness or two for the defense. I want in these hearings, sitting by the chairman of the subcommittee, a capable, competent, carefully-trained man who has been in these departments, independently, and has examined their esti-

mates and examined their need for increased personnel, examined their need for exorbitant travel expense and communication expense, who will be able to sit beside me when I am examining the witnesses and tell me the questions to ask and point out to me where a case may be developed for Uncle Sam.

Of course, this means personnel. The man who will be capable of doing this job will have to be paid for it, but I say to the House of Representatives that if you would give me a man of this kind on the independent offices appropriation bill for 1 year I will save you 25 times his salary without impairing the efficient operation of the Government service.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. Did we not have some sort of department like that which was abolished a year or two ago?

Mr. WOODRUM. A year or two ago we had what was known as the "Bureau of Efficiency." It became one of the most unpopular bureaus or Government agencies. Why? Because every time they went into a department or into a Government agency and cut down their appropriations they drew the fire of that department or agency, and it is a powerful fire.

It became so unpopular that Congress abolished it; but I think the Appropriations Committee appreciated its activities. It was an independent bureau that we could call upon.

My idea is that the Appropriations Committee itself ought to have its own staff of confidential men, highly trained auditors, who by careful experience and contact could go into the different departments when our hearings start and lay on our desk a brief for the defendant. It would not only bring economy but increased efficiency, and the very fact that there was such an agency would have a deterring effect on some of these exorbitant requests that are made by the departments.

Mr. MOTT. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MOTT. It would require legislative authority by Congress to get what the gentleman wants, would it not? Has the gentleman asked for that authority?

Mr. WOODRUM. Before the session is over I will ask for it, and I hope Members will assist me in getting it.

I think I can tell you how it will be done. If Congress will give our distinguished chairman the right to ask any bureau or department, say on the independent offices appropriation bill, to detail him or the subcommittee chairman any person he may ask for during the next fiscal year—and I know a bureau or department where there is a man or two that I could detail to my subcommittee who I know would do a good job. It would not interfere with the department.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. The gentleman does not mean that he would investigate his own department?

Mr. WOODRUM. That along with others.

Mr. O'CONNOR. Does the gentleman think that is wise?

Mr. WOODRUM. In this particular instance; yes.

Mr. HAINES. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HAINES. Is it not a fact that all business corporations are doing the very thing the gentleman is advocating here?

Mr. WOODRUM. I think so. Now, I say this without reflecting on a bureau or any chief of a bureau or head of any department. They are human beings, and it is just natural and absolutely human for a department or bureau chief to want to see it grow and expand and increase and reach out for more power. It is human, and unless there is some method of holding it down, we have the result that you see in this very bill.

Yet the Securities and Exchange Commission, charged with important duties—and no one will minimize them—which the American people want to see carried out, has started out with an exorbitant idea of what the Bureau is



to be, and if they go ahead, as apparently we will let them, in a year or two it will be larger than any two governmental departments put together.

In spite of emergency expenditures, separating those two, there has been substantial progress made toward balancing the ordinary expenses of the Government with the Budget, and this committee has made its contribution to that. This committee is interested, Democrats and Republicans, Republicans and Democrats, as I stated in presenting the bill originally, in seeing that important governmental agencies are adequately financed, and, second, in seeing that they are not overfinanced and overmanned.

Mr. Speaker, I had not intended at this time to go into this discussion, but the matter came up and I submit it to my colleagues, especially for the consideration of my colleagues on the Committee on Appropriations and our distinguished chairman; and if they approve it, I shall ask in my bill for authority to draft personnel from one or two of the departments to assist in checking these expenditures in any one fiscal year.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. ARNOLD. I am in accord with the general purposes of the gentleman and what he is seeking to do, but I do not believe the man who is to do this work should be selected from the departments. I think we ought to have an agency that is entirely outside of any of the departments, an agency that the department heads cannot influence in any way, and I think the man selected should be someone entirely outside.

Mr. WOODRUM. That would be very much better, if we are willing to pay the money, and I say that we ought to do it.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. LUDLOW. What is the gentleman's estimate of what it would cost to increase the personnel of the Budget Bureau so that there might be one expert assigned to each of the legislative subcommittees of the Committee on Appropriations for this particular work that the gentleman speaks of?

Mr. WOODRUM. I do not believe it would take one expert for each subcommittee. I think two or three highly trained, competent men, with some clerical assistants, could direct this work, and I say to the gentleman that he would not have to go into each department every year. If they had gone through a department once, then to check the accounts the next year would be a small matter. Auditing it at first would be the important work.

Mr. LUDLOW. My experience on the Committee on Appropriations tells me that the gentleman is on the right track. I think a great deal of good would come from his proposition, and I think the personnel should not be detailed from existing bureaus but should be independent and an uninfluenced personnel chosen independently. I agree with the gentleman from Illinois [Mr. ARNOLD] in that respect.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. COLE of Maryland. I am wondering if the idea the gentleman suggests, which I approve very much, could be put into effect almost immediately. Here we are with only about 3 weeks gone of the present Congress. If it could be done we could get the benefit of this large saving in the next fiscal year. Would that be possible?

Mr. WOODRUM. The Budget estimates are already here for the fiscal year beginning next July. We find sometimes in these appropriations that the picture is so entirely changed from the time these departments go before the Budget and the time they come here that they do not need appropriations for this particular item or for that particular activity, but we have got to get at it by stumbling along blindly, going on a wild fishing expedition to find it out.

Mr. SNELL. Mr. Speaker, will the gentleman yield me 2 minutes?

Mr. WOODRUM. Certainly.

Mr. SNELL. Mr. Speaker, I have been very much interested in the explanation the gentleman has made about the good work of the Committee on Appropriations. I entirely agree with him as far as his general statement goes, but I cannot understand why the gentleman's committee should have brought into the House last week a proposition of practically \$5,000,000,000 of extraordinary expenditures and not have given it any more attention than they themselves say they gave to the proposition. If it is necessary to go through and examine the detailed expenditures of the regular departments of the Government, which to a certain extent we are familiar with, and the total of which runs only in the vicinity of around \$3,000,000,000, it seems to me that it is even more necessary on the part of this body that is responsible for these expenditures to give some time at least to getting information in regard to extraordinary expenditures that go 150 percent more than the regular expenditures of the Government. That is something in the gentleman's statement that I cannot quite understand. I appreciate the fact that there is some difference between ordinary and emergency expenditures, but the emergency expenditures that we were providing for last week have been going along in this Government for between 1 and 2 years, and certainly somewhere, some place, there must be some kind of plan to carry forward the expenditure of this money.

Does not the gentleman think, because of the size of that appropriation, that we should have had a little more information than his great committee, which is so careful, was able to give us at that time. I certainly cannot understand why my good friend has apparently changed his position today from the one he took last week. Today he is in entire accord with the position I took last week when we had a proposition before us to give the President five billions without any information whatsoever. This proposition came from your same efficient committee, yet you did not have, or did not want to give us any information whatsoever. My position then was the same as it is today. I am, and always have been, in favor of Congress doing its full duty in giving consideration to the spending of the taxpayers' money.

I hope my friend will keep in mind his statement today before he again criticizes some of us for opposing such a proposition as we rightfully opposed last week.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield for a question that is not political?

Mr. WOODRUM. Yes.

Mr. COCHRAN. There has grown up recently a practice of taking men from one Government agency to another and putting them in a position similar to the one they held, but the agency taking the individual over, working under a lump-sum appropriation, increases the individual's salary two or three thousand dollars a year. Is there something that the Committee on Appropriations can do even in connection with lump-sum appropriations that will break up that practice? There is no reason why a temporary organization or an organization that eventually will be made permanent, should take a man from one Government agency into its department or bureau and increase that man's salary to do the same class of work that he was doing before that agency took him over.

That is all over the Government. That has been done in the last 2 years; it has been done in the last few months. It should be stopped.

Mr. WOODRUM. Mr. Speaker, replying to the observations of the gentleman from New York [Mr. SNELL], at least in minds of a majority of the committee, it was utterly impracticable and utterly impossible to determine in advance exactly where and exactly how the particular funds which the House voted to turn over to the President should be spent for this work program. The element of time entered into it. We are now appropriating, in these regular establishments, for the fiscal year which begins July 1 next.

The Budget examination of those estimates started last August. It takes time to do this. The Bureau of the Budget held hearings. The Committee on Appropriations held hearings. They are the established organizations. We



have some tangible idea of what their job is and how they ought to handle it.

As to the relief bill, the situation is entirely different. The President asked Congress to give him the instrumentalities whereby he might take 3,500,000 able-bodied men off the humiliating relief rolls and put them to work. He told the Congress the types of projects that he would use. He told the Congress in his message and in testimony before our committee that there were projects ready that could be started within 30 days from the time this resolution was passed, if we gave him the authority to do it. Because of the emergency nature of it, because of the temporary character of it, the House voted to give him that instrumentality, and provided that the expenditures should be audited and that a full report of all expenditures and commitments should be made to Congress.

Mr. SNELL. Will the gentleman yield further?

Mr. WOODRUM. I yield.

Mr. SNELL. There seems to be an opportunity for the Senate of the United States to get some information in regard to this. It seems that the House itself would have been in a better position before the country if it had given some attention and taken a little time and had gotten a little of that information that will probably be presented to the Senate before the Senate acts on this measure. According to the statement made by the administration that this money is not to be spent until after the 1st of July, it seems to me that we could have well paused a little while, for 2 or 3 weeks at least, and gotten some information in regard to it, and the House would have been in a better position before the country.

Mr. WOODRUM. Well, Mr. Speaker, I do not want to get diverted into a rehash of the work-relief bill. We passed that bill.

Mr. TABER. Will the gentleman yield to me?

Mr. WOODRUM. I yield to the gentleman.

Mr. TABER. I want to say a word or two about the way in which some such thing as the gentleman has suggested might work. I can remember when the various committees of Congress used to go around the country and check up on some of these projects. The danger there came to be that those Members who went around became the propagandists for the projects that those in the Department were trying to put across. I can remember when committees of Congress, both special committees and appropriation committees, attempted to utilize the service of the Bureau of Efficiency, and the Bureau of Efficiency set up so elaborate a program for handling some of the situations which they investigated that it required knocking down on the part of the subcommittee. Perhaps there is no way out of it, but it seems to me, and it always has seemed to me, that extreme haste in crowding our appropriation bills on was bad—that is, the general bills; that our committees, perhaps, ought to give more consideration to them; and the members of the committees themselves, and through more intensive work on the part of the clerical forces which we have in season and out of season, should try to drive these appropriations down rather than try to build them up through representatives in the individual departments and propagandists on behalf of the departments. I am afraid of turning over to propagandists the work of checking up on those departments. I think that during the session, after the bills are disposed of, and while Congress is in recess, the clerical force of the committee should be organized for investigation, and I think we should try through that and through longer sessions on the part of the committees, possibly in the hearings on these bills, to drive down these appropriations, because there is no force outside of the Committee on Appropriations which will work relentlessly to drive down those appropriations.

Mr. WOODRUM. Does not the gentleman think the Committee on Appropriations should have the personnel that would have time to do that?

Mr. TABER. If they were absolutely under the control of the committee; yes.

Mr. WOODRUM. Well, they could be under the control of the committee. I do not think the gentleman can give

very many illustrations of departments that have been shrunk very much or that you have been able to drive down. The momentum has usually been the other way.

Mr. TABER. None of them has been driven down. It has been a struggle every minute for the committee to drive them down.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. GIFFORD. Being one of the helpless members of the Committee on Expenditures, the ranking member, as I have said several times, I have often thought that we ought to have something to do in relation to these matters. I sympathize with the gentleman's effort. I served a long time on the committee on appropriations in my State and I understand. But I want to remark this, that the other day on that tremendously large appropriation bill on which you gave us so little information—

Mr. WOODRUM. Now, Mr. Speaker, I refuse to yield further to the gentleman.

Mr. GIFFORD. Will the gentleman let me make one remark?

Mr. WOODRUM. No, sir; not right now.

Mr. GIFFORD. The gentleman is afraid of it. It is really a very important remark.

Mr. WOODRUM. I am sure it is. I will permit the gentleman to sit down and listen to me for a minute. I did not want to start any political row; but if you want a political row, we can have it. The work-relief bill was passed by Congress because a majority of this body trusted the President of the United States. They did it the other day, and they will do it again if it is necessary.

I may say to my good friend from Massachusetts, splendid, lovable, amiable, distinguished gentleman that he is, but who cannot resist the opportunity to effuse bitter partisan discussion, I did not start to talk politics. We do not have politics in the Appropriations Committee; we never have them. You cannot tell a Democrat or a Republican in there by what he is trying to do on the committee. I want, however, to say this to my friends over there who are still smarting under the display of confidence and courage that was given the administration by this body—God knows what will happen in the other one. But I know what we did here. We stood back of Franklin D. Roosevelt, and we are going to help put his program through. [Applause.]

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I do not yield to the gentleman. We are going to help put his program through in spite of the monkey-wrench throwers on this side of the aisle.

That is enough of politics. I did not start to talk politics, but the gentleman on the other side could not resist taking a couple of gibes at me; and there you are.

Now, Mr. Speaker, I shall be glad to yield to my distinguished friend from Massachusetts. My conscience hurts me; I cannot resist.

Mr. GIFFORD. Mr. Speaker, after his impassioned speech of last week, I felt the gentleman from Virginia ought to yield to me; and I had not uttered a word of politics when he stopped me. I was going on to tell him that, knowing the beautiful singer he is, the lovely fellow that he is, I know that when he was making that speech the other day he was singing to us the Two Grenadiers Ready to Die for Their Emperor.

Mr. WOODRUM. Righto. Righto. I know the gentleman from Massachusetts is an eminent pianist. Perhaps the Members of the House do not know this. Maybe some day we shall entertain them.

Mr. GIFFORD. I will play that for the gentleman.

Mr. WOODRUM. Fine. Now, if I am to sing the Two Grenadiers, if I could get just a little teamwork from the gentleman from Massachusetts and his party, then things would go along a little bit better. [Laughter.]

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. WEARIN. I feel as does the gentleman from Virginia with respect to expert examinations, but would it not



be a good idea to have these experts employed by the committee and responsible to the committee and to no one else?

Mr. WOODRUM. It would be very much better, I may say to the gentleman.

Mr. Speaker, there are really no controversial items in this conference report, and unless the gentleman from Massachusetts, Mr. WIGGLESWORTH, desires some time, I shall move the previous question.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

#### PAY-RESTORATION AMENDMENT

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER. Mr. Speaker, on March 3, 1933, the national debt of this Government was \$21,362,465,375. It was because of this debt and the deficit caused thereby, and the fact that the national income was less than the expenditures, that the Congress of the United States passed the economy bill reducing the salaries of all Federal employees 15 percent, and abolished the sick leave and the vacation on full pay. At the same time all veteran legislation, except that applying to Civil War veterans and veterans of prior wars, and compensation was repealed. The veterans received drastic cuts, and a great part of their benefits were abolished. The effect of this pay restoration is that the Federal employees have now been restored to the same full pay they were getting at the peak of our prosperity, whereas all the governmental economy now rests on the veteran alone, and the veteran is thereby made the goat.

The expenditures for the fiscal year of 1934 were \$7,105,050,084, and the national income was \$3,155,554,049. The national debt as of January 28, 1935, was \$28,476,866,258. Yet today, notwithstanding the fact that the national debt and the deficit is greatly in excess of what it was in March 1933, the House, without debate or the privilege of debate, restored the Federal salaries in full commencing April 1, 1935, thereby going into complete reverse in regard to governmental economy. This, of course, restores the Congressmen's salaries back to \$10,000, as they formerly were. This action was taken without a record vote; and while I voted against it on the motion submitted to restore the salaries, this is the only method that I have of recording my vote and how I feel in regard to this matter.

It has been stated many times during this session of Congress, especially when the \$4,000,000,000 relief bill was passed, that this country was facing an emergency; and it has even been charged by different authorities that the condition of the unemployed and business in general in this country is worse now than it was some time back. Now, there would be little or no objection to restoring Federal salaries back to where they were if the country was again in a prosperous condition and this elusive state, known as "prosperity", was with us again. And let me say, in justice to a great number of our honest and conscientious Federal employees, that according to my observation they are not agitating this pay restoration; they are well satisfied to have a good Federal job; and all they ask is not to be disturbed, but to go their way in peace.

Whereas Congress has passed this salary-restoration bill in such a way that a finger cannot be placed upon any Member as to whether he voted for or against it, yet the results in dollars and cents will be just as effective. In addition thereto this action is opposed by President Roosevelt and will upset all the Budget estimates and provisions of our salary-appropriation bills.

I never have believed in cutting the lower-salaried employees; they are always the ones, like the veteran in this case, who have to bear the burden; and why the salaries had to be restored on the higher-paid jobs at this time, I cannot understand. Neither do I think it is justifiable when the

Federal relief emergency set-ups over the country are telling the unemployed and those on relief that from four to six dollars a week is sufficient for them to maintain themselves and their families, and even they, out of this small pittance, are required to pay all manner and form of sales taxes to meet the Government expenses.

We have many fine people who have devoted a good many years of their life in preparing themselves for the profession of school teaching, but due to the condition of the farmers and the business people of our country, we find many of them getting as low a salary as \$40 a month. If any Congressman should advertise throughout his district, or even let it be known, that he had a Federal job to fill paying as much as \$1,000, and that he would accept applications for the same at a certain time and place, the chances are he would be crushed by the crowd.

While it may be easy to pass such a bill in the atmosphere here in Washington, now under the control and subjection of the Federal office-holding aristocracy, I am wondering whether such action will meet the approval of our constituents back home.

#### RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, with House amendments, insist upon the House amendments, and consent to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, REILLY, HOLLISTER, and WOLCOTT. TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

Pending this motion, Mr. Speaker, may I suggest to the gentleman from New York [Mr. TABER] that I have quite a number of requests for time. I think general debate will take all day.

Mr. TABER. That will be all right.

Mr. ARNOLD. May I suggest that we permit general debate to run throughout the day without attempting to fix a definite time for closing general debate?

Mr. TABER. That is satisfactory.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that general debate continue throughout the day without attempting to fix the time for closing general debate, the time to be equally divided, one-half to be controlled by the gentleman from New York and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is upon the motion of the gentleman from Illinois.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. ARNOLD. Mr. Chairman, I yield 1 minute to the Delegate from Puerto Rico [Mr. IGLESIAS].

Mr. IGLESIAS. Mr. Chairman, today I received, unexpectedly, letters, together with a gavel, from the headquarters of the United States Regiment of Puerto Rico, which I was going to present to the Speaker today, but I will do that in his chambers.

I ask unanimous consent to extend my remarks in the RECORD and to include therein these letters.



Mr. KVALE. Mr. Chairman, reserving the right to object, so that the RECORD may be clear, should this request be made in the House or may it be made in the Committee?

The CHAIRMAN. Requests to insert extraneous matter in the RECORD should be made in the House and not in the Committee. The Chair suggests that the Delegate from Puerto Rico withhold his request until we go back into the House.

Mr. IGLESIAS. Then, Mr. Chairman, I withhold my unanimous-consent request.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. Young].

Mr. YOUNG. Mr. Chairman, statements appearing in today's newspapers lead me to take the floor and tell the facts. Quoting from a press release from John H. Fahey, Chairman of the H. O. L. C., Washington newspapers state:

The H. O. L. C. Chairman said a thorough check of loans revealed that approximately 99 percent of the home owners whose loans were held by closed financial institutions and exchanged for H. O. L. C. bonds were themselves in financial distress, "in default as to interest or principal."

I repudiate this assertion.

In Ohio I find that the majority of loans made to help liquidate banks were to mortgagors who were not in distress. The majority of these loans were to individuals whose payments of interest and taxes were not in default.

I know of a loan made through the Cleveland office of the Home Owners' Loan Corporation to an individual whose income is \$25,000 per year. Of course this loan was made to help liquidate a bank—the Union Trust Co.

I believe that the amendment adopted April 28, 1934, to the Home Owners' Loan Corporation Act should be eliminated and the distress of the individual should be made the sole test of eligibility.

Because of maladministration in Washington there is a wide-spread feeling among our distressed home owners that the Government has turned its back on them and is again favoring banks and other big interests who were, in a large degree, responsible for the condition from which these distressed home owners are suffering.

There is a feeling that the suspension of the functions of the Home Owners' Loan Corporation resulted largely from the act of bulk refunding of mortgages held by the banks and other large lending agencies, regardless of any distress of the mortgagor. This used an undue amount of the bonds of the Corporation, which was created solely to aid in preserving for the small home owner the shelter he secured through a long, hard struggle.

The Home Owners' Loan Corporation is one of the greatest pieces of national legislation ever enacted.

It would be a very critical mistake for the Government not to make the existence of the Home Owners' Loan Corporation permanent, or, at the very least, until all pending applications are closed, and it would be a calamity to terminate the work of this Government corporation until private lending agencies are ready to take over the work.

Last November, John H. Fahey, Chairman of the Federal Home Loan Bank Board, with his usual display of incompetence, stated that private lending agencies were able to take over the function of lending money to home owners of our country in distress. Practically everyone else in the country, with an intelligence equal to an eighth grader, knew then and knows now that private lending agencies and banks will not go ahead and are not ready to go ahead and make mortgage loans to home owners.

The Congress should immediately enact legislation providing for an increased authorization of \$2,000,000,000 in bonds for the use of the Home Owners' Loan Corporation.

Approximately 544,000 home owners in distress have applications on file with this Corporation, upon which no definite action has been taken. Certainly fully 400,000 of these applicants are worthy and entitled to the relief the Congress intended.

We in the Congress intended that the Home Owners' Loan Corporation should be the greatest humanitarian corpora-

tion in the world. Officials of the Federal Home Loan Bank Board, John H. Fahey, Chairman; T. D. Webb, Vice Chairman; William F. Stevenson, Fred W. Catlett, H. E. Hoagland, members of the Board, have been guilty of violating the intent and purpose of the Congress. I propose that the Congress investigate the Federal Home Loan Bank Board and its members, and if necessary that we impeach them and remove the whole crew of these arbitrary "high boys" and bureaucrats from office.

They have continuously and persistently acted in an arbitrary and high-handed manner, and shown a callousness and indifference to the public need and the public good comparable to that of the most cold-blooded and conscienceless private lending agency operated for profit only.

Great hope for the distressed home owners of the country was held out by President Roosevelt.

We in the Congress believed we had created a Government agency which would save homes to owners who were in distress. The Home Owners' Loan Corporation is the new-deal agency which comes closest to most of our people.

The Federal Home Loan Bank Board has adopted a cold-blooded and ruthless policy in dealing with distressed home owners. This Board by its tactics has caused the Home Owners' Loan Corporation to become the joker in the new deal.

As a matter of fact, the Home Owners' Loan Corporation, in its work, comes right into the homes of people; and a liberal policy, compatible with the intent of the Congress, must be adopted.

These bureaucrats in Washington have cluttered the work of this Corporation with red tape, and have adopted restrictive regulations, harassing distressed home owners, and denying relief in thousands of worthy cases.

During the past 6 months most of the good work of the preceding 12 months has been undone. A tangle of red tape and a multitude of conflicting restrictive regulations have caused a humanitarian corporation to become inhumane. The Federal Home Loan Bank Board, in Washington, and John H. Fahey, the Chairman, are to blame. The intent and will of Congress have been defeated. Thousands of distressed and deserving home owners whose applications have been needlessly delayed or denied look to us to remedy this indefensible and intolerable situation.

I am not interested in any proposed investigation of branch managers of the Home Owners' Loan Corporation or of any State manager. The "high boys" here in Washington are to blame. The incompetence, stupidity, arrogance, and maladministration of the Federal Home Loan Bank Board in Washington has resulted in the collapse of the Home Owners' Loan Corporation.

My investigation in Ohio shows that as of January 17, 1935, 77,277 loans were granted in the amount of approximately \$241,000,000. In the entire Nation as of January 17, 1935, there were approximately 750,000 loans closed in the amount of approximately \$2,250,000,000. This despite red tape from Washington, conflicting regulations, repeated reappraisals, and so forth, which during the past few months have brought the H. O. L. C. everywhere to a standstill.

In Ohio at this moment there are nearly 70,000 pending applications in addition to 39,500 which have been rejected. Many of these were improperly rejected under orders from bureaucrats in Washington. The State manager estimates that at present there are about 56,000 worthy and deserving applicants genuinely in distress who come within the meaning of the law. It will require approximately \$176,000,000 additional to provide loans to save their homes. I urge that we immediately authorize an additional bond issue of at least \$2,000,000,000 to provide relief for home owners in distress and to avoid discrimination.

Issuance of these bonds does not affect nor relate to the balancing of the Budget. These bonds are backed by the security of American homes. If the Corporation is properly managed, there will be no loss to the Government.

Chairman Fahey states that 30 percent of the H. O. L. C. mortgages are now in default as to payment of interest or on the principal. This is startling. It is largely due to stupidity



on the part of Chairman Fahey and his board. They require mortgagors to send payments to Washington.

The Federal Home Loan Bank Board adopted a most asinine policy in compelling mortgagors to remit payments of interest and on the principal to Washington. In view of this failure to establish local collection agencies, the wonder is that more than 30 percent of the mortgagors are not delinquent. Furthermore, this is unfair to mortgagors. Many do not have checking accounts. Many do not understand the mechanics of making remittances by mail. Furthermore, it is unfair to ask home owners to go to the expense of securing money orders and to send out letters.

Many who have remitted by mail direct to Washington to the Treasurer, Patrick J. Maloney, have failed to receive proper credit because they omitted to include the number of their loan; and an applicant for a home loan I know of, whose loan had not been granted, but who was erroneously billed, sent in a payment and has to date been unable to secure a refund of his money.

These officials have established regional offices to make collections and attend to the servicing of mortgagors. A regional office was established in Cincinnati, but such an office does not help facilitate payment of people living in Cleveland and elsewhere in Ohio.

The obvious and simple thing to do is to permit payments to be made to every branch office of the Home Owners' Loan Corporation and at every post office. Also new Federal savings and loan associations are being set up throughout the country. These are designed to take up the work where it is left by the H. O. L. C. The Federal savings and loan associations are made fiscal agents of the United States Government and these agencies could attend to the servicing of mortgages; payments could be made by mortgagors into these offices and proper credit given.

An example of the restrictive regulations promulgated by Washington bureaucrats was the regulation requiring applicants for home loans, in many instances, to furnish affidavits that they had tried every financial institution in the county—or, at least, three institutions—for a loan before resorting to the H. O. L. C. Such a requirement was not contemplated by us. The President said that any home owner in distress, threatened with foreclosure of his home through stress of circumstances beyond his control, should appeal to the Government, and relief could be furnished through the H. O. L. C. For the Federal Home Loan Bank Board to tighten up on loans as to practically deny relief was not contemplated by the President nor the Congress. There is no justification for the order that applicants must furnish certificates of good character and secure a responsible endorser to go upon the mortgage note.

A ruling was made by the Board at Washington that all borrowers over 60 years of age must furnish a guarantor. This is contrary to the spirit and letter of the Act creating the H. O. L. C.

Appraisals have been entirely too low. Too many applicants have been rejected on technicalities because of orders from the Federal Home Loan Bank Board at Washington. We in the Congress believed that officials administering this Act would appraise property liberally, giving consideration to the appreciation certain to come within the next few years, instead of taking present distress valuations.

There are about 1,000,000 home owners in Ohio. Probably 500,000 of these are in distress. The H. O. L. C. Act was to provide real relief in this emergency—not to give jobs in Washington to a bunch of hard-boiled administrators and bureaucrats.

The Home Owners' Loan Corporation blossomed forth as a great recovery agency to relieve distress. It must not be permitted to wilt because of maladministration in Washington. For a number of months home owners were compelled to pay money to this corporation upon making application for a loan. Then they would learn that their applications were rejected. Hundreds of my constituents, hard pressed financially as they are, have paid from \$10 to \$30 each to the Home Owners' Loan Corporation, and then have been re-

jected. It was unconscionable for this Government agency to compel home owners to pay for the privilege of having their applications rejected. I protested most vigorously against this outrageous practice. I am glad that because of protests made this regulation was rescinded. I have demanded that the corporation refund to rejected applicants the sums previously paid. I regret that up to the present time this restitution has not been made.

We should not remain silent while John H. Fahey, chairman, and other high boys in Washington are violating the spirit and intent of this act. The Morris Plan Bank scheme, whereby an applicant for a home loan must furnish an endorser to guarantee his loan, is in violation of the spirit of the Act. It should never have been adopted in the first place, and should be immediately discarded.

Under orders from Washington, appraisers unfamiliar with local property values have been sent in and have reduced appraisals which were none too liberal in the first place.

Too many worthy applicants have been rejected because of the fact that they were working only part time or were temporarily unemployed. They were rejected because they were said to be "poor credit risks." Others, regularly employed but in need of a loan, have had their applications rejected on the ground that they were "not in distress."

I urge that a sweeping investigation of the Federal Home Loan Bank Board and its members be made, and enactment of an authorization of a bond issue in the sum of \$2,000,000, 000 additional in bonds for the Home Owners' Loan Corporation. This will be of far-reaching benefit and, in fact, the most constructive and helpful act that we, as representatives of the people, can take in their behalf. [Applause.]

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. The gentleman stated that perhaps there were 400,000 applications that should be granted. Has the gentleman any knowledge of the amount of money involved in these applications?

Mr. YOUNG. Yes. The approximate amount is \$3,000 for each mortgage application.

Mr. CHRISTIANSON. Three thousand dollars for each mortgage. Four hundred thousand of them would be equivalent to \$1,200,000,000.

Mr. DARDEN. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Virginia.

Mr. DARDEN. Does the gentleman feel this agency should be extended indefinitely?

Mr. YOUNG. I feel that there should be a searching investigation, that the agency should be extended, perhaps not indefinitely, but at least until all worthy pending applications have been cared for.

Mr. ROBERTSON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Does the gentleman from Ohio know what percentage of pending applications have been refused because of inadequacy of security?

Mr. YOUNG. About 450,000 pending applications, as I understand it, have been refused.

Mr. ROBERTSON. On account of inadequacy of security?

Mr. YOUNG. For some reason or other; many for inadequacy of security.

Mr. SWEENEY. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Ohio.

Mr. SWEENEY. Mr. Fahey has today written a letter to every Member of Congress stating that in the wholesale division, where approximately \$360,000,000 was loaned to that division, less than 1 percent had been lent to those who were not in distress. May I call the gentleman's attention to the fact that last week a committee of three of us called upon Mr. Fahey to discuss that situation with him, and he made the observation that 2 percent was the exact percentage of those cases that were in distress. With this information at hand, does the gentleman think we can rely on Mr. Fahey's word in reference to anything?

Mr. YOUNG. The gentleman and I are in accord and we know that the majority of the loans granted in our State to



liquidate big banking institutions were made to home owners who were not in any sense in distress.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. SUTPHIN].

Mr. SUTPHIN. Mr. Chairman, 16 months ago the President started a long-needed project in the form of a soil-erosion-control program. The object of this project is to curb destruction of the land. Equally important is the preservation of our coast line, which has been unprotected from storms and erosion. To illustrate the value of preservation of our coast and beaches, might I mention that New Jersey beaches alone, for 125 miles have a taxable valuation of \$4,000,000 a mile, and still every year the ocean is trimming down this golden band while a public is unaware of the loss, and administrations fail to undertake the simple preventive work necessary. From the figures which I have just quoted you can readily realize the tremendous loss suffered as a result of on-shore storms which swept the Atlantic seaboard from Florida to the outermost coasts of Newfoundland and Labrador during the past winter.

Conditions in New Jersey may be cited as typical of other coastal States, but I state facts from New Jersey because they are more familiar to me than the conditions of other seaboard States. Such surveys as are available indicate that since 1840 the shore line of the New Jersey ocean front has receded at an average rate estimated at  $1\frac{1}{2}$  feet per year. This is not uniform and is powerfully affected by the notably great changes that have taken place on some of the low-lying points adjoining some of the inlets. In a few sections the land area has tended to gain, but unquestionably with few exceptions the land areas tend to diminish under the influence of the sea forces. This applies just as truly to the entire belt of sandy beaches from Montauk to southern Florida as to the New Jersey frontage and also is no doubt true of areas on the Gulf and west coast. Subsidence or emergence may be in progress, but the rate of change is so slight as to escape detection upon comparison of present-day levels with those taken 25 or 30 years ago.

That losses are preventable has been amply and convincingly demonstrated by experience on the New Jersey coast. The recent storms wrought no damage on the frontages protected by the State-aid jetties, bulkheads, or sea walls. Outside the zones of these protective devices serious losses occurred. The line of demarcation between protected and unprotected areas is so sharp that no doubt could remain as to the effectiveness of standard defenses. The results of New Jersey's protective operations have been most gratifying and reassuring and have demonstrated that the cost of protection is much less than the cost of inertia and waste. The information I have received is that where one part of the coast is protected by jetties, bulkheads, or sea walls, erosion of adjacent areas is much more severe and therefore complete protection should be afforded for the entire coast line.

Are sea-front lands worth to the State and to the communities the cost of their protection. Applying the test of reasonableness, the answer must be emphatically in the affirmative. Certainly there can be no basis for protection entirely at public expense of barren wastes of slight value. The measure of the public's participation should be the public's interest. Economically the State cannot afford to view with indifference the losses of cities and boroughs which have been transmuted by private labor and capital from worthless sandy wastes into beautiful settlements that contribute by taxation to the support of the State. Attention is invited to the New Jersey coast, and this applies in large measure to all other States from New Hampshire to Florida. Certainly, if a shore hotel or a dwelling is engulfed by the sea, the resulting loss falls immediately on the unfortunate owner, but the entire loss is just as surely passed on to the community at large. Just so much of the wealth by which the municipal government is supported has by this calamity been lost. The community as well as the individual owner is that much poorer. The other property owners of that particular political subdivision must make up the loss by assuming a corre-

spondingly increased burden. The destruction of a public highway by the sea is immediately recognized as a public loss measurable in financial terms because the road must be restored at a cost which is definitely shown in the State or county or municipal financial statement. The cost of maintenance or repairs is levied upon all the property owners, who must as a consequence be subjected to heavier taxation or else dispense with other public services. The destruction of the road is reflected as a direct loss to the community, while the destruction of the dwelling operates as an indirect loss, but the result to the common fund may be approximately the same.

Millions of dollars have been expended by my State in initiation and carrying on the construction work, but this work was of a pioneer nature and little was known regarding the art of protecting the coastline against the littoral drift of sands as well as the pounding of the waves. However, today the situation is different. The structures erected by the State have proven their value and have demonstrated that engineering science has progressed to a point where it can now cope successfully with wave action as well as with the drifting of the sand. New Jersey and other coast States have spent millions of dollars creating highways which have in turn made the beaches accessible to the automobile user, and this in turn has brought great numbers of people from practically every State in the Union to the shore fronts to enjoy the beaches. Because of the use of the beaches by the large numbers of people from other States, the States should feel that they have the right to ask for Federal funds at this time to undertake to build these jetties and bulkheads which will further protect and stabilize the coastline.

In presenting this matter, I am aware that there are sections of the country other than New Jersey, both on the Atlantic and Pacific coasts, as well as the Gulf and Great Lakes, which are entitled to Federal aid because they, too, have an erosion problem to meet and they, too, serve to a great extent communities other than those immediately adjacent to the shore line. Therefore I wish to emphasize the fact that the problem of beach erosion is a national problem. In recognition of this fact, we in Congress created the United States Beach Erosion Board, which functions under the direction of the Secretary of War. The Chief of Engineers and the United States Beach Erosion Board in their studies concur in my statements, I am sure, and I believe you would find upon inquiry that they also concur in my opinion that there is justification for the expenditure of at least \$5,000,000 for the erection of jetties and bulkheads for the State of New Jersey and like sums for other coastal States, under the provisions of the National Industrial Recovery Act, section 202, clause (b).

Unemployment relief is another phase of vital importance in this matter. Contractors and plants are available for the suggested coastal-erosion program. The work could be undertaken within 60 to 90 days should such a project be approved and could be carried on throughout the year, save for interruptions by severe storms. It could be broken up into units, each of which could be completed in 6 to 9 months. The requisite material, principally riprap and steel sheet piling could be readily procured on short notice. It is estimated that the work in my State alone would provide direct employment on actual construction to the extent of from 4,000,000 man-hours to 8,650,000 man-hours. Indirect employment—to rock quarries, steel mills, transportation agencies, and so forth—would probably amount to several million additional man-hours. I might add that the moneys that will go into material for the structures would affect industries located in other States, so that the benefits accruing from the money spent for employment directly and indirectly would be wide-spread. It has also been estimated that such a project as is proposed herein would yield to labor, direct and indirect, approximately 76 percent of the total cost. The various transportation agencies, such as the railroads, waterways, and highways, play a very important part in operations of this nature, and the yield to these agencies is very considerable. It is necessary to stress these facts because agreement is general that the one element most lack-



ing in industry and commerce today is the low rate of consumption of the heavy, durable goods, such as those that would be utilized in constructions of this nature, and in the unsatisfactory activity of the transportation lines.

All the construction materials to be used in coast-protection works would be new. They would be gathered and assembled from the forests, which yield the piling and the lumber; the mines, which supply the ore for the wrought-iron, steel, zinc, copper, and other metals; and the quarries, from which would be extracted the rock for revetment and the aggregate for cement and concrete. As these raw materials would be severed from the soil, the transportation agencies would immediately become active, carrying the raw materials to the sawmills, to the timber-treatment plants, to the forges and rolling mills, the rock crushers, sand graders and washers, and to the other plants engaged in the various refining operations. These movements of the materials would be resumed after manufacturing and treatment in bringing the finished materials to the sites of the work. At these points on the beaches would begin the labor on the ground, such as the transportation from the railroad to the construction site, and then the incorporation of the units of construction into the finished work. The numerous operations of rehandling and manufacturing, beginning with the very first operation of severance of the raw materials from the ground, coupled with the clerical and accounting activities involved in their tracing and expediting to the ultimate destination, constitute very important labor items; and, finally, perhaps 35 percent of the gross cost of the work would be represented by the construction labor immediately on the ground, including its inspection, supervision, and other overhead items. A project of this type would leave its benefits over long trails, beginning in the Southern and Pacific coast forests, the inland mines, continuing through the various plants for refining and shaping raw products into finished materials, involving all the way the transportation agencies and ultimately reaching the laborers, mechanics, and supervisory forces on the seaboard.

May I repeat this fact: That the plans and specifications are ready so that contracts could actually be let for a large volume of work within 30 days and continuing so that the entire project could be placed in operation within 90 days.

Mr. Chairman and colleagues, this matter is vitally important to each and every one of us, and I urge your cooperation and attention to protection of our coastlines and the benefits to be reaped from such a program by the entire Nation, not only in the immediate future but in the distant future. It is a matter to be acted upon now before greater loss of lives and properties is suffered. [Applause.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it has been the custom of the House when sitting in the Committee of the Whole and indulging in general debate on appropriation bills to permit Members to discuss subjects which have no relation to the bill before the Committee. I am going to take advantage of that custom this afternoon and discuss a matter which, while it has no bearing on the Post Office or Treasury Departments appropriation bill, is, I am convinced, of very considerable importance. I do so in the hope that the Members present may be willing to give serious consideration to the problem.

I refer to the methods of amending the Constitution of the United States. As is well known, the Congress may submit a proposed amendment to the Federal Constitution either to the State legislatures or to conventions of the people within the several States for their action. On ratification by either the legislatures or conventions of the people in three-fourths of the States the amendment then becomes part of the Constitution itself.

The original Constitution drawn at the Philadelphia Convention in 1787 was submitted to conventions of the people for ratification, these conventions being called in the then 13 States of the confederacy, and upon ratification by 9 of them it became the Constitution of the United States. Since the original Constitution was ratified, 20 amendments have

been adopted. Nineteen of them have been submitted and ratified by legislatures, and one of them—the twentieth amendment, providing for repeal of the eighteenth amendment—was submitted to conventions of the people in the several States and ratified in that manner. The 20 amendments, however, which have been from time to time submitted by the Congress and ratified by the States, either through their legislatures or more recently by conventions of the people, are not the only amendments which have been submitted, and I want to call attention to an anomalous condition which I think cries for correction and which I think can be corrected.

Possibly quite a number of you are aware of the fact, and possibly even a greater number are not aware of the fact, that there are today pending before the States of the Union five proposed amendments to the Constitution of the United States. Two of them date back to 1789. In this connection, perhaps, you will permit me to state a historical fact which may be of interest.

When the original Constitution was ratified, the ratification was accomplished in spite of very severe and persistent objection on the part of a very large segment of the American people, who feared an overconcentration of power at the seat of Federal Government. I wonder what they would think if they were living today. But in any event that was the thought uppermost in the minds of the people at that time when they came to consider the Constitution drawn at the Convention at Philadelphia and submitted in 1789.

In effect they compelled the leading men of the country to enter into a gentlemen's agreement, as it were, that, if they ratified the Constitution, the first Congress to meet under its terms and provisions in 1790 should immediately propose a series of amendments designed to safeguard the individual citizen in the possession of his liberty, to guarantee his freedom from oppression from the Central Government, and also to guarantee the rights of the States to maintain and exercise those functions not delegated to the Federal Government in the Constitution itself, with the result that in 1790 and 1791 the first 10 amendments were submitted. They have been known, collectively, ever since as the "Bill of Rights." Indeed, they were submitted and ratified so promptly that they have been considered, in effect, a part of the original instrument.

It is interesting to note, however, that when the Congress in 1790 or 1791 sought to carry out this gentlemen's agreement they actually submitted 12 amendments to the Constitution, not merely 10 amendments. Nos. 1 and 2 of that list were never ratified by the requisite number of States. Nos. 3 to 12, inclusive, were ratified.

May I remind you that the ratifications were accomplished by legislatures. Those first two amendments have been pending ever since, for may I call your attention to the fact that once an amendment to the Constitution is submitted to the States to be acted upon either by the State legislatures or by conventions of the people in the States, it remains pending and has life until and unless it is ratified, and in that event, of course, it becomes a part of the Constitution.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield there?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. Unless, also, there is a limitation, which we have been putting in such resolutions in recent years, where the limitation has been 7 years.

Mr. WADSWORTH. A 7-year limitation was placed in respect of the eighteenth amendment.

Mr. O'CONNOR. Was there not some amendment before that time which had the same provision?

Mr. WADSWORTH. I am not aware of it.

Mr. O'CONNOR. I think the suffrage amendment had a 7-year limitation.

Mr. WADSWORTH. I am not aware of it, if it did; but in any event, it has not been the custom to do so, and, at best, it is a scattershot way of doing it, and I think we should evolve a policy which will achieve something like a



prompt and current decision upon an amendment proposed to the Constitution.

The members of the committee here present may be interested to know what these first two amendments, which are still pending, provide.

The first one reads:

After the first enumeration required by the first article of the Constitution there shall be one Representative for every 30,000 until the number shall amount to 100, after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives, not less than 1 Representative for every 40,000 persons, until the number of Representatives shall amount to 200, after which the proportion shall be so regulated by Congress that there shall not be less than 200 Representatives nor more than 1 Representative for every 50,000 persons.

Of course, I am not endeavoring to frighten the members of the committee into the belief that this amendment will be picked up and ratified by three-fourths of the States. [Laughter.]

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. ARNOLD. Is there any way to call in these amendments that have been floating around for so many years?

Mr. WADSWORTH. There is not. I am coming to that.

At that time 11 States were necessary for ratification, and the amendment which I have just read was ratified by New Jersey, Maryland, North Carolina, South Carolina, New Hampshire, New York, Rhode Island, Virginia, Pennsylvania, and Vermont—10 in number. It just missed ratification. It was rejected by Delaware, and no action was taken in Massachusetts, Connecticut, or Georgia.

The second one, which was submitted at the same time, September 3, 1789, read—and this may be interesting to the modern Members of Congress; it is still pending and can be taken up at any time:

No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.

I do not propose to throw a scare into the Members of the House or of the other body to the effect that perhaps this amendment may be revived at any time and our privilege of changing our salaries to take effect April 1, next, taken away from us, but it is pending.

Necessary for ratification at that time were 11 States. This amendment was ratified by Maryland, North Carolina, South Carolina, Delaware, Vermont, and Virginia, six of them. It was rejected by the far-seeing patriots of New Jersey, New Hampshire, Pennsylvania, New York, and Rhode Island. No action was taken by Massachusetts, Connecticut, and Georgia.

Then in 1810 another amendment was submitted to the legislatures of the States. It reads as follows:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

This was submitted, apparently, at the time when there was a good deal of excitement in the young America at the immense prestige of the Napoleonic era in France and in Europe; at a time when there was a good deal of division of sympathy or opinion in this country as between the dramatic achievements and standing of Napoleon the Great, and the belief on the other side that he was a menace.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. I find that the eighteenth, or the prohibition amendment, the twentieth amendment, the "lame-duck" amendment, and the twenty-first amendment, repealing the eighteenth amendment, all had a 7-year limitation.

Mr. WADSWORTH. I stand corrected on the 7-year limitation, and I stand corrected also to an important degree when I said only 20 amendments had been ratified. There have been 21, but all but 1 of them have gone to legislatures rather than to conventions of the people. I thank the gentleman from New York for his correction.

A very extraordinary amendment was submitted on March 2, 1861. If my knowledge of the calendar is correct, that was 2 days before the inauguration of Abraham Lincoln.

Looking back now, it presents a curious spectacle. It reads:

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the law of said State.

In other words, 2 days before Abraham Lincoln was inaugurated as President of the United States the Congress submitted to the States of the Union an amendment proposing to make it impossible for it to interfere with the institution of slavery within a State whose laws permitted the existence of the institution.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. Just one minute, until I finish this statement. It is interesting to note that the State of Ohio ratified the amendment through its legislature. Also the State of Maryland ratified it, and in the State of Illinois there happened to be a convention in session called for a local or State purpose, and that convention seized the opportunity and passed a resolution of ratification of that pro-slavery amendment. Of course, their action would have been held illegal, because the amendment had been submitted to the legislatures of the States.

At that time 25 States were necessary for ratification. Two of them, Ohio and Maryland, ratified it, Illinois pretended to ratify it, and no action was taken by 30 States.

As a matter of fact, within 6 weeks of the submission of this amendment by Congress to the States, Sumter was fired upon, and that great issue was settled in another way. That amendment, while technically still pending, is so completely inconsistent with the now-settled policy of the Republic that we may pay no attention to it. I do suggest to those thoughtfully inclined that the existence of these four amendments, still unsettled, does present to us a condition which, to say the least, is sloppy.

Mr. BLANTON. Now will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. I want to call the attention of the gentleman from New York to the fact that the last-mentioned proposed amendment, submitted on March 2, 1861, as well as the others, had to have a two-thirds majority of both the House and the Senate of the United States.

Mr. WADSWORTH. That is true.

Mr. BLANTON. So that indicates that 2 days before the inauguration of Abraham Lincoln that was the sentiment of Congress, expressed by a two-thirds majority of both Houses.

Mr. WADSWORTH. Certainly; I am not criticizing the Congresses of the past, nor am I discussing the merits of these amendments. I am calling your attention to the fact that they are still pending and that we should reach some system by which we can get a prompt decision on amendments submitted in the future.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I do.

Mr. SHANNON. Was the last amendment to which the gentleman referred known as the "Crittenden compromise"?

Mr. WADSWORTH. It was known as the "Corwin amendment."

Mr. SHANNON. Was it not a part of the Crittenden compromise?

Mr. WADSWORTH. I do not know.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. WOODRUFF. The gentleman has stated that had this amendment been ratified it would have been forever impossible for the Federal Government to take any action that would have eliminated slavery from the United States. Of course the gentleman does not mean that. Theoretically that would have been the case. He means that had it been ratified it would have required three-fourths of all of the



States to repeal that amendment, and that in all probability would have been physically impossible.

Mr. WADSWORTH. Physically or politically. But I beg Members to believe me when I say that I am not discussing the merits of these amendments.

The fifth amendment, which is still pending, is the famous child-labor amendment. That amendment was submitted to the States to be acted upon by their legislatures on June 3, 1924. That is more than 10½ years. I was a Member of another body at that time and took some part in the discussion of the subject when the resolution was before the Congress. Merely to remind you of the language of that amendment, which is still pending after 10½ years, I shall read it to you:

The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age. The power of the several States is unimpaired by this article, except that operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by Congress.

I am not upon this occasion going to discuss the merits of the child-labor amendment. I have done it many times in other places, but I call your attention to what has been going on during these 10½ years. During this period 24 State legislatures have rejected the child-labor amendment. That is one-half of all the legislatures. That is far in excess of the more than one-fourth which otherwise, had all voted at the same time, would have secured rejection. Twenty-four States at one time or another through their legislatures have rejected the child-labor amendment. I shall read the list: Connecticut, Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, North Carolina, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and West Virginia. However, in this same period several of those States have changed their votes, so that while early in the period only 5 States ratified, namely, Arizona, Arkansas, California, Montana, and Wisconsin, that number has been increased to 20, and as I read the morning papers there is a possibility of 2 more, inasmuch as in those States one house of the legislature ratified the child-labor amendment yesterday or the day before—Wyoming and Nevada.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. CELLER. If a State votes in the affirmative, it is forever bound, while if it votes in the negative, it can change its mind.

Mr. WADSWORTH. Yes; and here is the anomalous situation: A State may reject a proposed amendment and later on, 10 years afterward, may change its vote and ratify it. When once a State has ratified, however, it may not change its mind and reject. Once a State has ratified, it can take no further action. That is the situation that accounts for these amendments hanging fire year after year down through the generations.

Mr. MANSFIELD. There is no limitation of time.

Mr. WADSWORTH. There is no limitation of time prescribed by Federal statute or by the Constitution. As the gentleman from New York [Mr. O'CONNOR] has reminded us, in three instances the Congress, anxious to get a reasonably prompt decision, has inserted in the resolution of submission a time limit of 7 years; but there is no standard way provided for achieving a prompt decision. This child-labor amendment can be kicked around and made a political football for a generation or two to come. There is no way by which the Congress can recall the child-labor amendment from the States to resubmit it in a changed form or not to submit it at all. Even if 47 States rejected it, it still would have life, because those same 47, or the requisite number of them, may later on change their minds and begin to ratify.

Mr. CELLER. Of course the Supreme Court has had nothing to say on the subject, but if so long a time elapsed before a sufficient number did ratify, I hardly think the Supreme Court would deem that a proper amendment to the Constitution.

Mr. WADSWORTH. I do not know what rule the Supreme Court would resort to as to what is a reasonable time. The Supreme Court, I think, has said in connection with the eighteenth amendment that the action of Congress in prescribing 7 years was reasonable. It is with considerable hesitancy that a livestock layman such as myself rises here to discuss a decision of the Supreme Court.

The Supreme Court did not say that 10 years would be unreasonable, and it did not say that 3 years would be unreasonable. It laid down no rule, no yardstick, but merely passed on that one act of Congress, in saying the eighteenth amendment must be ratified in 7 years or not at all.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. The gentleman will note that after submitting the eighteenth amendment with the 7-year limitation in it we submitted the nineteenth amendment without any limitation.

Mr. WADSWORTH. We did.

Mr. O'CONNOR. I call the gentleman's attention to the fact, I think, growing out of the situation with reference to the adoption of the eighteenth amendment, that some years ago one of our most distinguished leaders on at least one or perhaps two occasions made a speech on the subject. I refer to Hon. Finis J. Garrett, of Tennessee, who went into the question of this very subject of leaving it outstanding, and also changing its mind.

Mr. WADSWORTH. Yes. As a matter of fact, if I may recall it to the memory of the gentleman from New York, a constitutional amendment was introduced in 1924 or 1925 by myself in another body and by Mr. Garrett in this body, and was known under our names jointly.

The Chairman informs me I have only 3½ minutes remaining. May I continue the statement? Perhaps I can secure an extension of time, if the House feels like it.

So, Mr. Chairman, I think we have to admit that there is a crying need for some standardization; not for any bringing of pressure or dictation by Congress as against a State or its people, but in some fashion the Congress might well regulate the matter so as to achieve prompt decision on these extraordinarily important questions.

Mr. MANSFIELD. Can that be made effective on those amendments that have already been submitted?

Mr. WADSWORTH. It cannot. I may say that I believe it is quite impossible for us to take any action which will be retroactive. We cannot do anything if we wanted to about the child-labor amendment. It has been submitted by the Congress to the States. There is no machinery under the Constitution for its withdrawal from the States by the Congress. Nothing we can do in the way of amending the Constitution or of enacting a statute can, in my judgment, affect the status of the child-labor amendment. So I beg of you to believe me when I say that the proposals which I have incorporated in my bill are not in any way directed against the child-labor amendment, although, to be perfectly frank, I have always opposed that amendment. Nothing can be done about that. We must cast our vision toward the future and see if we can prevent a repetition of these errors.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. And notwithstanding the fact that 10½ years have passed and that the State of Texas has refused to ratify, that child-labor amendment is a live issue right now before our State legislature in Texas, and we are receiving letters and telegrams on both sides of the question from people all over our State. After so many years we ought to find some lawful way to annul that submission.

Mr. WADSWORTH. May I include in my remarks some information with respect to the record of the States on this child-labor amendment? In addition to the 24 States which at one time or another have rejected—and, of course, within that period of some of them have changed their minds and ratified—the amendment has been rejected by one house of the legislature in Idaho, Louisiana, Michigan, Nebraska,



North Dakota, Ohio, Oklahoma, Oregon, and Wyoming—9 States; 9 more in which one house has rejected. If one house rejects, the other house of the legislature is powerless to ratify.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WADSWORTH. Also, in the Legislature of Colorado and in the Legislature of Iowa consideration of the child-labor amendment was indefinitely postponed; and no action up to the time I had these figures given to me had been taken by Alabama, Illinois, Mississippi, New Jersey, New York, and Rhode Island. I might say that on yesterday or the day before the judiciary committee of the New York State Senate refused to report the child-labor amendment to the State senate. So it would seem to be in difficulties in the New York Legislature, judging from this distance.

I now yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman feel that if any legislation is submitted to the Congress along the line he suggests, it should contain a provision that before the legislature of a State can pass upon a constitutional amendment, an election must intervene? In other words, we submitted the eighteenth amendment to the States in December. The representatives of the people had been elected in November, and the question of ratifying a constitutional amendment was not an issue; but nevertheless the legislature of my State, which had previously, by direct vote of the people, overwhelmingly decided against prohibition, very promptly ratified the eighteenth amendment. If we had an election intervening, that might not have been the case.

Mr. WADSWORTH. Now, may I make one observation in answer to the gentleman's question? If I had my way about it—and I have gone along without having my way oftentimes—I would have the normal method of submission to conventions of the people in the several States and not to the legislatures. Of course, Congress may select either method. No law of ours can take away from the Congress of the future the right to choose between submission to the legislatures and submission to conventions of the people.

I believe the men who wrote the Constitution at Philadelphia in 1787 believed that that was the method which the Congresses of the future would employ. In fact, they employed this submission to conventions of the people when they submitted the original Constitution. If you will read some of the debates and writings of the men who took part in that convention you will gather the impression that they believed the Congresses of the future would employ submission to conventions of the people of all amendments which would affect the liberties of the people or the rights of a State, that the people themselves, acting through their delegates, duly elected to conventions, were the element which should pass upon any proposal which invited the people to surrender any of their liberty to the Federal Government or to surrender any of the rights or functions of the States to the Federal Government. These same authors indicated their belief that in the event of amendments being proposed in the future which did nothing more than change some of the machinery of government—for example, like the Norris amendment, which merely changed the convening date of the newly elected Congress and changed the date of the inauguration of a newly elected President—that quite probably such an amendment would be submitted to the legislatures. But the Congresses immediately after 1789 adopted the legislature as the sole repository for the consideration of those 21 questions, with one exception; and it was not until the prohibition question had become so acute, so alive, and incidentally so fundamental as a matter of constitutional law that, in response to an overwhelming demand arising from all over the country, the Congress finally consented to submit that amendment to conventions of the people. It was done in that case. I believe this should be the normal method for considering amendments to the Constitution whenever the amendments invite the people of the

Nation to surrender any measure of their liberty to Washington or invite the States of the Union to surrender any more of their functions to Washington.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUDLOW. The gentleman is giving a most interesting and scholarly discussion of a very important matter. I should like his opinion on this point: Is it the gentleman's opinion that the only way to nullify and deprive of vitality these pending amendments which, as the gentleman from Illinois [Mr. ARNOLD] says, are "floating around in the air" is through another constitutional amendment directed to that one particular object?

Mr. WADSWORTH. No; I think we can do nothing to repair the damage, if we may call it such, of the past; but for the future, I think we can prevent damage.

Mr. LUDLOW. There is, however, nothing in the Constitution to prevent such a proposed corrective amendment to the Constitution being submitted to the States in the manner provided by the Constitution.

Mr. WADSWORTH. I think we need not resort to a further constitutional amendment, and I hope to have time to discuss a proposal I have to make.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. RANKIN. The point the gentleman from New York has just made is probably the most important question that has been before the House in a long while. The gentleman called attention to the fact that under the present system where the legislature of a State has voted to ratify an amendment that it cannot be recalled.

Mr. WADSWORTH. That is right.

Mr. RANKIN. That precedent was set by the Congress when they were ramming through the fourteenth and fifteenth amendments. That is how this illogical precedent was established.

Does not the gentleman from New York think there ought to be written into the law a provision that the legislature of any State should have the right to revoke its approval of an amendment before the amendment becomes effective? For instance, if a State legislature ratifies an amendment to the Constitution which the people of the State do not want and the people rise up and repudiate it, the next legislature cannot revoke the action of the preceding legislature.

Mr. WADSWORTH. May I continue for a little while? I think I will cover the point the gentleman raises.

Mr. RANKIN. I wish the gentleman would cover it.

Mr. WADSWORTH. Again, it is with a great deal of hesitancy that I flourish a decision of the Supreme Court with respect to what actually happens—and I am using the language of the layman now—when a legislature—and, of course, the same would apply to a convention of the people of the State—is acting upon a proposed amendment. We will turn back a moment to the eighteenth amendment. It was submitted by the Congress to the legislatures of the States. At that time the State of Ohio had, and probably it still has, a provision in its State constitution providing for the initiative and referendum. It applied to acts of the Ohio Legislature. That initiative and referendum was embodied in the constitution of the State; and, in so many words, it specifically applied not only to all ordinary acts of the Ohio State Legislature but also to the action of the Ohio State Legislature ratifying a proposed amendment to the Federal Constitution.

The Ohio State Legislature ratified the eighteenth amendment. Promptly there was initiated a popular petition under the provisions of the State constitution to give the people a chance to review the action of their own legislature in ratifying a Federal amendment.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. The petition secured the requisite number of signers. A State-wide referendum was held, and the people of Ohio rejected the action of their own legislature



in ratifying the eighteenth amendment. Most of the country believed that this constituted rejection in the State of Ohio, but the Supreme Court held otherwise. This case, as it reached the Supreme Court, was entitled "*Hawks v. Smith, Secretary of State of Ohio*", and it is to be found in Two Hundred and Fifty-third United States Reports, page 221. I shall not read the decision, but in the headnotes of the decision, which, I assume, constitute a fairly reliable summary of what the decision actually was, we find this language:

The function of the State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in presenting such amendment, is a Federal function derived not from the people of that State but from the Constitution (of the United States).

And the Supreme Court upheld the ratification by the Ohio Legislature, the Court holding that neither the law of the State nor the constitution of the State may stand in the path of ratification in accordance with the provisions of article V of the Constitution of the United States, which authorizes ratification by legislatures if the Congress submits the matter to the legislatures.

In other words—and I think I am not drawing a deduction too far-fetched—the legislature, when it acts upon a Federal amendment, is acting as a Federal agency and performing a purely Federal function, having nothing to do with the laws of the States and unbound by the laws of the State, as was decided in Ohio.

A similar situation arose in Tennessee. The woman's suffrage amendment was submitted to the State of Tennessee. The constitution of Tennessee contained a provision to the effect that the Legislature of Tennessee was forbidden to act upon a proposed amendment to the Federal Constitution unless its members had been elected subsequent to the submission of that amendment. The Governor of Tennessee called a special session of the then existing legislature, and it was ratified by the legislature contrary to the constitution of the State, because the members of the legislature had not been elected subsequent to submission. The Supreme Court upheld the validity of the ratification by Tennessee. The constitution of Tennessee, nor of any other State, may interfere with the performance of this Federal function. That being the case, my contention is that the Congress may regulate the performance of this Federal function.

My proposal is contained in a bill, no. 2900, which in its first section is merely declaratory and cannot be binding on future Congresses. The first section provides that every amendment hereafter proposed to the Constitution shall be submitted for ratification by conventions in the several States unless specifically provided otherwise in the resolution of proposal.

Of course, we have to put in that language in order to make it clear that we are not endeavoring to interfere with the discretion of future Congresses. As I stated, the first section is merely declaratory to endeavor to establish the custom of submitting to conventions rather than to legislatures.

Mr. Chairman, I contend that the Congress has the right to say how these conventions shall be composed and when they shall meet in the regulation and performance of the strictly Federal function. Without Federal regulation, there can be no regulation. There is no law on the subject in the whole of the Federal Union. The bill provides that the delegates to each State convention shall be elected at large; that they shall be elected at the general election next following the submission of the amendment; that the conventions shall meet on the twenty-eighth day following the election; that a majority of all the delegates in each State convention shall be necessary for a decision; that notice of the decision shall be forwarded immediately to the Secretary of State at Washington, who shall announce the decision of the States at once. Furthermore, the bill provides that if more than one-fourth of the States reject an amendment, then that amendment shall be ineligible for further consideration; in other words, dead; and that a State which has definitely rati-

fied or rejected an amendment may not thereafter change its vote. Thus, the bill proposes that the States act in a uniform manner, within a reasonable time, and reach a final determination. Surely this is not asking too much. At any rate, I submit the proposal to the House, confident that the Members will give it that consideration which the nature of the problem demands.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, we are about to witness in this country a most singular phenomenon, which, as far as my observation and reading of the events of the past furnish information, is without a parallel in American history. Tonight all over the land the people will meet in their respective cities, towns, and hamlets, even in the most remote places and far-away corners, wherever the Stars and Stripes fly over American soil, to celebrate the birthday of President Roosevelt and to show by a thousand forms of expression their love for the man who has tried to do so much for humanity in the dark hours of the world's greatest depression. I believe I am entirely correct when I say that never before, not even in the days of Washington, was there such an overflow of the Nation's affection for the man in the White House.

The city of Indianapolis, the capital of the great State of Indiana, which I have the honor to represent in this Chamber, will have its proud part in this Nation-wide commemoration. The Hoosiers are a sentimental people who never fail in their appreciation of the great men and women, living and dead, who have wrought major service for the human race; and nowhere tonight will the Roosevelt birthday celebration be carried on with greater spirit or more genuine jubilation than in our beloved city and State. There will be, in fact, five monster celebrations and balls in Indianapolis; and all of our citizenry, Democrats and Republicans and adherents of all political beliefs, will join in this demonstration for a President who has the regard of all men. At the head of the celebration and in charge of it is a distinguished Republican of our city, Wallace O. Lee. It was our hope and expectation that we might have as our guest and speaker at the Indianapolis celebration tonight Vice President Garner, but public duties held him here. However, he has sent a letter to be read at Indianapolis, and I think it is altogether meet and proper, in order that this document may be made a part of the CONGRESSIONAL RECORD of the President's birthday, that I should read to the House the tribute of the Vice President to the President. It is as follows:

VICE PRESIDENT'S CHAMBER,  
Washington, D. C., January 26, 1935.

MR. WALLACE O. LEE,  
Indianapolis, Ind.

DEAR MR. LEE: My friend LOUIS LUDLOW has told me of the elaborate arrangements that are being made to celebrate President Roosevelt's birthday at Indianapolis next Wednesday evening and has extended to me your invitation to be the special guest of your city on that occasion.

To me it is an inspiring thought that all over the country, in numberless celebrations of this character, our fellow citizens will assemble on that anniversary occasion to pay enthusiastic tribute to the great President in the White House, and it is a striking testimonial to the genuineness, nonpartisanship, and all-inclusiveness of this Nation-wide demonstration that you, an outstanding member of the opposition party, should be chosen to head this movement in the city of Indianapolis.

No President since Washington has been held in greater reverence by the American people than Franklin D. Roosevelt, and justly so. When impartial history is written, recording the conditions that confronted him when he became President and his epochal achievements, he will be given a place along with the outstanding commoners of all time, whose lives were consecrated to the service of their fellow men.

I deeply regret that my official duties will not permit me to leave Washington at this time, and I thank you for your kind invitation to be the guest of the city of Indianapolis in the Nation-wide demonstration in honor of our President.

Very sincerely yours,

JOHN N. GARNER.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].



## ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Chairman, a great deal has been said in the newspapers about what the American Legion national convention at Miami had in mind when it passed the resolution endorsing the full and immediate cash payment of the adjusted-service certificates.

I hold in my hand a printed copy of the proceedings of this convention. On page 52 there is included the resolution on immediate payment of the adjusted-service certificates. The first paragraph is as follows:

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public—

And so forth. The next paragraph reads as follows:

Whereas the payment of such certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it resolved that the American Legion recommends the full and immediate cash payment—

And so forth.

## THE ISSUE BEFORE COUNTRY AND CONGRESS

I made the statement a few days ago that the bill sponsored by the American Legion to carry out this provision is not in accord with the resolution adopted. For 6 years a campaign has been waged in this Nation for the payment of these certificates on the theory, first, that there will be no additional debt created; that there will be no additional taxes raised and there will be no additional tax-exempt interest-bearing bonds issued to pay this debt. That is the campaign that has been waged before the American people for 6 years, and that is the question before the people. Members of Congress have been elected on that one issue. Members of the United States Senate have been elected pledged to support that proposition.

May I say now that I shall in no way reflect upon the gentleman who is the author of that bill, the gentleman from Kentucky [Mr. VINSON]. He is an able and distinguished Member of this House. His motives and intentions are the best. This is not a personal matter with me and I shall not at any time indulge in personalities in the discussion of this subject.

Mr. COX. Will the gentleman yield?

## MIAMI RESOLUTION REFERS TO H. R. 1

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. The resolution that was adopted at Miami refers perhaps directly to the Patman bill. Speaking for myself, I believe that the measure would lose a large part of its popular support as well as the support of the Members of Congress if the measure were deprived of the gentleman's authorship. It is an honor that he justly deserves and he is entitled to authorship of any legislation that may be adopted by the Congress looking to payment of the adjusted-service certificates. I do not believe that the Congress would commit such an ungenerous act as to deprive the gentleman of that honor by substituting any other measure for the measure which he has so ably sponsored for a number of years.

Mr. PATMAN. I thank the gentleman for his comment, but this is not a fight over authorship. Ever since this fight commenced years ago I said I had no pride of authorship. I still make the same statement. Any Member of the Ways and Means Committee may assume authorship of the measure so far as I am concerned, and it will have my support. I shall enthusiastically support it and you will never hear a word out of me about authorship. I do not care anything about that. However, I appreciate the kind words of the distinguished and able gentleman from Georgia, a member of the powerful Committee on Rules.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COLMER. May I ask the gentleman if it is not a fact that our distinguished colleague, the gentleman from Kentucky [Mr. VINSON], the author of the so-called "Legion bill", served as a member of the steering committee of the House at the last session that put H. R. 1 through the House of Representatives?

Mr. PATMAN. It is true that the gentleman from Kentucky has been a very ardent supporter of this bill in the past and materially assisted in its passage in the House. I do not object to any bill that is supported by the American Legion or anyone else, so long as it complies with the mandate of this convention and the intentions of the veterans all over this Nation and the people generally.

Mr. McFARLANE rose.

Mr. PATMAN. Let me finish this statement and then I will yield to all of you; because if I do not make it now, I will probably not get a chance to make it.

## DISCUSSION BEFORE CONVENTION

Let me tell you something else about this resolution. Not only does it say that its payment will not create any additional debt, but I discussed the resolution before the convention myself, and I was on the committee that drafted the resolution, and made certain statements about what was covered in the resolution. I appeared before the convention in support of it, and I was the first one who did appear, and I told the delegates there assembled:

Do not be alarmed or disturbed about the expansion of currency or the inflationary part that might be involved in this resolution. These certificates may be paid without the expansion of the currency or they may be paid with an expansion of the currency. You can pay them in notes and not expand the volume of currency one dollar by retiring from circulation this same amount of Federal Reserve notes at the same time.

I believe this statement should be considered in determining intent.

## H. R. 1 CARRIES OUT RESOLUTIONS

The bill which was introduced—H. R. 1—provides that United States notes shall be issued to pay the certificates. It provides further that in the event there is danger of undue expansion of the currency or unbridled inflation, the Secretary of the Treasury may cause to be withdrawn Federal Reserve notes.

This is what I said before the convention, and the bill—H. R. 1—carries out the mandate of the convention, and the bill introduced by my good friend the gentleman from Kentucky [Mr. VINSON] does not comply with the mandate of the convention.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ARNOLD. The gentleman has just touched on the point I was going to inquire about. Under the Vinson bill it will either be necessary for the Government to issue bonds or to raise the necessary money by taxation.

Mr. PATMAN. That is quite true.

Mr. ARNOLD. And under the bill H. R. 1, it will not be necessary either to issue bonds or to raise additional revenue by taxation.

Mr. PATMAN. That is right.

Mr. ARNOLD. Then the resolution of the American Legion at Miami could not, under any circumstances, have applied to the so-called "Vinson bill."

Mr. PATMAN. That is true. Let me discuss that just a moment.

Mr. BLANTON. In that connection, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. The provisions of the Patman bill H. R. 1, have been approved by the rank and file of the members of the American Legion in convention assembled, while what is known as the "Vinson bill" has not been approved by them, but has been approved only by certain high-up officers; is not that true?

Mr. PATMAN. That is true.

## H. R. 1 SHOULD BE CALLED "LEGION BILL"

Mr. BLANTON. Then the provisions of the Patman bill ought to be called the "American Legion bill" and the provisions of the other measure ought not to be called the "American Legion bill."

Mr. ARNOLD. If the gentleman will permit, I should like to have a direct answer to my interrogatory and it has not been answered fully.

Mr. PATMAN. Yes; I want to discuss the gentleman's questions before I yield.



Mr. FISH. Will the gentleman yield? I want to have the RECORD correct.

Mr. PATMAN. I yield. I desire the RECORD straight. If I have made an incorrect statement I want it corrected.

Mr. FISH. Does the gentleman insist that the American Legion made a specific demand at its last convention for his bill?

Mr. PATMAN. I do not say my bill.

Mr. FISH. That is what I had in mind.

Mr. BLANTON. The convention demanded a bill in the same terms and with the same provisions as the Patman bill H. R. 1?

Mr. FISH. A bill providing for a cash bonus.

Mr. BLANTON. It was based on the very idea of the Patman bill H. R. 1.

Mr. PATMAN. Being on the subcommittee that wrote the resolution and being on the committee that recommended it to the convention, I certainly would not agree to a resolution that would exclude that bill.

Mr. FISH. Certainly; and I wanted the RECORD to be correct.

Mr. BLANTON. And the delegates at that convention had in mind the Patman bill, the bill of the gentleman from Texas, H. R. 1.

Mr. COX. What the gentleman had in mind as a member of the committee, and what the convention had in mind, is the bill introduced by the gentleman from Texas.

#### H. R. 1 SOLD TO COUNTRY AND CONGRESS

Mr. PATMAN. I believe they had in mind the only bill that had been sold to the country, providing that there would be no additional taxes, no additional bond issue, and no additional debt. This is the bill we have sold to the country and it is the bill that the resolution refers to when it states, "Whereas the payment of said certificates will not create any additional debt."

Mr. FISH. The gentleman does not wish to say that the Legion is bound to his particular bill?

Mr. PATMAN. No; they can consistently support one under the name of the gentleman from New York if they want to, if it carries out the mandate of the convention in regard to not asking for the creation of any additional debt.

Mr. ARNOLD. But if the Legion adheres to the resolution adopted in Miami, they would have to be for the Patman bill rather than the Vinson bill.

Mr. FISH. Oh, no; they would not.

Mr. ARNOLD. Because the Patman bill does carry into effect the resolution adopted at Miami.

Mr. FISH. The Legion itself and its officers would know to what they are committed.

Mr. PATMAN. We are not questioning the Legion, but the leaders of the Legion who are not carrying out the will of the rank and file of the Legion.

Mr. McFARLANE. And they have not done that for the last 5 years.

Mr. FISH. But they speak for the Legion.

Mr. PATMAN. So long as it does not conflict with what they have been told to do. In this case they have been told to advocate a bill that will not create any additional Government debt.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. Under the wording of the resolution itself, which the gentleman has just read, under all the discussion that took place and under the roll-call vote that was recorded there, can there be any doubt about the fact that the matter was clearly placed before the convention or any doubt as to their vote upon the matter?

Mr. PATMAN. I do not think there can be any doubt about it.

Mr. McFARLANE. May I ask the gentleman if he will not insert in the RECORD the roll-call vote?

Mr. PATMAN. The gentleman from Illinois [Mr. ARNOLD] asked a question that should be answered.

Now, of course, the bill, H. R. 1, does not create any additional debt. It is the only bill now before the Commit-

tee that will carry out the mandate of the American Legion because it provides that the Secretary of the Treasury may retire Federal Reserve notes in the event there is danger of undue expansion of the currency. I said in my opening speech at the convention that the debt could be paid in this way and it was considered by the delegates when the vote was taken.

Mr. HAINES. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HAINES. I wish the gentleman would insert in the RECORD how much additional debt that would pile up.

#### MORE TAX-EXEMPT BONDS UNDER VINSON BILL

Mr. PATMAN. I will do that. Now, let us see if the Vinson bill will create a new debt. Under the Vinson bill it says that it shall be paid out of any money in the Treasury not otherwise appropriated. You know that the money in the Treasury is for the purpose of paying the running expenses of the Government. It will be necessary for the Secretary of the Treasury in some way to obtain that money. The Treasury does not have the power to levy taxes. The Treasury can only issue more tax-exempt securities, interest-bearing bonds, and would be required to do it, and could not do anything else. Then taxes would have to be levied to pay those bonds. That certainly is creating a new debt. If a bill passes to levy new taxes, that is also creating a new debt.

#### ONE HUNDRED MEMBERS OF HOUSE OR MORE CO-AUTHORS

I want to say to you, my friends, that there is no doubt on earth about it. There is one bill that will carry out the mandate of the Miami resolution—it is not my bill—it belongs to Members of this House who have sponsored it for years and years here in Congress and in every nook and corner of the Nation. They were consulted before the bill was introduced; they had something to do with the terms and provisions inserted in it. It is not my bill, it belongs to the Members of the House who have supported it for years. At least 100 Members of this House are entitled to be known as "co-authors" of this bill. I have no pride of authorship. We are willing to give authorship to any member of the Ways and Means Committee. We do want the bill that has been so long before Congress sold to the country and the veterans.

#### COMMANDER SHOULD SUPPORT MANDATE OF CONVENTION OR RESIGN

If the commander of the American Legion is not willing to get back in line and support the mandate of the convention that elected him, he should resign from that high office and let somebody get in there that will. [Applause.]

#### BEST-INFORMED ECONOMISTS SUPPORT H. R. 1

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. SWEENEY. Is it not a fact that the method of paying these certificates as outlined by the gentleman's bill, H. R. 1, meets with the approval of many economists and students of the monetary question.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. PATMAN. What is the gentleman's question?

Mr. SWEENEY. Does not the method of paying these certificates, outlined in the gentleman's bill, meet with the approval of former Senator Robert Owen, who is president of the Sound Money League of America, and of other economists?

Mr. PATMAN. That is right. Senator Owen is one of the best-informed men in the world on monetary questions. He and many other experts on monetary matters are supporting H. R. 1.

Mr. SWEENEY. And that the use of Treasury certificates will be no additional obligation?

Mr. PATMAN. There will be no additional debt created under the terms of H. R. 1. It would be in effect this—that \$2,000,000,000 will be issued to pay the debt; and suppose there should be danger of inflation, the Treasury could then withdraw \$2,000,000,000 of Federal Reserve notes. What difference does that make? You will have the same amount of



money outstanding. The difference will be this. The \$2,000,000,000 paid to the veterans no one will pay interest on, whereas every dollar of the \$2,000,000,000 issued by the Federal Reserve banks outstanding, somebody will be paying interest on it.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes; I yield to the distinguished member of the Ways and Means Committee.

Mr. SAMUEL B. HILL. Will the gentleman explain the operation of the retirement of Federal Reserve notes and about how long it will take to retire the necessary amount of Federal notes to prevent inflation?

#### HOW UNBRIDLED INFLATION CAN BE PREVENTED

Mr. PATMAN. I could not tell the gentleman about the exact time it will take. We have 12 Federal Reserve banks and each bank has a right, and has been exercising that right, to deposit United States Government bonds payable and receive new money in return for those bonds, Federal Reserve notes. That right has been exercised to the extent of \$3,500,000,000 which have been issued to Federal Reserve banks in that way, and all the Treasury would have to do would be to say, "Here are your bonds; bring us the \$2,000,000,000 in money back for them so that we can cancel your money." That is the only machinery that you would have to put into effect.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

#### ORDERLY PROCEDURE

Mr. BLANTON. The gentleman knows that a majority of the Members of this House can do anything they want to do when the Members are here and vote. There is a rule, House Resolution 30, which I have introduced, which is now before the Committee on Rules, which makes the gentleman's bill, H. R. 1, in order as a rider on the legislative appropriation bill. If this House wants to do it and it can do it in an orderly way—and I do not believe in overriding any rules—it can force that resolution out of the Rules Committee and pass it. That will make the gentleman's bill, which is known everywhere as the "Patman bill", H. R. 1, in order as a rider on the legislative appropriation bill; and I imagine, if you will put the Patman bill, H. R. 1, as a rider on that bill, legislative appropriation bill, it will pass both Houses of Congress, even over a Presidential veto.

Mr. PATMAN. I am in favor of orderly procedure in this House; I am in favor of parliamentary rules. I shall not attempt to do anything that will disrupt the proceedings under the rule if we can possibly get a square deal without it.

Mr. BLANTON. Nor shall I.

Mr. PATMAN. Except under one condition. The Vinson bill does not include a method of payment. If it comes on the floor of this House like it is, H. R. 1 will not be germane to it, and it will not be in order to offer H. R. 1 as an amendment to the Vinson bill or as a substitute or on a motion to recommit, and we may as well recognize that fact now and keep it in mind. Congressman CANNON of Missouri, one of the best parliamentarians in the United States, has advised me about the rules.

The Rules Committee, possibly, would not give the Ways and Means Committee a rule upon a bill that would exclude H. R. 1 as an amendment, but the Ways and Means Committee has certain rights of its own. The Chairman of the Committee on Ways and Means can call the bill up for consideration without a rule after it is favorably reported. We can then introduce any amendment we desire except the amendment we really want adopted in regard to the issuance of currency, which would not be germane, and we could not get it considered. I am not expecting any such action on the part of the Ways and Means Committee, but I desire to discuss the matter in order that the question may be brought to the attention of the members of this committee, and express the hope that no bill will be brought out that will exclude the House from considering H. R. 1. If such a bill should be reported by the committee, we will make an effort to get H. R. 1 considered by adopting Congressman BLANTON's rule, if we have time to do it. If not, we will then possibly

be forced to offer H. R. 1 as a substitute or as an amendment. If the Speaker should then hold it is not germane, we might be forced, in order to properly protect our rights, to appeal from the decision of the Chair and override the Chair. There will be no effort to resort to the last method to obtain consideration unless we are forced to do so.

Mr. BLANTON. But my plan is to do it in an orderly way in accordance with the rules of the House.

Mr. PATMAN. Yes; and I suggest we first try your plan and all other orderly ways before even considering overriding the Speaker's ruling if it is considered.

Mr. BLANTON. We can pass my plan if we can get enough votes, and make the Patman bill, H. R. 1, a part of the legislative appropriation bill.

Mr. PATMAN. That is the reason I want the Ways and Means Committee to know that we are expecting to get consideration of H. R. 1 if it is at all possible; and we will resort to all honorable means to accomplish it. If the Ways and Means Committee should favorably report the Vinson bill, as is, the House would in effect be gagged.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. LEE of Oklahoma. Has the gentleman any information that Mr. Belgrano opposed the bonus or was not for the bonus until lately?

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. LEE of Oklahoma. And as to John Thomas Taylor, who wrote this bill, has he been in favor of a bonus up to now; and is Mr. Belgrano connected with a bank?

Mr. PATMAN. Respectfully, I will say to my good friend from Oklahoma, I am not going to answer anything about anyone personally except what is a matter of record. Most of the Legion leaders have been our opponents of this legislation for about 6 years. We have fought them for 6 years.

It is true our bill has been defeated in the Senate twice, when it was opposed by the American Legion leaders, but with the support of the American Legion we had reasons to believe that the Senate would pass the bill this time. No consideration should be given to what the Senate might do until the bill has passed the House. If the Senate should then pass an entirely different bill, a free conference committee composed of Members from both Houses will iron out the differences.

Mr. LEE of Oklahoma. Is John Thomas Taylor a Democrat or a Republican?

Mr. PATMAN. I am not going to get into personalities or politics at all.

Mr. TREADWAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TREADWAY. The gentleman has made several references to orderly procedure, which I am in favor of. The gentleman has also made several references to the Ways and Means Committee. It so happens that I am a very humble member on the minority side of that distinguished committee. I wish to assure the gentleman that neither openly nor in executive session has there been any effort made by the Ways and Means Committee to, as he says, gag his bill. I want to give that assurance to the House, and I want to add that we have been in constant session, usually twice a day, hearing a very important bill that was placed ahead of the gentleman's bill at the request of the administration. Now the gentleman cannot say that the Ways and Means Committee has acted unfairly or has gagged him or his measure in any way whatsoever, even if I am a minority member. I am going to have that much respect for the committee of which I am a member.

Mr. PATMAN. I said that if the Vinson bill was brought out as it is, H. R. 1 would not be germane; but I am glad to know that the ranking member on the minority side of the Ways and Means Committee is not in favor of doing what will in effect be gagging the House.

Mr. DOUGHTON. Will the gentleman yield?



Mr. PATMAN. Just let me finish my statement, please. I am sure there is no effort on the part of any member of the Ways and Means Committee to do that, but I am telling you what would happen if the Vinson bill was brought out. I am glad the Chairman of the Ways and Means Committee [Mr. DOUGHTON] is standing before me so I can tell him about it. The gentleman is a very fine, lovable man, and I know he wants to do the right thing; but if the Vinson bill is brought out as it is, the bill which the country is sold on and the bill which the veterans want, H. R. 1, will not be germane. So I hope the gentleman will help us bring out the bill which will permit the Members to express their views by a record vote.

Mr. DOUGHTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DOUGHTON. As Chairman of the Ways and Means Committee, I desire to say that I think the remarks of the gentleman from Texas, even intimating or suggesting that the Ways and Means Committee would attempt to gag the Membership of this House, are entirely out of place.

Mr. PATMAN. I am just expressing the hope that no bill will be reported which will not permit H. R. 1 to be considered. I am not accusing anyone or making any charges. I am merely reciting the legislative and parliamentary situations.

Mr. DOUGHTON. Well, why the suggestion? What has this committee done to prompt a suggestion of that kind?

Mr. PATMAN. There is no suggestion about it, except that I am expressing a hope that it will not be done. We have to discuss this frankly and freely, because if the committee brings in the Vinson bill, the chairman can call it up suddenly and we will not be prepared, so we might as well discuss it now. Will the gentleman bear with me while I make another statement? There was some remark made about not giving us a hearing. The Speaker of this House stated, both before and after his election on January 3, 1935, that he was in favor of expediting consideration of this measure in the House. The distinguished Chairman of the Ways and Means Committee, who now stands before me, a gentleman whom I have the utmost confidence in and the highest regard for, announced on January 10, 1935, that we would have a hearing in a very few days. We were expecting a hearing on January 14 following, 4 days later, and I believe we would have got it—the Ways and Means Committee was not doing anything that week particularly—and I believe we would have got that hearing, but this Vinson bill was introduced on January the 14th, and everything quieted down; there was a difference then and the hearing was postponed. If that bill had not been introduced on January 14, I believe we would have had a hearing the week commencing on that date and the bill would have already passed the House long before now. It will be recalled there was no security bill before the Ways and Means Committee until several days after January 14.

Mr. Chairman, several weeks before Congress met, I filed with the Clerk of the House a bill providing for the full and immediate payment of the adjusted-service certificates. This bill was given a tentative number, 1. It is the same bill that passed the House of Representatives, June 15, 1932, by a vote of 211 for to 176 against. It is the same bill that passed the House of Representatives, March 12, 1934, by a vote of 295 for to 125 against. This bill is well known to more people interested in this subject than any other bill before Congress. Its terms and provisions have been sold to veterans and nonveterans alike, as well as to the Members of Congress. Many Members of Congress elected last year were pledged to support this particular measure. We know our strength on this bill. The Senate defeated the measure in 1932 and in 1934 at a time when we had the Legion's opposition instead of its support. Since that time many Members of the Senate have been elected on the pledge to support H. R. 1.

#### EARLY CONSIDERATION PROMISED

Congress met January 3, 1935. For many days before Congress assembled, the newspapers were filled with news

emanating from high officials in Washington to the effect that this bill would be passed upon early in the session. The Speaker of the House—the Honorable Joseph W. Byrns—before and immediately after his election gave out many interviews in which he stated it was his personal wish that this legislation should be passed upon at an early date and he personally would make an effort to expedite its consideration. January 10, 1935, the Chairman of the Ways and Means Committee of the House—the Honorable Robert Doughton of North Carolina—publicly announced that a hearing on this legislation would be held in a very few days and a committee report made to the House.

#### EARLY ACTION PREVENTED

In view of these facts we expected a hearing on this bill, commencing January 14, and expected to have it disposed of before the security bill was introduced. But, instead of the hearing commencing before the committee on January 14, the leaders of the American Legion caused to be introduced what was known as "H. R. 3896", by Mr. VINSON of Kentucky. Congressman VINSON is an able and distinguished Member of Congress. I hope that nothing I shall say will be construed directly or indirectly as any reflection against him, as I will, under no circumstances, oppose FRED VINSON except as one lawyer opposes another in a lawsuit. Neither do I have any personal differences with the leaders of the American Legion. Congressman VINSON has on two prior occasions supported H. R. 1, and the Legion leaders divided our support and confused the issue by persuading him to introduce H. R. 3896. We have not to date had a hearing on these bills. We do not now know when such a hearing will be held. We are not expecting consideration before the security bill, but I believe a hearing should have been held before the security bill was introduced.

#### LEGION BILL DELAYED HEARINGS

It is my honest belief that if the heads of the Legion had not caused this bill to be introduced, a hearing would already have been held, the bill already passed in the House, and would now be pending in the Senate. It is my further belief that the leaders of the American Legion were acting in opposition to the wishes of the rank and file of the Legion in causing this monkey wrench to be thrown into the legislative machinery.

#### LEGION LEADERS OPPOSED BILL 6 YEARS

It is a well-known fact that the leaders of the American Legion have for 6 long years opposed this legislation. They are now for the legislation and I think we are justified in believing that the principal reason they are for it is because they are instructed by the rank and file to fight for its passage. There is a question in my mind whether or not one who is thus compelled to support legislation can be very enthusiastic for it. I will presume that they can. However, it occurs to me, and I believe the veterans of this Nation, including the rank and file of the Legion, feel the same way about it, that if the leaders of the American Legion want to adopt the course that will get the best results, they will join the forces in the House that have on two prior occasions secured the passage of the legislation in that body by tremendous and overwhelming majorities.

#### SUCCESSFUL PASSAGE PLACED IN JEOPARDY

The action of the American Legion leaders in trying to divert the Members of the House from a heretofore charted course on this legislation has not only retarded the legislation, but has placed its successful passage in jeopardy. Is it possible that the Legion leaders who are responsible for this action and who have consistently in the past opposed the legislation, are trifling with the veterans in the hope that the legislation will be defeated; or, if they cannot succeed in defeating it, that it will be made into a "bond bill"? I do not make this charge, but the veterans generally are making it. I presume the leaders are conscientious and sincere, and I suggest that such an imputation can be completely answered by the Legion officials withdrawing any effort to divide the Members of the House and divert them from the bill that they have twice before approved.



## VINSON BILL ANALYZED

Let us analyze the bill that the American Legion wants passed, the Vinson bill:

First. It provides for full payment of the remainder due on the certificates out of any money in the Treasury.

Second. It does not specifically require a bond issue or additional taxes.

Third. The result of its passage will be that money must be obtained from some source to pay the debt. The Treasury cannot levy taxes, but it can issue bonds. Bonds will be issued and a new debt created.

Fourth. Our President will immediately call upon Congress to levy the taxes to pay the bill, or he will veto the bill. We have already been warned to that effect. If taxes are levied, a new debt will be created.

Fifth. If the bill should be approved and taxes are not levied, the Treasury will issue more tax-exempt, interest-bearing bonds to pay the debt and taxes must eventually be levied to pay not only these bonds but a bonus to a few large banks that will purchase them. By the time \$2,000,000,000 in bonds are paid the bankers will get \$2,000,000,000 in interest.

## BANKERS' BONUS BILL

Therefore, with all due respect to the proponents of the measure, the bill can properly be labeled a "bankers' bonus bill."

## SIX-YEAR CAMPAIGN

For 6 years I have been working for this bill. I have crossed every State line in this Nation in the campaign. During this time my principal opponents have been the leaders of the American Legion, not the rank and file. My principal proponents were the veterans generally, including the rank and file of the American Legion and a substantial percentage of the nonveterans.

## ATTEMPT TO RULE OR RUIN

Now, the leaders of the American Legion, after 6 long years of fighting the measure unsuccessfully, and in opposition to their instructions, come in in an attempt to rule or ruin. The Portland convention in 1932 passed a resolution favoring full payment, but the leaders of the Legion did not introduce a bill at that time. They were content to let the House of Representatives pass any bill it desired to pass. The Miami convention was held in October 1934. The Legion did not offer a bill until January 14, 1935, and at the very time its introduction caused a delay.

## WHAT H. R. 1 PROVIDES

H. R. 1 provides for full and immediate cash payment of the adjusted-service certificates by converting one form of Government obligation into another form of obligation. It will not create an additional debt, will not cause an increase of taxes, will not permit the issuance of additional tax-exempt, interest-bearing bonds, and will cause the distribution of actual money into every nook and corner of this Nation immediately.

## AMERICAN LEGION GREAT ORGANIZATION

I want it understood that I think the American Legion is one of the greatest organizations in America. Some of the greatest men in the Nation are members of the American Legion. It is an honor to belong to it. I wish it had 4,000,000 members. As a humble and a very insignificant member, I believe in its principles and am loyal to its cause. I do believe that the wishes of the rank and file of the organization should be respected and action taken by the leaders that will result in the most effective way of carrying out these wishes.

## RANK AND FILE SHOULD INFORM LEADERSHIP

If the rank and file of the American Legion will let the leadership know that they are expected to work for the passage of the bill that the House of Representatives has on two former occasions expressed a preference for and ready to pass at this time, and the bill, and the only bill, now pending that embodies the Miami resolution instead of dividing our forces, this bill, to my mind, will be passed in Congress in a very short time.

## RECENT LEGION PRESS STATEMENT—WHO MADE FIRST ATTACK?

In a press release from national headquarters of the American Legion about January 15, 1935, in regard to the payment of the adjusted-service certificates, it was stated:

In a determined move to take the adjusted-service-certificate issue out of the dangerous realm of financial and political fantasies, the American Legion has introduced in Congress its own bill providing for immediate payment of the Government's debt to the World War veterans.

In the same release it was stated:

The action of the Legion, under the direction of the national commander, has completely cleared away the smoke screen that enshrouded the so-called "bonus issue" in Washington as a result of the efforts of some groups having inflationary and new monetary plans to tie their ideas into the adjusted-service-certificate legislation. These plans seriously threatened the success of the veterans' program until the Legion took decisive action to take the issue out of the atmosphere of such theories and bring it down to the solid ground of fact.

Therefore, it will be seen that the leaders (not the rank and file) of the American Legion claim that we, the supporters of H. R. 1, have had the issue in a dangerous realm of financial and political fantasy; in other words, we were merely making mental images, supporting a whimsical contrivance or notion. Further, this statement says that the Legion was taking the issue out of the atmosphere of such theories and bringing it down to the solid ground of fact. In another way, it may be stated that what we have supported for 6 years was not on the solid ground of facts; we were merely pursuing fantastic, absurd theories, and had the issue in a dangerous realm. This is a reflection on every Member of the House of Representatives who supported H. R. 1 in the past, including my good friend the distinguished and able gentleman from Kentucky [Mr. VINSON], who has in the past been one of its most ardent and enthusiastic supporters.

## QUESTIONNAIRE

Tomorrow morning every Member of the House will receive a questionnaire, as follows:

1. Do you favor the full immediate cash payment of the adjusted-service certificates? \_\_\_\_\_
2. Do you favor H. R. 1, that will not create any additional debt, in preference to other bills pending before the committees? \_\_\_\_\_
3. If you do not favor H. R. 1, indicate the bill or plan that you do favor. \_\_\_\_\_

Will you please answer the above questions and return this questionnaire to the Honorable ABE MURDOCK, room 249, Old House Office Building. Please return at once.

## STEERING COMMITTEE FOR THE PASSAGE OF H. R. 1

Wright Patman, chairman; Abe Murdock, secretary.  
Adolph J. Sabath, Illinois; James G. Scrugham, Nevada; Arthur H. Greenwood, Indiana; William L. Colmer, Mississippi; Jennings Randolph, West Virginia; Clarence Cannon, Missouri (parliamentarian); William P. Connery, Jr., Massachusetts; William M. Berlin, Pennsylvania; Frank Hancock, North Carolina; James P. Richards, South Carolina; Gerald J. Boileau, Wisconsin; Andrew J. May, Kentucky; Fred H. Hildebrandt, South Dakota; Martin F. Smith, Washington; Martin Dies, Texas; John E. Miller, Arkansas; George A. Dondero, Michigan; and Paul J. Kvale, Minnesota.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I only rise in an effort to try to keep the RECORD straight. The American Legion convention did not endorse any bonus bill. The only spokesman for the American Legion is the National Commander Frank Belgrano, of California. Every Member will probably find out from the Legion posts in his own district exactly where the Legion stands. I am advised they stand for the Vinson bill, and the reason they do not stand for the Patman bill is that they believe it to be inflationary. They believe it provides for printing-press money.

Mr. MAY. Will the gentleman yield?

Mr. FISH. I only have 3 minutes, and I cannot yield.

The American Legion has come out against inflation. It is also interesting to note that the American Federation of Labor, through its President William Green, is also on record against inflation. Labor knows even better than the veterans that inflation brought ruin and disaster to the workers in European nations. Neither the veterans nor labor want a repetition of that suffering and misery in the



United States. Of course, all inflationists in the House, on both sides, are going to support the Patman bill. It is an inflationary measure, opening wide the doors to starting the printing presses, and if you start the printing presses going to pay the veterans \$2,000,000,000, why not pay for the Army and the Navy appropriations and the salaries of the Members of Congress, and all other appropriations? There is nothing whatever to stop it. That is why the Legion is against it. Do not make any mistake. The Legion was not committed to the Patman bill. Its commander represents the viewpoint of the Legion. That will be proved by the posts in your own districts. If you do not believe what I am telling you, just write back to some of the post commanders in your own districts. Do not be led astray by the inflationists and those who advocate issuing greenbacks, printing-press money, or any other currency inflation. What we need is inflation of confidence and not inflation of currency. The inflationists are back of the Patman bill as an inflationary measure, and want to use the Legion as a vehicle to carry out their policies. The Legion, however, refuses to be used for this purpose or to compromise with inflation in any form. And when the gentleman from Texas, whom I respect because of his constancy and steadfastness, states that his bill has been sold to the country, it is not so. It was defeated by a 3 to 1 vote in the Senate. It has never been sold to the country; it has never gone through the Congress. The Vinson bill does not provide for greenbacks or printing-press money, and must be considered on its merits and on the facts. If you are in favor of making a cash payment to the veterans now and desire printing-press inflation, vote for the Patman bill. If you are against that kind of inflation, vote for the Vinson bill which is supported by the American Legion and carries out its policies.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I wish to address my remarks very briefly to a reply made by the gentleman from Ohio [Mr. HARLAN] to previous remarks of mine of a few days ago. In order to make myself clear I will quote directly from the RECORD.

In his remarks the gentleman from Ohio [Mr. HARLAN] asked that I put in the RECORD a list of the concessions made to Cuba. I did that. I had it in my matter for extension before he asked me to do it. Replying to his interruption of my remarks I said: "I am interested in our people, not the Cuban folks." The gentleman from Ohio took serious exception to that answer. I stand by that answer. Mr. Chairman, I am interested first in our own people. We are here as Representatives of the American people, not as representatives of the citizens of Cuba or any other country. My first allegiance, therefore, under my oath as a Member of this House, and your first allegiance under your oath as a Member of this House, is to the welfare and well-being of the American people. So, when the gentleman from Ohio says that the remark I made was childish, I should like to have some information as to what our duty is. If our first consideration is to write our laws or have our laws written for us in a manner beneficial to a foreign country rather than to our own country, I am in the wrong; otherwise I think I am in the right and would make the same reply again if I were making it extemporaneously, as I did at that time. The gentleman realizes I meant nothing in an offensive way to him.

Later on, in reference to Cuba, the gentleman said she accepted a very definite quota on her exports of sugar to us so as not to injure our producers. She accepted a quota of 300,000 tons more sugar than were admitted to this country from Cuba before the adoption of this reciprocal treaty. If that is not injurious to our producers of sugar, will the gentleman explain how it is not? Three hundred thousand tons of sugar means employment to many hundred people either in the beet fields of Michigan or in the cane fields of Louisiana and Florida. But, according to the views of the gentleman from Ohio, it is not injurious to our producers. I say it is, and it would have been much more in keeping with the real spirit of Americanism if instead of increasing

the allowance to Cuba it had been cut down, and thus giving just that much more employment to the people in the beet fields of the West and in the cane fields of the South.

Then the gentleman speaks of a great concession we got on cigarettes, so that an American today can buy a package of American cigarettes in Cuba for 25 cents instead of 75 cents. I have not a great deal of sympathy with that chap. In the first place, I do not smoke; but if I did I would be willing, in a land where they do nothing much but raise tobacco and sugar, to patronize home industry to the extent of smoking their kind of cigarettes when I was in their country. If an American sees fit to go to Cuba and is not smart enough to put a few packages of cigarettes in his bag before he goes, it is better that he pay their price than that we make concessions on our tariff rates.

There are many quotations from the gentleman's speech, Mr. Chairman, that I have not the time to read. The gentleman stated in another place: "We cannot now profitably grow sugar." I take exception to this remark. If the sugar producers of this country were given a fair show under the tariff provisions instead of these provisions constantly favoring the investment of American capital in Cuba, plenty of sugar could be manufactured in this country.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield for a brief question.

Mr. WOODRUFF. I think it is a well-known fact among people who have investigated and know the situation, that if the domestic sugar industry were properly protected and encouraged to develop, the American farmers could produce all the sugar the American people could eat.

Mr. TREADWAY. Yes; and produce it at a profit to the growers and manufacturers and at a fair price to the American consumers.

In another place the gentleman from Ohio stated that the sugar grower and the pork grower were the same person. That is brandnew to me. I cannot see that. I ask my colleague from Michigan whether they are the same person?

Mr. WOODRUFF. Not by any means; they are not.

Mr. TREADWAY. And is it not fair to compare such a statement to the old argument we have heard that we should put a duty on bananas in order to force people to eat more apples?

Mr. WOODRUFF. It is comparable to something of that nature.

Mr. TREADWAY. In other words, if the beet growers of Michigan, Colorado, and the Central West do not want to grow beets, they can raise corn, feed hogs, slaughter them, and compete with other corn-hog farmers.

Mr. WOODRUFF. Yes. In other words, the gentleman to whom reference is made wants the beet-sugar growers of the country to raise corn, hogs, wheat, and everything else, of which we now raise large surpluses, and upon which processing taxes are assessed and collected.

Mr. TREADWAY. Absolutely. I thank the gentleman for his observation. A particularly interesting paragraph I see marked here covers the fact that there was nothing particularly secret about this reciprocal treaty with Cuba. Here is a copy of the treaty, and on the outside of it is the statement:

For the press: Department of State, August 25. Confidential. Release for publication newspapers August 26—

And it was signed August 24. If that is not a secret conference—

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; I will yield to the gentleman because I am criticizing his statements.

Mr. HARLAN. To one familiar with the way in which governmental documents are released to the press, all of them bearing a similar designation on their face so they will be released publicly on the same day, does not that argument appeal as a little bit weak?



Mr. TREADWAY. It does not, because the agreement was made in secret and not a single manufacturer, producer, or employer of labor in this country can tell what article of agreement he will be subject to in his future business transactions. Tariffs are debated on this floor. Tariff rates have, up to this time, been written in Congress and not in a secret confab between representatives of the State Department and foreign countries.

Mrs. KAHN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentlewoman from California.

Mrs. KAHN. Is it not a fact that these reciprocal treaties are negotiated in secret, and no one knows what articles are being considered?

Mr. TREADWAY. Yes. There is a long list of them in print that are being negotiated at the present time, and may I say right here that yesterday I offered three privileged resolutions in order to find out what articles are being considered between representatives of the State Department and representatives of foreign countries. I want that information, and I think Congress is entitled to the information.

Mr. HARLAN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Ohio.

Mr. HARLAN. Has the gentleman noticed the fact that the exports of agricultural products from this country to Cuba since the adoption of this reciprocity treaty has almost doubled?

Mr. TREADWAY. I will have something to say about that, too. The gentleman says that is the result of goodwill between this country and Cuba.

Mr. HARLAN. It is the result of the reciprocity treaty.

Mr. TREADWAY. We cannot feed our people on goodwill. We have to have bread and butter.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. TREADWAY. Mr. Chairman, we cannot feed people and have good American citizens happy on goodwill. It takes more than that.

The gentleman states further—and I should like to be very careful about this—that this is no new type of legislation, and cites the Embargo Act of 1794 and later acts, and says that in these measures the President was authorized to do far more than he is empowered to do under the Trade Agreements Act. This I most emphatically deny.

At no time in the history of the country has the President been given the power to sit down with representatives of foreign countries and write our tariff rates. At no time in the history of the country has the President been given the power to strike down one domestic industry to help another. At no time has such a star-chamber procedure ever been set up for fixing tariff rates. At no time has Congress ever given the President carte-blanc authority to negotiate agreements with foreign countries without prescribing in advance the concessions he could make, both as to articles and rates, or without requiring that any agreement entered into should be ratified by the House and Senate before becoming effective.

The gentleman says that that is the method under which this reciprocal-trade agreement with Cuba has been carried out and is intended to be used in other instances. I may be mistaken as to the way in which we write tariff acts. Why today is this special delegation recently arrived from Brazil being feted and catered to? Why, to aid in writing concessions for the Brazilian Government, not for the American people.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. WOODRUFF. Is it not a fact that heretofore whenever a change in tariff rates has been contemplated there was always a forum where the producers of every product could air their views, give their opinions, and show how the proposed changes were going to affect them?

Mr. TREADWAY. Absolutely. There never was a tariff rate written that the people could not appeal to some governmental agency and have a hearing, and I defy the gentleman from Ohio to show where any hearing was given for the industries or producers of this country before the commission that wrote this Cuban treaty. A list of articles was made up, but no one knew which articles were being considered or the suggested changes.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield to the gentleman from Texas [Mr. McFARLANE] such time as he may desire.

SHALL WE PAY THE BONUS WITH NEW MONEY AND SAVE \$1,500,000,000 OR PAY WITH BONDS AND GIVE THE BANKERS \$2,730,000,000?

Mr. McFARLANE. Mr. Chairman, in order to keep the record straight on this adjusted-service-certificate matter, I desire to make a few remarks.

We have one nationally known veterans' organization that has gone down the line 100 percent for the cash payment of the bonus. I refer to the Veterans of Foreign Wars. They have never asked any counter nor have they given any. Their commanders in chief, as well as their national representatives here at the Capitol, have 100 percent since the war insisted that this was a just debt and that it ought to be paid promptly in cash.

I am sorry I cannot make the same statement concerning the national commanders and representatives we have had here for the American Legion. I know and you know that for the past several years the kind and character of representation the Legion has had up here has not represented the true sentiment of the rank and file in reference to the adjusted-service-certificate matter. The gentleman who is the national representative of the Legion here now, Col. John Thomas Taylor, who enjoys the liberty to practice before different departments of the Government, who was brought here by a gentleman in another body, Mr. Boies Penrose of Pennsylvania, has always had that line of thought, and the last session of Congress he went up and down these halls congratulating Members of Congress because they voted against the payment of the adjusted-service certificates. He is the national representative of the American Legion here today. He is the gentleman who enjoyed the full front page of Time magazine January 21, 1935, the magazine with Morgan's viewpoint, wherein it was stated that "he put three Presidents in their places." I know and you know he had no more to do with the putting of any President in his place than any of you.

It now begins to look like the American Legion has, through its leadership here, been inveigled into the Wall Street trap of favoring the bond issue plan for payment of the bonus. If they continue their program they will divide their forces and defeat the payment of the adjusted-service certificates. That is what is back of the program now to bring before Congress payment by a bond issue through the Vinson bill, and I know it and you know it.

The gentleman from New York [Mr. FISH] says the American Legion is representing the sentiment of the rank and file of ex-service men on this question. I challenge that statement. I ask for a poll of every American Legion post in the Nation, and I have no fear of what such a poll will show.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Kentucky.

Mr. MAY. I have already heard from most of the posts in my district, and they are 100 percent for the Patman bill and in favor of the inflation feature of it.

Mr. McFARLANE. Yes; and if any of you gentlemen have any doubt about that, just send a questionnaire or a letter back to the American Legion posts in your districts and you will find that they will repudiate the kind and character of leadership the American Legion has here today, just like they have repudiated, as fast and as quickly as they could, the leadership of the last several years in the national administration of the American Legion.



Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman's district in Texas adjoins mine. Is there a post in his district or a post in my district that is not in favor of the Patman bill 100 percent?

Mr. McFARLANE. No, sir; there is not. I am sure the gentleman knows the sentiment in his district as I know the sentiment in mine and as all of you Members know the sentiment in your districts. If you have any doubt about it, wire and ask them how they stand on these two bills. They do not know any other bill in the American Legion but the Patman bill H. R. 1, but the American Legion leadership has flatly turned its back on the resolution the national convention adopted at Miami last year. Let me read the resolution and the roll-call vote of their 1934 convention for the RECORD:

IMMEDIATE PAYMENT OF BALANCE DUE ON ADJUSTED-SERVICE CERTIFICATES

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions, and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt (italics mine), but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancellation of interest accrued and refund of interest paid as a most effective means to that end.

ROLL-CALL VOTE

Following is the result of the roll-call vote on the resolution (no. 15) recommending the immediate payment of the adjusted-service certificates:

Department	Yes	No
Alabama.....	16	
Alaska.....	( <sup>1</sup> )	
Arizona.....		11
Arkansas.....	17	
California.....	60	
Canada.....	6	
Colorado.....	3	11
Connecticut.....	4	12
Delaware.....	7	
District of Columbia.....	11	
Florida.....	11	4
France.....	3	4
Georgia.....	13	
Hawaii.....		7
Idaho.....	1	9
Illinois.....	77	
Indiana.....	35	
Iowa.....	36	
Italy.....	7	
Kansas.....	25	
Kentucky.....	20	
Louisiana.....	13	3
Maine.....	2	11
Maryland.....	12	
Massachusetts.....	42	
Mexico.....	( <sup>1</sup> )	
Michigan.....	33	
Minnesota.....	29	
Mississippi.....	13	
Missouri.....	25	
Montana.....	11	
Nebraska.....	21	
Nevada.....	6	2
New Hampshire.....	11	
New Jersey.....	26	
New Mexico.....	( <sup>1</sup> )	
New York.....		81
North Carolina.....	19	
North Dakota.....	13	
Ohio.....	48	
Oklahoma.....	31	
Oregon.....	15	
Panama.....	2	4
Pennsylvania.....	73	
Philippine Islands.....	( <sup>1</sup> )	
Puerto Rico.....	8	
Rhode Island.....	11	
South Carolina.....	13	
South Dakota.....	15	
Tennessee.....	22	
Texas.....	31	
Utah.....	10	

<sup>1</sup> Not voting.

Department	Yes	No
Vermont.....		9
Virginia.....	3	12
Washington.....	21	
West Virginia.....	15	1
Wisconsin.....	( <sup>1</sup> )	
Wyoming.....	32	
Spencer Eli Post, No. 1, Argentina.....	9	1
Mid Pacific Post, No. 1, Guam.....		
Havana Post, No. 1.....		1
Total.....	987	183

<sup>1</sup> Not voting.

Now, Mr. Chairman, is there any doubt left in the mind of anyone just what the last Legion national convention was trying to do when we read this clause: "Whereas the payment of said certificates will not create any additional debt." If the convention had favored payment through a bond issue, which is required under the bill they have had introduced, would not they have said something like this: "Whereas the payment of said certificates should be made by direct appropriation out of the Treasury which will require a bond issue", and so forth?

Mr. Chairman, there is no getting away from it, under this mandate of the Miami convention the leadership of the Legion has sold the rank and file of the ex-service man short again. The rank and file are entitled to know this.

Here is a statement issued by the national headquarters of the Legion the very minute they came to Washington:

In a determined move to take the adjusted-service certificate issue out of the dangerous realm of financial and political fantasies, the American Legion has introduced in Congress its own bill providing for immediate payment of the Government's debt to the World War veterans.

This statement is a direct slap at the Patman bill—the man who has made the fight from start to finish for the ex-service man on this question. They never did introduce a bill on this subject before. I wonder why they showed all this interest all at once for the benefit of the ex-service man.

They come up here now and try to drive a wedge between their bill and the bill that had the best chance of passing, H. R. 1. This bill would not increase taxes; it would not require a bond issue; it would not increase our national debt; it would not in any way unbalance the National Budget; and this bill would put new money in circulation Nation-wide and save more than \$74,000,000 per year interest that must be paid if these certificates are paid through a bond issue under the Vinson bill; and H. R. 1 will further save the people more than one and a half billion dollars, which is the amount that will be set aside by the Government to pay off these certificates in 1945.

These are big stakes, and the question is, What are you going to do about it?

Mr. LORD. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. LORD. I have heard from the American Legion posts in my district and they are for the Vinson bill, and what they want most is the money, but they do not want inflation.

Mr. McFARLANE. I yielded for a question. Where is the gentleman from?

Mr. LORD. I am from New York State.

Mr. McFARLANE. New York is one of the 7 States of the Union out of the 48 that went to Miami and voted against any method of payment of the bonus. They do not want to pay the certificates at all. New York has always come down here and carried more out of the Treasury in the way of bonuses on war contracts and other war bonuses than any other State of the Union, I may say to the gentleman, and has always been on record as against the payment of the certificates.

Mr. ZIONCHECK. How about refund of taxes?

Mr. McFARLANE. Yes; and they have received more out of the Treasury in refunded taxes than any other State.

Mr. LORD. The Legion posts in my district are in favor of the payment of the bonus, but they want it paid in an orderly way and not by inflation.



Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. HAINES. I asked the gentleman's colleague, our good friend the gentleman from Texas [Mr. PATMAN], what the additional annual indebtedness would be under the enactment of the Vinson bill, and I have not had an answer to that question. Is the gentleman prepared to give the figures?

Mr. McFARLANE. I have not that information accurately, but I would say that the average interest rate we are paying now on outstanding bonds is about 3½ percent; and if you figure that on \$2,200,000,000 over a period of 30 years, you will find that we have paid out annually \$74,000,000, or \$2,227,500,000, which is the bonus the Legion bill would give the big bankers.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. MAY. We now have twenty-eight and a half billion dollars of outstanding bonds bearing interest, with an annual interest charge of more than \$800,000,000; and when we pile up the \$4,000,000,000 for public works, plus the other appropriations that will come in amounting to about \$7,000,000,000, and then if we put two more billion dollars on top of that for this purpose, we will get to the point after a while where the bankers will refuse to buy our bonds and the market for bonds will go down, and they will be at a discount.

Mr. McFARLANE. I think we understand that very thoroughly, but I thank the gentleman for his contribution.

There is outstanding, as we all realize, more than \$28,000,000,000 of bonded indebtedness, bearing an interest rate of more than 3 percent. This bonded indebtedness is growing by leaps and bounds. The American Legion has gone on record as favoring the payment of these certificates without creating any additional debt. There is but one way of paying the balance due on the adjusted-service certificates without creating an additional debt, and that is through the issuance of new currency, as is provided in the bill H. R. 1.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. PATMAN. Is it not a fact that the Legion is sponsoring this bill on the theory that many of us are sponsoring it, that it will be a relief bill; but the way their bill is written, will it not be a bankers' relief bill, instead of a veterans' relief bill?

Mr. McFARLANE. Yes, sir; it is a bankers' bonus the way it is written by the Legion, and it is the first bill I have heard of the Legion coming in here and offering on this subject, and it is not in keeping with the mandate given to them at the Miami convention and is contrary to their expressed purpose.

Mr. Chairman, I do not wish to impugn the motives of anyone, for I concede to all honest and sincere motives in their views in opposing the payment of this just debt. I do wish, however, to call to your attention that if you will analyze the source of this opposition to the payment of the balance due the ex-service man on his adjusted-service certificate, you will find that in the main this opposition comes mainly from those who are primarily interested in the buying and selling of Government bonds. If the Government is going to borrow money for the payment of its debts, these people want these loans to be negotiated through the sale of bonds.

These individuals are trying to frighten the general public into believing that the issuance of certificates will involve so-called "printing-press money." But bonds are printed in the Government printing plant on the same presses that print our currency. By using currency instead of bonds to pay this debt the National Government will have to meet only the actual sum involved, with no extra charges for interest payments.

The National Economy League and other antiveteran groups have raised the cry of so-called "dangerous inflation", but the bill to pay these certificates through the issuance of Treasury notes contains a protective provision against uncontrolled inflation. It definitely provides for controlled expansion of the currency. If we are threatened with uncontrolled inflation, the Government will have the privilege of withdrawing from Federal Reserve banks and national

banks a sufficient amount of currency issued to them in return for Government bonds to prevent such inflation.

There is a definite precedent for the issuance of money in this fashion. Any Federal Reserve bank can obtain money from the Federal Government by making deposits in the form of Government obligations. They can deposit a million dollars in Government bonds and receive a million dollars in new money. The only cost to such Federal Reserve banks is the cost of printing, which is about 27 cents per thousand dollars. National banks are permitted to the extent of their capital stock to deposit with the Treasurer of the United States direct obligation to the Government and receive in return national-bank currency greenbacks. Such banks must deposit 5 percent of the money in a retirement fund. While the banks, both national and Federal Reserve, obtain the use of the money, they also get interest on the bonds deposited.

The veteran has a Government obligation payable January 1, 1945. We are asking that the veteran be permitted to deposit his obligation and receive new money in return for the remainder due him in the same way and in the same manner that national banks and Federal Reserve banks are now permitted to deposit Government obligations, payable in 1945 and receive new money in return for them.

In each case a Government obligation, payable in the future, is deposited to authorize the issuance of money. In each case a noncirculating Government obligation, or Government bond, is converted into circulating obligation money. The veteran will not continue to draw interest on the deposited obligation. In the case of a veteran the total indebtedness of the Nation will not be increased. In the case of the banks the total indebtedness of the Nation is increased. It costs our Government millions of dollars annually for interest on Government bonds held by banks, a source of profit that the bankers are anxious to keep. They oppose the issuance of currency because it will deny them the income they derive in the handling of bonds, and no doubt this is the real reason why we are having so much opposition at this time against the passage of H. R. 1, which provides a new currency for settling this just debt. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, at the close of three speeches, and the last stirring one against reciprocity, it would seem almost as if the arguments had been exhausted, but there is one issue that stands up. Do we want to adopt a system that favors one particular group, one particular industry, at the expense and enormous burden of other groups and industries, or do we want to protect the large groups and give them an even chance?

That is emphasized in this sugar proposition. We have slightly increased Cuba's import quota of sugar, and reduced tariff rates with other concessions that have increased our purchases from our island neighbor, but that has also increased the amount of goods bought by Cuba from our farmers—the pork farmer, the bean farmer, the potato farmer, thus sending to Cuba twice the amount of agricultural products as compared with the month before the reciprocity treaty went into effect and threefold compared with the same month the year before.

Are we justified in selecting one group and saying, "You shall have it all, and all the rest of the farmers be excluded"; shall this Government pick out a select group and give the market to them instead of looking to the benefit of all the farmers of the country?

Now, as to the hearings on these reciprocity treaties. Under the old system which we had, the men who were going to be benefited by the tariff preferment had all the hearings in the world. They knew when it was going to come up and could present all the arguments they had. The exporter had no chance at all. If we put an import duty on tapestry or on wines, exporters of shoes, paper, or refrigerators had no knowledge of it or how it was going to affect them. France would immediately adopt a retaliatory tariff, and as



in case of the Stutz Motor Co., it ruined the export automobile trade. The exporters knew nothing about it.

Talk about secrecy! It was worse than secret. They did not even have a chance, did not know it was going on. But under this new policy the Commission preparing treaties or contemplating them sends out to the press well in advance a complete list of every commodity which that country buys from this country and sells to it. Everyone is given notice—all of the exporters, and they all come in there and present their briefs and arguments if they are interested—not as in the old system, where an exporter could have his head cut off and know nothing about it. Here they have to know about it, whether he be an exporter or a manufacturer for home consumption.

Shall we continue to give a square deal to everybody or shall we play only to the favorites who have contributed to our campaign fund, and that is all there is to it.

Complaint is made, because we have granted the President power to negotiate these treaties that has just been stated, that this grant of power is without precedent. In 1794 Congress granted the President not only the power to regulate commerce but in his discretion to prevent altogether the exportation of goods from the United States. Four years later this power was modified by permitting the President to permit or deny exportations either to France or England at his discretion. And in 1910 the President made a proclamation declaring that France had ceased to violate neutral commerce but continuing to prohibit trade with England. This power of the President was later sanctioned by the Supreme Court of the United States. In 1915 the President was authorized to repeal tonnage duties against any national when such foreign nation discontinued discrimination against us.

Under the Tariff Act of 1890 President McKinley was authorized to take from the free list certain commodities and impose a tariff rate against specific nations, levying "unequal and unreasonable" duties against the United States. A great many treaties were negotiated under this act, and 10 agreements concluded. This act was attacked because of the President's delegation of legislative power, but was upheld by the Supreme Court in *Field against Clark*, One Hundred and Forty-third United States Reports, page 649.

Under the Dingley Act of 1897 the President was authorized to remove duties on importations when a similar agreement was obtained from the foreign countries, and many agreements were concluded under this power without the concurrence of the Senate. Again this treaty was litigated and sustained in the courts. Similarly in the acts of 1919, 1923, and 1930, clear delegation of power was granted, at least equal to the power provided in the last act of this Congress.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I rise to refer to the bonus discussion that we heard a few moments ago. I understand that one of these so-called "bonus bills" has been labeled the "bankers' bonus bill", and I should like to inquire from my friend from Texas [Mr. McFARLANE] whether that be true?

Mr. McFARLANE. That is true.

Mr. TRUAX. Does that label apply to the Vinson bill?

Mr. McFARLANE. I think so; yes.

Mr. TRUAX. Then, for the benefit of my colleagues, I might say that last Sunday the author of the Patman bill, my distinguished colleague and friend from Texas, spoke to an audience of about 2,000 people in the city of Cleveland under the auspices of the Sweeney-Roosevelt League for Social Justice, and practically every person in that audience expressed himself as being heartily in favor of the Patman bonus bill. As a candidate for Congress at large in the State of Ohio it was my pleasure and privilege to be practically the only candidate in Congress from my State

in 1932 who came out openly and publicly in support of the so-called "Patman bonus bill." I supported that bill and talked for that bill in practically every county in Ohio in the May primaries and in the general election campaign in 1932. I did the same thing in the primaries in August 1934, and if there is any single Member here who has any doubt as to the wishes and sentiment of the people of Ohio, comprising a population of 7,000,000, I say to him that 95 percent stand solidly back of the Patman bonus bill and are solidly opposed to this so-called "bankers' bonus bill."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. McFARLANE. When I spoke on January 10 I asked for a poll of the House of the new Members who had come here from districts where the bonus was an issue, desiring to know who were in favor of paying the bonus, and I also made the statement that every new Member of another body that I had heard of, which included most of them, had come here favoring the payment of the bonus. Does not that show the sentiment of the people of the country?

Mr. TRUAX. I think it does.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. RICH. Not over half an hour ago I attended a conference with the legislative counsel of the American Legion, Mr. Taylor, and Mr. Kress, who was a member of the committee that drafted the resolution in Florida, on the committee with Mr. PATMAN, and while they did not say that the American Legion is against the Patman bill they did make the statement openly that the American Legion is in favor of the Vinson bill.

Mr. TRUAX. And I say to the gentleman from Pennsylvania, as I will say to the gentleman from New York [Mr. FISH], that the leaders of the American Legion do not speak for the rank and file of its membership. At least they do not in my State. Further, it was my pleasure and privilege to attend a number of district meetings of the American Legion posts in Ohio in 1933, and the sentiment was practically unanimous for the Patman bill. It is not only because of the authorship of this bill, because of the fact that our good friend Mr. PATMAN is known nationally as the author of the bill, but it is because of the fundamental monetary principles involved in the two bills. In other words, this other bill, and I say this without disparagement to my friend and colleague Mr. VINSON, differs from the Patman bill in principle. There is as much difference between the two bills as there is between night and day. The Vinson bill, already referred to as the "bankers' bonus bill", must provide for an authorization of bonds, tax-exempt bonds, which will be an additional burden saddled upon the American taxpayer. We hear a great deal of talk about inflation, and reasonable inflation, and how far we should go with inflation. Let me ask some questions. Whom will inflation hurt? Will it harm 95 percent of the American people who are without jobs, without income, without property? Will inflation hurt the American farmer who has been down on his knees for the past 12 years and is now endeavoring to get back on his feet? I wish you could come with me to Ohio and talk to the immense audiences of farmers and understand the sentiment that lies in their breasts for this bill, not only to help the American soldier, but to help the American farmer to get some money in the country. Do you think inflation will hurt that class of people?

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. ANDREWS of New York. It seems to me we have heard a great deal about what the American Legion wants and what the Veterans of Foreign Wars want. I am not criticizing the American Legion at all, because I belong to it, but I wonder if we ever stop to think about what the majority of the people want?

Mr. TRUAX. I am glad to answer that question. In my State I say that the majority of the people want this bill that provides for a new issue of currency to the extent of \$2,400,000,000.



Mr. McFARLANE. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. McFARLANE. In every State of the Union which passed upon a State bonus for the World War veterans, they overwhelmingly voted in favor of it, did they not?

Mr. TRUAX. That is true.

Mr. McFARLANE. That shows their sentiment on the matter.

Mr. PIERCE. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. PIERCE. What excuse is given by the powers that be why currency can not be issued against the nine billion of metal now in the Treasury, when we only have outstanding in currency something like five billion or a little more? Why must we keep double the amount of money that we have in paper money? I ask that of these gentlemen who are always against anything like inflation. Why is that?

Mr. TRUAX. I will answer the gentleman. It is because whenever we have fair and just inflation the national bankers of this country will lose the racket by which they have milked the American public for generations. In other words, this Congress ought to enact laws that will forever take away the racket of the American bankers and to restore to this Congress its constitutional privilege of issuing currency and regulating the value thereof.

Mr. PIERCE. Will the gentleman yield for another question?

Mr. TRUAX. I yield.

Mr. PIERCE. Why cannot we issue currency today against this metal, if it is there and free, and how much is free of the currency that is now outstanding?

Mr. TRUAX. As I understand it, this Government could issue \$20,000,000,000 of currency with the 40-percent gold reserve which we now have in the Treasury. This Government can do that provided this Congress will say that they shall do it.

Mr. BREWSTER. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BREWSTER. Do I understand the gentleman is opposed to any bonus bill which does not carry inflationary provisions?

Mr. TRUAX. No. The gentleman does not understand any such thing. I would say to the gentleman further that I am 100 percent for the Patman bonus bill because it will be financed with new currency and not with a tax levied upon the people or by a further burdensome bond issue.

Mr. BREWSTER. Do I understand that if the gentleman could not have the Patman bill he would support the Vinson bill?

Mr. TRUAX. I will cross that bridge when I come to it, I will say to the gentleman. Now is not the time to compromise. Let the House pass the Patman bill and then it will be time enough to talk compromise. We think and we believe that we can pass the Patman bill in this House of Representatives. I was very glad today to hear the Chairman of the Ways and Means Committee and the ranking minority member of that committee assure us that there would be no attempt to gag the Membership upon the Patman bill or any other bill. I am especially glad to hear that, because I personally have voted against every gag rule that has been presented in this House, and I expect to vote against them every time they are offered on this floor.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. DUNN of Pennsylvania. In the year 1933 it was necessary to amend the constitution of the State of Pennsylvania to give the soldiers of that State a bonus. May I say to the gentleman that the vote which was given in behalf of the soldiers' bonus was tremendous, with all the opposition of the chamber of commerce? Therefore, that signifies that the people of the United States want the soldiers to get what rightly belongs to them.

Mr. TRUAX. The gentleman is absolutely right. They want them to get not only what belongs to them, but they want them to get new currency and thereby help not only the soldier but every business and every avenue of trade and

channel of commerce that deals with the soldiers. Not only that, but they want to see such legislation as the Frazier-Lemke bill passed, which will refinance every farm mortgage in this country at a rate of interest of 1½ percent instead of 6, 7, and 8 percent, which our farmers are paying today on land mortgages and as high as 36 percent upon the chattels on their farms and in their homes.

Mr. BREWSTER. Will the gentleman yield further?

Mr. TRUAX. I yield.

Mr. BREWSTER. Why is it that the gentleman picks particularly upon the bonus bill to insert inflationary provisions and not upon the \$4,000,000,000 bill which we passed the other day for relief?

Mr. TRUAX. I am not picking on any bill or any particular piece of legislation. For nearly 4 years I have been an ardent advocate and supporter of the Patman bonus bill, an advocate and supporter of the Frazier-Lemke bill, which proposes to refinance all of the farm mortgages in this country with new currency and not with further tax-exempt bond authorizations.

Mr. FOCHT. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. FOCHT. May I ask the gentleman why in a time of peace there is such a mighty accumulation of gold, gathered from the four corners of the earth and taken away from private individuals and deposited in the Treasury?

Mr. TRUAX. I will say I think that is one of the greatest acts of President Roosevelt, when he collected in the gold from the slimy vaults of Wall Street and brought it down here and put it in the Treasury of the United States, but I want him to go further. I want him to issue new currency. [Applause.]

Mr. FOCHT. That is what we want. What good is it down there? What good is it in the Treasury?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. ARNOLD. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

#### WAYS AND MEANS COMMITTEE

Mr. PATMAN. Mr. Chairman, in my statement today I did not say anything that would in any way reflect upon the Chairman of the Ways and Means Committee or any member thereof. I thought I made that plain, but I understand one or two members of the committee did not so understand it; and I want to make it plain now that I am not impugning the motives of any member of that committee. They are all my friends, and I honor and respect each and every one of them. They are good men and they have performed their duties as they believed they should be performed. They are just as honest and sincere in their views as I am in mine. They are not on the opposite side of the issue; I believe most of them believe as I do. I am not fighting them and they are not fighting me. I want to make it absolutely clear that I think the gentleman from North Carolina [Mr. DOUGHTON] is one of the best and ablest Members of this House. I think he deserves lots of credit for the hard work he has performed in the interests of all the people. I also want to commend every member of that committee. I do not want to say anything—and I am sure that I have not—that is detrimental to any of them. I just want to make one thing absolutely plain—that I did express, and I again express, the hope this committee will seriously consider the bill they bring in, in order that nothing is done that would prevent a full and free expression from the Members of the House.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, in connection with the discussion of reciprocal trade treaties, it seems to me extremely important that gentlemen on both sides of the House should bear in mind the utter unfairness of comparisons as to any impetus given to our agricultural exports to Cuba during the preceding 6 months. Such figures are in no way a demonstration that the operation of this particular Cuban trade treaty is beneficial either to our agriculture or to our industry over a period of a full 12 months.



Citation of increased agricultural exports to Cuba in the past 6 months under the Cuban trade agreement is extremely misleading, unless it is at the same time pointed out that Cuba takes our agricultural products in the last 6 months of the year and sends her agricultural products to us in the first 6 months of the year, because of seasonal conditions. This was contemplated in the agreement in the lowering of the tariff barriers.

It will be necessary to know the extent of the imports of Cuban products into the United States during the winter months, when the tariff on potatoes and other vegetables has been cut by 50 percent, to appraise fully its effects.

All that we know today is that Cuban potatoes are being sold in the New York market, while Maine potato growers in Aroostook County are being offered 35 cents a barrel.

I am concerned particularly with potatoes, as I have previously reminded you; and the Cuban potatoes are beginning only now to enter the markets of New York, and could, under the 50-percent tariff cut, enter only after December 1, the period when Cuba comes into production.

I think the gentlemen in the executive departments of our Government who are furnishing these figures to demonstrate the advantage of the Cuban trade treaty to our agricultural interests should supplement it by information showing what we may reasonably expect during the remaining 6 months of the current year. Perhaps we should also like to know the effect of the Cuban treaty upon the revenues of our Government. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, interesting matters have been debated this afternoon; just recently, one of much importance. Animated discussion has been had as to whether, if a certain impressive bill is passed, payment for the obligation incurred shall be by the issuance of non-interest-bearing notes or by a further issuance of tax-exempt, interest-bearing bonds. I believe I have the solution of this problem and a compromise of the great dispute which shall be reiterated in the early future, but I am not going to refer to it any further this afternoon.

The question of greatest importance at the moment to the people of my district, I feel, and the one about which I wish to address you very briefly, is whether and how soon Congress will authorize the issuance of additional bonds to refinance the homes of many worthy people which are still in jeopardy in my district. Not only the home owners but public officials, pastors of churches, friends, and neighbors of the applicants for home loans have a vital concern that worthy people of my community who have been left out shall have an opportunity of refinancing their homes as soon as possible.

You may recall that it is now over 6 weeks since the Home Owners' Loan Corporation ceased operations, except for the purpose of taking care of those applications which reached the legal division. The order went out on November 16 that no other applications would be considered because funds were depleted.

Now, I have reason to believe that additional legislation will be recommended by the President for the relief of the distressed home owners, and it cannot come too quickly. It is my humble opinion that it is the most important to come before Congress, for the original law already has given greater benefit to the people, at least of my district, than any other measure passed by the Seventy-third Congress.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. MONAGHAN. I wonder if the gentleman has had the experience in his district which I have had in mine: Many applicants for these loans have found that although they filed their application prior to others, that many of the applications filed later were granted and theirs were not.

Mr. KENNEY. Yes; that has been my experience; and it applies to my district as well as to the gentleman's district.

Mr. MONAGHAN. Does not the gentleman feel, particularly at this time when the weather of the country is extremely severe, that a great effort should be made by Congress to bring this type of legislation to speedy enactment?

Mr. KENNEY. Absolutely.

Mr. MONAGHAN. I wish at this point to read to my colleagues the telegram which I sent to the President on November 29, when the result of the action suspending title examinations became apparent to me. The body of the telegram is as follows:

Snow in Montana, hard winter anticipated, holiday spirit dampened by eminent loss of homes. Considerable dissatisfaction and undeserved hardships resulting from recent suspension of title examinations H. O. L. C. Urge order be changed to permit at least all applications filed previous to November 16 be prosecuted to final approval or disapproval.

The reply received is as follows:

MY DEAR MR. MONAGHAN: Your telegram of November 29, addressed to the President of the United States, has been referred to this office for acknowledgment.

We are very much interested in your comments concerning the activities of the Home Owners' Loan Corporation, but the situation is one over which we have no control. The present resources of this Corporation will be exhausted long before all the applications now on file can be handled. Under these circumstances it is not possible to further extend the benefits of the Corporation at this time.

Assuring you that we appreciate your spirit of cooperation and the expression of your views, I am,

Sincerely yours,

L. B. HAYES,

Assistant Secretary, Home Owners' Loan Corporation.

Every day I receive pleas from those threatened with foreclosure; pleas to do something and act quickly. I believe this situation is of sufficient urgency to demand the immediate attention of the Congress, and that, in connection with old-age pensions, unemployment insurance, child protection, the soldiers' bonus, and other measures of paramount importance. Such legislation is best designed to promote the security and peace of the Nation, and we must not delay its enactment.

Mr. KENNEY. It is my firm conviction that it is most important that Congress not curtail niggardly the amount of bonds that may be issued by the Corporation in the future. It has been said that recommendation will be made for an additional issue of bonds ranging from \$1,000,000,000 to \$1,500,000,000. Our stand should be for the authorization of \$2,000,000,000 of additional bonds to insure the financing of all worthy cases.

If the total authorized is not required the bonds will not be issued. Only yesterday in the R. F. C. bill authorization was given for the lending of \$75,000,000 to insurance companies, although a gentleman of the committee said that there appeared no good reason why the amount of \$50,000,000 should be increased. Certainly we should now once and for all provide for the consideration of all applications of home loans by giving the Corporation authority to issue bonds sufficient for the purpose, and not as has happened, deprive some of our people of the advantages granted to others and cause the anxiety and worry again which has been occasioned by the cessation of the activities of the Home Loan Corporation.

As I understand it, about 51 percent of the applications have already been passed upon. If that is so, we will require in the neighborhood of \$2,000,000,000 of bonds in order to enable all worthy applicants to have their cases considered and financed.

Mark you, there have been many rejections. Some of these rejections will come back under the new legislation. Many will be entitled to consideration that have been denied it. Some were rejected because it was felt that their income was not sufficient to meet the payments required because of unemployment, and they being now in employment are in a position to have their application reconsidered. Other home owners were prevented from submitting their applications because, when they applied for their loans, they were handed certain blank forms which they were told should be filled out and executed before consideration would be given.



They had to go out and gather a great deal of data, and before they could return with the required information the Home Loan offices suspended activities.

Besides, you will find many applications were rejected because the property was used in part for business purposes. The policy of the Corporation in the beginning was liberal, but tightened up and became conservative. Thrifty citizens in my district operating a business under a lease found it possible to purchase a plot of land and build upon it a place of business with another store and home connected. The Corporation held, in a great many such cases harshly, that business constituted the prominent feature of the premises, and the owner was denied a loan and his home along with his business was placed in jeopardy.

We should write into the new legislation adequate provisions, or at least exercise our influence with the Corporation to the end that where property is occupied as a home by the owner, even though in connection with a business, the Home Owners' Loan Corporation will still recognize it as a home. There is no legal authority for the Corporation to reject an application from such an owner at the present time, although the Corporation has done so in spite of the fact that it was the policy of Congress that such type of applicant should not be denied the advantages of the act.

When the new legislation is enacted, and I hope it will come out as quickly as possible, it is to be hoped that in districts like mine, where men have built their homes around their business, that they will be protected and given the benefit of the law that was intended for them as much as for the home owner who occupied his home unconnected with his business enterprise. Most of our home owners have struggled years for their homes, and I want to preserve them.

There is another circumstance that I would like to mention, and that is that I feel we ought to have the management and operation of the Corporation and all its branches in sympathetic hands. Applicants should have the sympathy and courtesy of every official and employee. To insure this the Corporation should, perhaps, adopt a policy like that of the Department of Justice, which provides for the investigation of its investigators. We ought to have men call at the various offices to see that our distressed home owners who go there are given the sympathetic courtesy that they deserve. Complaints have come in that applicants do not receive the sympathy and the courtesy to which they are entitled, and I think if we did recommend to the Home Owners' Loan Corporation some such policy, whereby the treatment accorded to applicants could be readily ascertained, we would have a better situation all around and we would know that our people in distress and in need of sympathy would get every consideration that the Congress intended to give the distressed home owners of our respective districts. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, last Sunday many of our metropolitan papers carried comments, and, in some cases, rather elaborate reviews of Problems of the New Cuba, being a report of the Commission on Cuban Affairs. This report having been made public only last week.

In view of the great interest the Members of this House now have in matters pertaining to reciprocal trade agreements and particularly the one ratified with Cuba only a few months ago, I desire to make a few observations in behalf of the sugar-consuming public of this Nation, and all with relation to some of the remarks or statements contained in this very illuminating 500-page report. Furthermore, the statements contained in this report have a great bearing with reference to our relation with the Philippine Islands as well as with Hawaii and Puerto Rico. The Cuban trade treaty being one which may be patterned after, to a very large extent, in the drawing of other trade treaties under the reciprocal powers granted to the President during the last Congress, all makes the report of the Cuban commission only the more interesting at this time.

Only last week our brilliant, genial, and handsome Under Secretary of Agriculture, Mr. Tugwell, in dealing with the

question of "the good life for the individual being the end and purpose of civilization", and in discussing some of our national characteristics, made this observation: that in "1877 we realized that our 10-year attempt to dictate impossible terms of a social and political revolution in the South, under the policies of the reconstruction era, had largely failed. So we ceased our attempt and, though we did not withdraw publicly from our constitutional position, the South was permitted in practice to establish its own regional, political, and social institutions. So, in 1898, under the stimulus of an almost hysterical demand for colonial expansion by big business, we embarked on a course of political imperialism in the West Indies and the Pacific Ocean. "Today", Mr. Tugwell says, "finds us recoiling from the naval and political consequences of this policy, and while we shall never admit that our colonial escapade was either wrong or unwise, I believe that in practice we shall rapidly withdraw our sovereignty and responsibility for defense from distant lands inhabited by peoples who share neither our blood, our language, our ideas, nor our institutions, and who have no desire to do so." Commenting further, Mr. Tugwell makes this most interesting observation that "for these reasons I feel that our industrial leaders who keep down production and reduce employment are doomed to be pushed aside, good-naturedly but ruthlessly, by the American people."

The membership of this important Commission on Cuban Affairs is made up in part of our own Milburn L. Wilson, Assistant Secretary of Agriculture, and Dr. Ernest Gruening, formerly editor of the Nation, and now director of the recently created Division of Territories and Island Possessions of the Interior Department. Therefore, a report in which these two gentlemen concur should be of considerable importance to the Membership of this House, particularly when it deals with the economic, social, and political affairs of a foreign republic like Cuba, and a subject so sweet to our people as that of sugar.

Cuba is the sugar bowl of the Western Hemisphere. The people of the United States consume some 6,500,000 tons, more or less, out of a total world crop of about 25,200,000 tons of sugar. Therefore, it is readily seen that our sugar consumption is of vast importance to our people. To realize just how important this sugar question is to your household, go home and tell your wives to eliminate sugar in its every form from your table for just 1 week and see what will happen in your household.

It is quite exhilarating to have the information which this report gives come to us directly from a commission of this type rather than depend upon the biased statements of people engaged in the industry either in Cuba or in some branch of the cane or beet industry in the States. This report says:

When the industry began to revive in 1904 under the aegis of American reciprocity there were only 173 mills grinding, with a total output of 1,040,228 tons. \* \* \* By 1914 Cuba was producing 2,597,732 tons. \* \* \* In 1918 there was a harvest of 4,009,834 tons in mills, averaging 140,000 bags.

The report on pages 222 and 223 further states that—

Sugar rose to 6 cents for a time during 1923.

And—

On this basis most of the large American companies and some others proceeded to make extensive new plantings and additions to plant, which resulted in a crop of 5,189,346 tons in 1925.

Commenting further, we find on page 228 of the report this statement:

It is difficult to say that more mills are actually now under the control of banks than in 1927. It is believed that many which are not directly operated by the banks have incurred such indebtedness that their independence is menaced. At any rate, bank ownership or operation is a striking feature of the present situation. Nine mills are controlled by the National City Bank, eight of them through the General Sugar Estates, Inc. The Royal Bank of Canada operates an even larger number of mills, most of them through the Sugar Plantations Operating Co. \* \* \* The Chase National Bank of New York, in addition to its interest in the new Atlantic & Gulf Co. and in Punta Alegre, has three mills on its hands. Other bank-owned mills include Macareno, largely the property of the National Shawmut Bank of Boston, and Cavadonga, in which the Canadian Bank of Commerce has a one-third interest. The American-owned mills in the strongest posi-



tion financially are those owned outright by American refineries or by holding companies to which refineries belong.

We even find from the report that Armour & Co. acquired two mills in the course of collecting fertilizer accounts. Thus we now begin to comprehend what Mr. Tugwell says when he speaks of big business, political, and dollar imperialism.

Only a few months ago this House passed the Jones-Costigan sugar bill, which carried provisions designed for the purpose of settling in part the debt which some advocates thereof claimed this country owed to Cuba toward the solution of her social, economic, and political problems. It was contended we should pass that bill in order to guarantee Cuba certain rights to our sugar market to the end that revolution might be prevented and thus make it unnecessary for us to intervene in the political affairs of that Republic. Shortly after the passage of this sugar act, all of which was largely done in response to a special sugar message addressed to this House by the President of the United States, there was consummated with Cuba what is now known as the "reciprocal trade agreement" between the United States and Cuba, signed August 24, 1934.

We did not stop there, according to the report of this Commission. From a perusal of its pages we find—

The fundamental obstacle to good relations between Cuba and the United States is the wide-spread belief in Cuba that the American State Department attempts to make and unmake governments, and that the present disturbed situation is an outgrowth of a plan for provisional government which Washington induced the Cubans to accept.

The report is here referring to the energetic activities of Mr. Welles of our State Department, and his alleged participation in the making and unmaking of the Grau and Mendieta governments.

Under the Jones-Costigan Act amending the A. A. A. and the rules and regulations promulgated for the administration thereof, we find the production of sugar—a nonsurplus crop in the States—is now materially restricted. We find the people of our land who desire to invest their money and savings in new machinery and building for the purpose of this highly important food can no longer do so because it is not possible to secure a sales quota permitting them to sell sugar in this country. We find our farmers, who have been burdened with an overproduction, due to underconsumption of certain food crops, can no longer devote their acres to this nonsurplus sugar crop. We find thousands of our people on welfare relief because they are deprived from working in the diversified industry which is needed to carry on the production of sugar. We find that while our farmers produced some 1,756,000 tons of sugar in the year 1933 they are now restricted to about 1,550,000 tons for 1935, while we are bringing into this country from Cuba annually approximately 296,000,000 hours of labor in the form of sugar, and, which, valued at 40 cents per hour, would amount to about \$118,000,000. The expansion of the domestic beet-sugar industry has been stopped, production has been frozen from a practical standpoint. Many mills which are in good operating condition are unable to run on account of no sales quota being allotted to them. Farmers operating within the vicinity of those mills are prohibited from growing beets either under benefit payments or through the usual plan of taking a chance on the market that may obtain for sugar, just as they chance the market for other crops.

Those who proposed and supported the Sugar Act, the reduction in duty, and the increased benefits to the large banking corporations controlling the sugar industry of Cuba, and to which the benefits taken away from the American farmer, are now flowing, may claim, among other things, the following:

First. That the American beet grower has been saved from the Philippine production of sugar through quota restrictions imposed thereon.

Second. That the cane and beet grower of the continental United States are now fully compensated through the receiving of the benefit payments.

Third. That Cuba is now purchasing a great amount of goods she did not purchase prior to the enactment of the Jones bill. That through her increased purchasing power

we are selling a great amount of farm goods such as pork, cooking oils and fats, automobiles, textile goods, and many other items produced on American farms and in our factories.

Fourth. That it is better, generally, for us to let the large banking institutions of New York produce our sugar in Cuba than it is to have our farmers here at home diversify their crops, place sugar beets in their crop-rotating scheme, shift acreage away from crops of which we now produce a surplus into this crop which we import to such a great extent; and altogether, deprive our local industries, transportation lines, and factory workers of their privilege to furnish us this highly important food item.

Fifth. That we owed a political and economic debt to Cuba which we should pay through taking steps which have been taken in the placing of sugar on a quota basis, reducing the tariff, and ratifying the new Reciprocal Trade Treaty.

Certainly, after listening to that most unusual plea presented from the floor of this House only a few days ago wherein Mr. PEDRO GUEVARA, Commissioner for the Filipino people, so clearly stated his case, we do not now feel the Philippine sugar question is out of our way. Would those in the majority claim we owe greater allegiance to the large banks operating in the island of Cuba than to the Philippine people? I would only call your attention to the disastrous effects on the sugar market caused by the activities of those commission merchants and sugar brokers who deal in sugar from the Philippine Islands and all since the taking effect of the Jones Sugar Act. No informed man will claim we have solved the Philippine sugar problem through the passage of the sugar bill and the independence bill. I say we have not.

Sugar-beet farmers of the United States, to the extent of thousands of growers, are not permitted to grow sugar beets on account of the small quota allowed in the bill. Of course, those who are granted a monopoly for the growing of beets to a very large extent feel they have been or will be treated fairly well until the price parity reaches a point where benefit payments based on parity can no longer be made, or until the law expires in 1937.

It is true Cuba is now purchasing more goods from us insofar as dollar value is concerned. Up to date I do not believe we have been furnished with the tonnage values, which, after all, is the yardstick for measuring the acres of land which are represented by the food products we ship to Cuba. But let us see how that purchasing power is arrived at and who is paying for the increased purchases:

Only a short time ago Cuba was selling sugar delivered at New York for the price of 57 cents up to 65 cents per 100 pounds. Today's paper carries the quotation of \$1.90 per 100 pounds f. o. b. New York, a difference of \$1.25 to \$1.33 per hundred pounds. Now just what does that mean on the basis of the importations of sugar coming in from Cuba this year, based on the allotment which we have given to Cuba? Thirty-seven million one hundred and forty thousand four hundred and forty bags of sugar at an increased value of \$1.25 per hundred amounts to \$46,425,550 and represents an increase in the price of sugar the American consumer is paying to Cuba with which to buy our goods and the pork and lard from our corn- and hog-growing areas. Furthermore, we are short in our collection of duties in the sum of, roughly, \$1.10 per hundred pounds, or, in round figures, \$40,000,000. Again let me repeat that this importation of sugar is equivalent to 296,000,000 hours of labor, which, valued at 40 cents per hour—a reasonable code wage—amounts to \$118,000,000.

Insofar as the exportation to Cuba of automobiles is concerned, we find the commission report above referred to states on page 437 "there are 17,728 ordinary automobiles in Cuba, only half of which are private cars." In one beet-growing State alone, Colorado, we find there are 266,491 cars now registered, while in Michigan, with about one-half of the population living in cities, we find a registration of 1,077,209. Anyone informed with reference to the living conditions and standards of the Cuban people, the economic



imperialism which governs there, the exploitation of labor, the absentee ownership, and the refusal of large corporate sugar plantation operators to permit the field workers (colonos) to grow the food they consume rather than purchase it from plantation-operated stores and commissaries, so organized as to take from the worker practically everything paid to him in the form of wages, knows the mass of the people in Cuba cannot purchase automobiles. Almost every kind of an economic lash that can be designed is used against the worker (colono) to the end that the benefits of his labor will all flow to the mill operator. This practice has gone on through the years. How can any sane man expect the farmer of this country to compete with a system of that kind? Yet, it is by using a slave yardstick of this nature, the opponents of a continental United States sugar industry condemn the efficiency of the American farmer in the production of sugar beets and sugar cane. There is no sense or justice or reason in the statement often made from this floor that the sugar industry of this country is inefficient, necessarily expensive, and should not be permitted to expand. If it is the desire of those here to have the American farmer placed on the same standard of living as the Cuban farmer, then you could produce sugar in this country and sell it profitably—as profitably as that sold in Cuba—without any tariff protection. The advantages of producing sugar in Cuba versus the United States insofar as the operator is concerned, rests almost entirely in the burden imposed upon the backs of the agricultural worker. In Cuba, pay to the agricultural worker is based on the irreducible minimum required for subsistence. In the United States the price paid for beets is based upon the standard of living for the American farmer.

We find from the report of the Commission that the Cuban people are sore and tired of the exploitation carried on in the island by the large banking institutions of New York and Boston and under the sanction of our Congress, our State Department, and all against the interests of the real Cuban people who have been exploited for the past 30 years. The Commission calls for a breaking up of the great sugar estates, "a land policy under which the Cuban Government would acquire land for the purpose of developing small holdings" so the real Cuban people may again return to their own production largely of the food, clothing, and shelter which they consume; "the development of a program of diversification", "the establishment of an agricultural bank to encourage diversification and local cooperative associations." In fact, now that Cuba has found there is no full life in commercial exploitation of her natural resources, her people and her industries by the large banks of our country, she is asking that we cease and let her go about her own peaceful way in the solution of her social, economic, and political problems. The Commission goes so far as to say:

The recent change in the commercial policy of the United States may tend to resurrect the old economic and political system which the revolution attempted to overthrow.

Mr. Chairman, in view of the fact that this House will have before it many problems which deal with Cuba, Puerto Rico, statehood for Hawaii, reconsideration of Philippine independence, and amendments to the A. A. A., all of which will have a very heavy sugar coat, those Members particularly interested in sugar should make a close study of this far-reaching and comprehensive report.

It is interesting to note the Commission is very frank in its condemnation of our State Department for having refused recognition of the Grau government—following the revolution—for 4 months, although it did recognize the present Mendieta government only 5 days after it took office. Our attention is called to the fact the Cuban people feel the present government will stay in office only so long as it enjoys American favor. The Commission says:

The conclusion cannot be avoided, however, that the interference of the United States in an internal revolutionary struggle has been a factor in creating Cuba's present situation.

Mr. Chairman, sugar has many times changed the course of empire. At this very moment the social, political, and

economic welfare of the people of Cuba, Puerto Rico, and Philippine Islands are almost entirely dependent on the sugar policy of the United States. This sugar problem is before this House today. It will be here tomorrow. Sugar cannot be removed from politics so long as it is as common in our diet as is bread. Therefore, the obligation rests upon this House to have some part of its Membership at all times fully informed on the sugar situation at home and abroad.

At some time in the future this country will be forced to either draw a much larger share of its sugar from the Philippines or from the beet fields of the United States, or be a party to keeping the Cuban people in the economic and political bondage which we have encouraged and supported the past 30 years. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, before election to this House on November 4 I never held a public office, so I can speak more or less as one of the people back home. May I say that I had been convinced by a number of years of reading the newspapers that the reason the activities of the House were limited and curtailed was due to the fact that the Members were incompetent and incapable of functioning. May I say that after association with the Members of this House I feel that this committee is capable of writing the legislation of the Nation. I think when it has been allowed to function on the bills we have before us this session it has functioned very well. We have had big items that we have considered here and big bills which we have passed and they have been passed in a very short time; then we have days like this when we spend our time expressing our views, not in the consideration of legislation but just expressing ideas. First we passed the \$4,800,000,000 appropriation bill, which was put through under very rigid rules. I was very much disappointed that I had to withdraw from the Democratic caucus in order to keep from voting for the gag rule under which this bill passed. However, I voted for the bill because I hope it will help relieve unemployment.

After that we took up consideration of a Liberty bond act and the amendments thereto. In passing this bill I think we shaped the financial policy of this Nation for the next 20 years, and we passed that act as I remember it in a session of 1 day. According to the little hearings that came along with the act, after adopting the amendments we increased the authority to issue long-term, tax-exempt securities by \$11,525,000,000. That was brought in here, and we were told it was an emergency measure because they only had \$400,000,000 more short-term securities that could be issued and \$2,500,000,000 more of bonds. However, in reality they could have issued eight and one-half billion dollars more in short-term securities, and that surely would have taken care of the finances of the Nation until this policy could have been given at least fair consideration. By fixing a revolving fund of \$25,000,000,000 any fair-minded person realizes that this will probably become the fixed debt of this Nation and will continue to be right at that sum until we change the law.

This means that almost \$1,000,000,000 in interest is going to be fastened on the taxpayers of the country from now on. Is this House going to face the situation that we have a certain limited income of two billion a year and that we either must devise some means of providing funds for these expenditures or not appropriate the money. If you are not in favor of financing the measures, let us not appropriate the money. To continue on with a policy we know is wrong, to increase the bonded indebtedness of this country, to increase the tax load and the interest debt every year is wrong; and when this House has an opportunity to vote on a change in the financial set-up that will let us get away from this idea of increasing the bonded indebtedness and vote on that as a clear-cut principle, it is going to change the policy.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?  
Mr. FERGUSON. Yes.

Mr. ARNOLD. The gentleman evidently understands, does he not, that bonds are only issued and sold by the



Treasury Department when it is necessary to raise the money that the Congress appropriates.

Mr. FERGUSON. Yes.

Mr. ARNOLD. So the fault is not in the bond issue, but in the other measures where we vote the money.

Mr. FERGUSON. In the making of the appropriations, yes; but this paves the way for such appropriations. It fixes a way to finance such appropriations in the future and fixes the policy of the Nation as to how we are to finance future appropriations.

Mr. ARNOLD. The gentleman also understands, does he not, we cannot appropriate money unless there is substantive law justifying such appropriations? So you have got to go back to the substantive law for which the appropriation is made to carry this into effect.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. BOILEAU. Is it not a fact that the bill we passed the other day, with one afternoon's consideration, definitely fixes the policy of this Government with respect to issuing tax-exempt securities and gave the Treasury the right to issue such securities.

Mr. FERGUSON. At the instruction of Congress, of course.

Mr. BOILEAU. Yes; but the policy of issuing tax-exempt securities was definitely outlined in that bill.

Mr. FERGUSON. I think for the next 20 years.

Mr. BOILEAU. I agree with the gentleman.

Mr. FERGUSON. Unless the House has a chance to vote on it as a definite principle.

Then, yesterday, we passed another bill, and, understand, I am not criticizing these measures. I am just trying to point out the principles involved.

I tried to offer an amendment to that measure which provided—

Loans may be made to any institution now or hereafter established financing principally the sale of electrical plumbing or air-conditioning appliances or equipment, both urban and rural.

This was to finance the sale of electrical appliances, and I tried to amend that and insert "to finance the sale of farm equipment." This would have just as much justification in the bill.

I am not a lawyer, but I think anyone can see that if General Electric or any other manufacturer of electric appliances desires to set up a finance company, its agents can sell electric refrigerators all over the United States and take the paper of the individuals who buy these electrical refrigerators, put it into the finance company, and the finance company can then go to the Reconstruction Finance Corporation and borrow the money. If we are going to do this for electrical appliances, we have lots of "broke" implement merchants in my district and we have plenty of farmers who do not have any machinery to carry on with, and this would certainly be a worthy addition to the measure. Why should electrical appliances receive preference in this bill? I do not have any power lines in my district. There are not any power lines in Oklahoma carrying power to the farmers, but we hear, as a national idea, electrification of the farm. This is fine and I hope it is carried out all over the Nation. We are all for it, but until it is carried out we would like to have the actual necessities out in our district taken care of as well as the vision of some men who want to electrify the Nation through the sale of these appliances.

This bill we passed yesterday broadened the powers of the Reconstruction Finance Corporation. We changed the wording to give them more leeway in lending money to industry. I think it is the finest measure that Congress has passed. Undoubtedly the banks of this country are putting their deposits in Government securities in preference to making loans. I do not know anything about city banking but I happen to be a director of a little country bank, and I know that after being pounded by the examiners to get our securities in something we could cash overnight we finally went out and collected a good percentage of the money, and today the only safe investment we hear all the time is Government bonds. As long as we have the present banking system and

the present Government policy that encourages the concentration of the potential credit in tax-exempt Government securities, private industry is going to lack sufficient credit to stimulate resumption of activity and expansion. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the Clerk read a short newspaper article in my time.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

SPOILS SYSTEM WOULD END IN DICTATORSHIP—DRIVE TO RAID RELIEF AND OTHER AGENCIES SURE WAY TO UNDERMINE DEMOCRACY

By Elliott Thurston

It would be hard to overstate the importance of the issue raised by the Congressmen who are threatening to harass and cripple Government relief and other agencies in order to force these agencies to surrender all control over appointments. Such a drive as that now launched by House Democrats would, if successful, be the surest, quickest way, not only to wreck the new deal, but to undermine a democratic form of government.

One reason why Fascists, Socialists, and Communists alike predict the ultimate downfall of democracy is that democracy is sure to crash when administration of large and difficult affairs falls into the hands of incompetent political camp followers and job hunters. The British long ago foresaw this, as they have foreseen so many other things which are only just beginning to be understood on this side of the Atlantic. The British civil service, without being by any means perfect, is nevertheless a model. It provides a reasonable guaranty that public affairs will be managed competently and with necessary continuity regardless of the political administrations which come and go.

More than ever today it is imperative for the United States to establish a real civil service, free from the influence of politics and covering far more important offices than now come under the rules. For as the Federal Government expands and assumes control over more and more of the affairs of the Nation, the administrative problem becomes at once the most vital.

Bad laws can be largely mitigated by good administration. But the best of laws are bound to prove ruinous when applied by incompetent administrators. We have had many examples of this. The Securities Act has proved an unworkable act, but able administration has done much—all that is possible short of amendment of the act—to make it sane and workable. The Farm Loan System under previous administrations was sound enough legislation, but it was literally wrecked by the very kind of politics which the House Democrats now want to play with Federal relief agencies like the Home Owners' Loan Corporation, the Reconstruction Finance Corporation, and the Public Works Administration. The Farm Loan System was finally salvaged from the politicians, but only after a deadly struggle.

The present drive by House Democrats is amazingly brazen. In normal times it would deserve and receive adequate public attention—and be squelched by the force of decent public opinion. It aims to raid relief agencies so that politicians will fill jobs now held by men chosen for experience, merit, and ability. The H. O. L. C. and the R. F. C., for example, could soon be destroyed if incompetent politicians were to replace trained, experienced examiners and appraisers—and these are the jobs for which the politicians are now hungering.

In the H. O. L. C., for instance, the appraiser is a key man. Largely on his expert judgment rests the question of whether the Government is to make good loans or bad loans—whether money is to be thrown away or soundly used. If time-serving politicians are to get these highly important jobs, it follows inevitably that public funds will be squandered and used to line the pockets of favorites.

The same is equally true of R. F. C. examiners and experts. They pass on loans, on appraisals. The work requires high intelligence, experience, and impartiality. It is no job for the political hanger-on. If this work is to go under the rule of political favoritism, if money is to be loaned to pay political debts or buy political support, then the result is all too obvious. That way lies the downfall not merely of the administration but of democracy itself.

Why President Roosevelt tolerates the unblushing spoilsmen like Mr. Farley and, at the same time, supports and appeals for higher standards of public service is an eternal mystery of his best friends and supporters—Senator NORRIS, for example. The result is a wholly inconsistent mixture of good and bad administration. That is, a few relief and administrative agencies have been free from the spoilsmen, at least so far as selection of trained technical and expert personnel is concerned. Others have been delivered over body and soul to Mr. Farley. As soon as some of the well-run agencies get rid of incompetents they turn up overnight on the pay rolls of other agencies.

The political demoralization and corruption of public service is no new phenomenon, Heaven knows, but it is more serious than ever today, because the Government has undertaken to run more of the country's business than ever before. Problems of such magnitude and complexity are involved as to tax the best brains available. Management of the enormous affairs already taken under the wing of the Government is going to be difficult enough without turning it over to job hunters who are sure in the end to destroy themselves, if they do not destroy this form of government.



Nothing would do more to cheer those who want to fasten iron dictatorship upon this country than to turn over administration to certain demoralization from which the only escape would be to transfer management to a Stalin, a Hitler, or a Mussolini.

Mr. KVALE. Now, Mr. Chairman, in presenting that article for the thoughtful attention of Members of this body I know that I am going to subject myself to the criticism that I am mixing into a fight that I have no proper business to be mixed up in.

But, Mr. Chairman, I do not feel that the argument now in progress, being heard both in the caucus chamber and aired in the newspapers, is really purely a partisan question. While I do not subscribe to every word it contains, especially as it rather severely criticizes some individuals who are Members of Congress, it is to present the other side of the argument that I offer the article, and I hope it will receive serious thought.

Nearly every day we are considering new agencies, new set-ups, changing the course of the governmental ship. We are establishing agencies which are going to continue in operation under permanent law. It is my only interest to see that with the creation of these agencies we set up governmental establishments which will be efficient, enduring, and economical.

This argument, or problem, goes far beyond the lines of party organization or of partisan democracy. Every public servant should have an interest in it, regardless of party. Every present or potential employee of such agencies should be properly interested. Each taxpayer certainly should be interested. And, last, but far from least, all who hope to be served by these various agencies or who will be affected by their operation should agree to such a viewpoint.

I am not a party Democrat, although I can compare my record in this body and in political campaigns dating back to the 1930 election as a supporter of the President and the new deal with that of the great majority upon that side of the aisle. I am not a party Republican, so surely I cannot be accused of political motives in these remarks. I am interested only in seeing an efficient, continuing administration of the agencies which are being set up and in reorganizations of existing agencies which are being effected to put into operation the many laudable reforms of the new deal. And I see danger ahead.

If we stretch our imagination sufficiently, perhaps we can conceive a comparable situation and bring it right close to home. Maybe we can imagine that in the next general election every Member of this body now holding office will be swept from that office and an entirely new Membership enter into this House to serve for 2 years.

Imagine how inefficient such a body would be, how helpless it would be to continue to function, if it were not that there would be a continuing group of experts, expert assistants in the Committee on Appropriations—already referred to earlier in the day's proceedings—expert technical and clerical aids in the Committee on Ways and Means, experts in my own Military Affairs Committee, an expert Parliamentarian like Lewis Deschler, who sits by the Speaker and advises him.

That same situation obtains in our governmental structure. We are drifting away from the civil-service idea of protecting efficient people and seeing to it that we have continuing organizations of efficient men and women.

We do not need to go as far as does the British career system, which protects its employees to the topmost office, yet I repeat that we are tending to get away from the realization of the necessity to good government of having a system based upon merit.

If the Democratic administratively responsible people have before them an efficient Republican and efficient Democrat, both applicants for the same vacancy, I say, go ahead and hire the efficient Democrat, and to that extent be guided by the spoils system, but if you are faced with an inefficient Democrat and an efficient applicant, then take the efficient man, whether he be a Republican or a member of some other party, in the interest of good government. I can say that without any feeling of partisanship in the matter at all. Who should quarrel with it at all?

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Does the gentleman know that already in several departments Republicans are holding practically all of the key positions, to the exclusion of Democrats at this time, and which Republicans are giving evidence of a lack of sympathy with the purposes of the new deal?

Mr. KVALE. That does not disturb me. There may be reasons why that should be. If they are efficient, I would not quarrel with that, as an American citizen, regardless of partisan interest.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. PATMAN. I have not been able to get anyone a position that could not show qualifications for the specific job. In fact, it seems to me that they are requiring experts in all these positions. Does the gentleman know of a single case that that situation applied to?

Mr. KVALE. I prefer not to discuss individual cases. I could give the gentleman individual cases.

Mr. PATMAN. Does the gentleman know of one case where an incompetent person was accepted because he was a Democrat?

Mr. KVALE. Oh, the gentleman has been here too long to want to bring personalities or individuals into a discussion of this kind, and I may deserve his criticism. But I have not the time to give him a detailed reply, and beg his leave to continue.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. BOILEAU. I have here an article from the Wausau Pilot, a weekly newspaper issued in my home town. That paper contains extracts from the first issue of the Central Wisconsin, a newspaper that issued its first number on April 22, 1857.

There are two items in that issue of April 22, 1857, that I think are pertinent at this time. One is to the effect that a band of Sioux warriors lately massacred 5 families and some 40 persons about 40 miles northwest of Fort Dodge, Iowa, and under that item there is one to the effect that a Washington letter writer says that the President and Cabinet had decided to turn out officeholders generally on the expiration of their commissions.

It seems to me rather significant that the wholesale turning out of officeholders and an account of an Indian massacre should appear in the same issue of a newspaper. Such acts might have been in keeping with those times, but today—

Mr. KVALE. It seems to me to suggest that the gentleman from Wisconsin has been preparing himself for some remarks upon this same subject, and I thank him for his interesting recital of the items contained in his clipping.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. ZIONCHECK. The gentleman understands that the Postmaster General can only have selected postmasters in first-, second-, and third-class post offices that have taken the civil-service examination, and then the Democrat from the district has three men certified to him. Would the gentleman say that there was a breach of the President's orders if three men were certified and the Postmaster General wanted another examination because his friend did not happen to be among those three?

Mr. KVALE. I shall deliberately dodge the interesting question for the moment by saying to my good friend that I do not have postmasterships in mind at this time.

Mr. McFARLANE. What would the gentleman say to this statement: That Republicans are being shown preference over Democrats and have been employed in many of the emergency set-ups of this administration and are holding these key positions, especially the best positions, paying from \$4,000 to \$6,000, and that a large part of those key positions are held by Hoover Republicans, who in turn are appointing their Republican underlings. Does the gentleman not think that good Democrats are available and qualified and that



out of simple loyalty to the new deal and under all of the rules of the game they ought to have these jobs?

Mr. KVALE. The gentleman may answer his own question. I do not want to be discourteous to my good and sincere friend, but please let me continue.

I have another thought or two, and one is to repeat earlier warnings in this body we seem disposed to forget. Bear in mind that as we delegate these powers and fill up these agencies and change our governmental structure we do it by a majority vote of this body. At some future time, however, when in the wisdom of this body we may want to reach out and recapture powers for the Congress, it will require a two-thirds vote and not a mere majority vote, and it is going to be extremely difficult, in geometrical instead of arithmetical proportion, to achieve that return of power.

Now, one concluding thought. On this birthday of our President Roosevelt, who daily receives the grateful expressions and praise of Members of this House, without in the slightest degree meaning to disturb the affection and gratitude we feel toward him and the faith we have in his leadership and courage, let us at the same time assert that friendliness to him individually and discharge our duty to our people by regarding that Presidency of the United States as an institution and an office and not an individual. Unfortunately for us, even though the present occupant did not need worry over future elections, the office is not occupied by an immortal. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. HAINES].

Mr. HAINES. Mr. Chairman, I can scarcely refrain from discussing the subject brought up by my genial friend and colleague who just preceded me, Mr. KVALE, but I have another mission in appearing before you today, and I want to give that thought to you just now.

I have asked for this time to advise the committee of a joint resolution I have introduced in the House for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in my district.

About a year ago I had a short conference with the President in reference to this project, and at that time he was most sympathetic to the proposal and referred me to Mr. Ickes, with whom I also spoke concerning the same. I understand many years ago a former Member of Congress advocated the building of this memorial boulevard in honor of the Great Emancipator and humanitarian, instead of the beautiful memorial erected here in Washington.

It seems to me that this is a most worthy project, for it will be most opportune and at a time when so many of our people would be given an opportunity to earn their bread by the sweat of their brows, and as a work relief project cannot be surpassed. If it is true that about 85 percent of the cost of building these highways goes to labor, then surely this has potential work value and an undertaking that should have the sympathetic consideration and immediate approval by both branches of the Congress. The distinguished Senator from Maryland, Senator TYDINGS, through Senator ROBINSON, has introduced a like joint resolution in the other body.

The purposes of the joint resolution are to have a commission appointed consisting of the President of the United States, the Vice President, the Speaker of the House, a Senator from Maryland, 1 from Pennsylvania, 2 members of the commission to be appointed by the President, and 1 Member of this body from Maryland and Pennsylvania, and the Commissioner of the District of Columbia to be member ex officio.

This commission is to select its own chairman from the group stated, and employ a secretary and such other expert help as is necessary in making plans for the beginning and completion of the boulevard.

An appropriation of \$10,000 is asked for to finance the preliminary work. No members of the commission, however, are to receive any pay other than their own necessary

traveling and living expenses when actually engaged in the consideration of the project.

Mr. Chairman, Gettysburg is one of our greatest national shrines; indeed, to many of our people it is the greatest of all our national shrines. Upward of a million people visit this great national shrine annually for it is here that the blood of our fellow countrymen was shed in a cause that they believed to be a just one.

I should like to say in passing, to the Members of this body, that all of you should visit this sacred spot. It is but a short drive from here to Gettysburg. The Gettysburg National Park was taken over by an act of Congress signed by President McKinley on February 11, 1895.

There are more than 16,000 acres, or about 40 square miles, in the area comprising the scene of the battle, and 2,600 acres are now owned by the Government, the balance being owned privately or leased.

At Gettysburg you will find 841 monuments of stone, bronze, and marble, 5 steel observation towers, 3 of them 65 feet high, and 2 of them 75 feet high. There are 464 bronze tablets, 37 bridges and culverts, 5 bronze equestrian statues, 30 bronze statues on pedestals, and 417 cannons on carriages. There are 15 sets of farm buildings, 5 southern monuments, erected by the States of Alabama, Maryland, Virginia, North Carolina, and Texas. Here on this battlefield you will find almost 40 miles of paved or improved streets in splendid condition, and more being built at this time. There are almost 100 guides who give their entire time to conducting visitors over the battlefield. These men are trained in the history of the events of that great conflict, are fine gentlemen, and their services can be obtained for a very nominal fee. There is now being erected on the field headquarters for these guides so that all who visit this sacred spot will have an opportunity to have a guide supplied to them without any difficulty. Pilgrimages are made each year by schools, colleges, and university students to study and learn more about this great civil conflict between our brethren so that it should be the great desire of the Government to maintain this sacred place and give to the Nation the very best that it is possible.

Distinguished men from every country in the world have visited Gettysburg, and it is there that once during each term of our Presidents the Chief Executive delivers a Memorial Day address. Last year our own beloved President Roosevelt went to Gettysburg and was met by the greatest throng of his fellow citizens ever to gather at that place.

These men usually speak from a rostrum but a few feet removed from the spot where the immortal Lincoln delivered his great address and which is considered one of the classics of the ages.

Do you know, my colleagues, that there is no monument at Gettysburg erected to the memory of the immortal Lincoln?

There is a small marker erected on a spot nearby, of which we should be ashamed. It seems to me that this Nation should honor that great man with a monument more in keeping with the great respect we hold in our hearts for Mr. Lincoln. I expect to introduce a bill very soon calling for an expenditure of \$25,000 to purchase a monument and to erect the same, similar to the one erected at Chicago, and to urge that it be erected upon the very spot, if possible, where Mr. Lincoln uttered his immortal words. I trust that the Congress will be sympathetic to my proposal, for I have the honor to represent the people of Gettysburg, a people unsurpassed in patriotism, loyalty, and citizenship. I shall deem it an honor to give any information Members may desire concerning this national shrine. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, I have secured this time for the purpose of discussing briefly the various bills which have been introduced by Members of Congress for an increased appropriation for the Home Owners' Loan Corporation, which will permit that organization to carry on its functions, at least until pending applications are disposed of.



Along with other Members, I have introduced a bill for this purpose. My bill calls for an appropriation of \$1,500,000,000.

The bills that have been introduced range in amounts from \$500,000,000 to \$3,000,000,000. I have some figures, however, which indicate to me that the amount I have requested in my bill will be the amount which will be required to allow the Home Owners' Loan Corporation to continue its activities and dispose of pending applications. The figures I have indicate that a total of 1,739,499 applications have been received by the Home Owners' Loan Corporation and the loans closed total 733,140. This leaves a balance of pending applications amounting to 1,006,359. Of the balance, I am informed that some 90,000 will positively be rejected, and of the remaining number of 916,334—432,973 are suspense cases which in the opinion of the State managers would not go through, leaving 483,361 applications which are alive and would likely be closed providing there are sufficient funds.

There are now in the legal division approximately 125,000 applications which will undoubtedly be closed and will use the balance of the appropriation. In my judgment, in reviewing some of the so-called "suspense cases", additional applications may possibly be approved. We therefore have some 483,000 cases, and possibly more, which will eventually go through, providing there are funds for the purpose.

The average loan is \$3,000, and therefore it would require the appropriation called for in my bill of \$1,500,000,000 to take ample care of the pending applications and the administrative costs.

Now, I want to say a word about these applications which are now pending. Many of these applications have been on file for periods ranging from 6 months to over a year. It is acknowledged in many of the cases that they meet the requirements of the home owners' loan legislation, but their final closing has been delayed because of inability to convince mortgagees that they should accept the bonds or because there was a controversy over appraisal figures and other considerations which have delayed their closure.

Now, it is obvious that the home owners who have filed these applications should be entitled to the same degree of consideration as those who have been fortunate enough to obtain loans. It cannot be said that they were negligent or tardy in filing their applications and laches cannot be pleaded against them. This bill was passed to relieve distressed home owners without discrimination, provided their applications complied with the conditions of the home owners' loan legislation and regulations set up thereunder by the Home Owners' Loan Corporation. It is regretted that the appropriation was not sufficient to take care of all these cases. Yet, in fairness to these applicants, the Congress should pass legislation appropriating sufficient funds to take care of these deserving applicants.

The amazing numbers of applications filed and the tremendous amount of money required to relieve home owners in this Nation is indicative of the terrible plight that home owners were in back in 1933. This legislation has undoubtedly averted a tragic collapse of real estate throughout our country. There is nothing we have done, in my opinion, that has proved to be more humane and at the same time has had such great economic value, which has reflected itself not only upon the homes of our people but has also affected our banks, our cities, and towns. At the time of the passage of this legislation, many cities had great deficiencies in their tax collections. The provisions of the home owners' loan legislation provided a way for the payment of delinquent taxes, thus immeasurably assisting our local city and town governments. Another provision of the home owners' loan legislation provided for the repairing of the properties covered by these loans. This has not only enhanced the value of the Government's securities but has improved valuations in all our cities and towns and has added to the wealth of our Nation. Many banks which were holding the mortgages of these properties had held them as frozen assets. This legislation has enabled banking institutions, mortgage and loan associations, and other lending agencies to convert these frozen assets into liquid assets and relieved, to a great

extent, the stringency of mortgage funds. For instance, in my own State, the cooperative banks advertised last year that they had \$20,000,000 available at once to place out on mortgages on real estate and that they expected to have \$50,000,000 available for this purpose. It was admitted by these institutions that the home owners' loan legislation was responsible for this greatly improved condition—that is, they converted their mortgage holdings into Home Owners' Loan bonds, putting them in a liquid position.

A short time before the home owners' loan legislation was in operation—I think I am very safe in saying that—it was impossible for quite a period of time to obtain a dollar for a mortgage loan on real estate from any bank in Massachusetts.

Of course, the benefit which has come to the home owners of our country in being able to retain possession of their homes, for which they have so valiantly struggled to keep for years—the preservation of the family unit and all the good that has flowed from this legislation—cannot be estimated. But there is one further blessing that has come from the home owners' loan legislation which I should like to dwell on for a few moments.

We have, I believe, created a consciousness against the former evils of home financing. We have relegated the short-term mortgage and the second and third mortgage, with their intolerable rates of interest, into the discard. We have evolved, by the home owners' loan legislation and also the Federal Housing Act, a new form of home financing which will permit those who already own homes and those who will acquire them in the future a greater opportunity. There has been created, I feel, a general sentiment in this country that 5-percent interest is the standard rate that should be charged on home mortgages. We have also brought to life the long-term amortization period, with its consequent payments in keeping with the income of the home owner. I am very happy to note that the banks are beginning to take cognizance of this situation, and at this time I should like to ask unanimous consent to incorporate as part of my remarks a press notice recently appearing in the Washington Herald.

There was no objection.

I quote:

[From the Washington Herald, Jan. 27, 1935]

MORTGAGE INTEREST RATES REDUCED BY INFLUENCE OF UNITED STATES HOUSING ACT—NEW YORK OPERATOR TELLS GROUP OF NATIONAL BOARDS BENEFITS DERIVED OF F. H. A. PLAN

HOUSTON, TEX., January 26.—Interest rates on mortgages are being reduced voluntarily by banks as a result of the low-interest, long-term insured mortgage plan of the Federal Housing Administration, Edward A. MacDougall, of New York City, told the convention of the National Association of Real Estate Boards.

MacDougall, who is chairman of the association's committee on housing, declared:

"It is interesting to hear that Franklin W. Fort, president of the Lincoln National Bank, Newark, N. J., has recommended a reduction in general interest rates on loans and mortgages to 5 percent. This action, effective January 1, is in accordance with a recommendation by the New Jersey State Bankers' Association. The rate will apply to mortgages on an amortization basis and will obtain when other mortgages not in that category reach the point where the borrower makes amortization arrangements satisfactory to the bank."

Praising the F. H. A. for bringing about a clearer understanding of the problems involved in real-estate operations, Mr. MacDougall continued:

"Many locations report full occupancy of existing housing, which is the most substantial evidence that there is a real need for more building at this time.

"There is growing appreciation of the need of a Federal mortgage discount bank to supplement and complete present Federal agencies for the stabilization of home mortgage finance.

"It is also advisable to extend the F. H. A. insurance plan to include the reconditioning of existing housing of all types."

This business of home financing, of course, should be handled by the private lending institutions of this country, and the future standard home mortgage should be the one containing the provisions of the Home Owners' Loan Corporation mortgage. The private lending organizations could and should relieve the Government of carrying this burden further by refinancing these mortgages, scaling them down to a true appraisal value and adding to the mortgages the same benefits which are provided by home-loan mortgages.



However, as there has been no great tendency by private lending agencies to do this to date, and because there is a great need to protect home owners who have pending applications from immediate foreclosure, I trust that the Committee on Banking and Currency, before whom these bills are now being considered, will realize the urgency of these needs and bring in a bill for such an appropriation and thus avert any wholesale wave of foreclosure which may offset much of the good that has already been accomplished. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, there is one thing certain about any attempted address at this hour, and that is that no Member is designedly attempting to speak to the galleries. It will be observed they are practically vacant.

We all recall the beautiful and immortal poem of Kipling on the white man's burden, but it seems this afternoon, from most of the speeches made on at least three topics, that we are still bearing that burden and that we are destined to carry it full many years to come.

I offered an interrogatory to my friend the gentleman from Ohio [Mr. TRUAX], which was probably suggested by something that occurred here during the war time. At that time I inquired of the leader of this House, who had offered a resolution providing for the transfer of \$500,000,000 of silver bullion to the credit of the British Government to be shipped to India. I made inquiry but it has never been answered up to this time, and I was wondering if the gentleman from Ohio [Mr. TRUAX], my good personal friend, who has some economic ideas with which I am in accord, could answer that question. So I asked him the question, as I did Mr. Harrison, why this accumulation of this vast amount of gold. I thought possibly the gentleman from Ohio [Mr. TRUAX] might answer, as his mind was running in that direction, that it was to back up the inflation, and, as has been reported in the press, that there might be another cut of the dollar to make it possible to have enough gold to back up the circulation of \$200,000,000,000. I was wondering whether that might be the idea.

I now propound the question again: In a time of peace with nothing appearing anywhere on the horizon to indicate that there is a possibility of necessary defense of our country, no prospect of war, and no one here has yet admitted that the administration is in favor of inflation, what is the reason for having all this gold in the Treasury?

Of course, the alibi to a great circulation would be that the world has always demanded gold behind circulation; and I would regard it the work of some genius first to prepare by having the gold and then to put out the circulation, for the answer to the world then would be, there is your gold behind your circulation. I have listened long and patiently to talks about inflation and talks about deflation of the dollar and talks about accumulating this vast sum of gold, but I should like for someone to make it clear just what this great hoard of gold is intended for. Gold does not circulate, the erosion is too great. It is simply a guaranty of the credit of the country. That ends that. Now, if there is to be inflation, I should like to hear about it.

Two other subjects were discussed today, and I hope I may have the time to touch upon each. The first of these is the soldiers' bonus. Of course, I was here when we went into the war, I was here throughout the war, and I was here after the conclusion of the war. I know I voted for a bonus more than 10 years ago. It met the approval of everyone. Seemingly, though, we have never been able to get the matter concluded; and why we have not, I never knew. We now learn that the adjustment proposed by several bills before the House that are expected to be brought out of the committee with a favorable report will not cause any additional expense to the Government beyond the contract now existing between the Government and the veterans. This adjustment should be completed. Its deferment is an injustice. It appears now that those soldiers who took advantage of borrowing half of what was due them on their adjusted-service certificates will, by 1945,

lose the other half because it will be consumed by interest. I hope an equitable bill will be brought in and that this matter will be ended. I am heartily for it. I do not understand the bills that have been introduced, for I have not seen them; but one thing is certain, we want to take care of the soldiers.

The other question is often thought too vague, surrounded with mysticism, the great black art, or something that could not be defined—the tariff question. Here we go on session after session either debating the tariff or bringing in a bill on the tariff; and we hear the same arguments made, that the manufacturer gets too much protection and the farmer gets none. My opinion is that all America stands really for protection if that protection takes care of the difference between the cost of production here and the cost of production abroad, anywhere abroad. I hope when we get into a debate of that question that I, as a Member from Pennsylvania, may have an opportunity to be heard, for so much has been said about any advantage that is taken of the tariff by Pennsylvania.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. I yield.

Mr. McFARLANE. Does not the gentleman believe the farmer is entitled to the same consideration, cost of production plus a reasonable profit on the stuff he produces? Is not the farmer entitled to the same treatment as that afforded manufacturers? Congress has enacted laws favoring the utilities and the railroads. Does not the gentleman think the farmer is entitled to similar consideration also?

Mr. FOCHT. Yes. The gentleman talks about Congress favoring the utilities and the railroads and that the farmers should be aided in their plight. I will give the gentleman and other Members of Congress the answer to this socialistic theory. There are two factors involved, and only two, which will wipe out socialism and communism. These two principles, Mr. Chairman, are that estates cannot be entailed, and that wealth cannot be perpetuated beyond the third generation. That ends that.

Secondly, the power of taxation is in the hands of the people; and you know how to wield it and I have helped out too, in war time, but there is nothing beyond these remedies. That is the answer.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FOCHT. The first great tariff bill, of course, was enacted in the First Congress and was signed by George Washington. Now, if our Democratic friends are still inclined to a tendency toward free trade, or even tariff for revenue only, they have only to look at the example of Thomas Jefferson. Read his papers and message to Congress, and see what Thomas Jefferson and General Jackson said. If this is not sufficient, I refer you to one of the greatest Democrats America ever produced, a man who was State senator, a member of the assembly, who was Minister to England, Minister to Russia, who was United States Senator, Secretary of State, and President of the United States.

Few people seem to realize that all of those Democrats had that economic situation in mind for the interest of the people. That man was James Buchanan, who signed the greatest tariff bill ever enacted in this House 2 days before he retired as President of the United States. On that subject in particular I should like to speak at some future time, and I hope the gentleman will recall and keep in mind that I am for the farmer. There is not a thing raised on the farm that is not in some measure protected, and there is not much he uses that carries a tariff. What he needs is a market and fair price for what he produces, and I stand ready to help in this as well as to reduce his taxes.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Com-



mittee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill, had come to no resolution thereon.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4304. An act to amend the Second Liberty Bond Act, as amended, and for other purposes.

#### EXTENSION OF REMARKS

Mr. IGLESIAS. Mr. Speaker, today I received from the headquarters of the United States Puerto Rican Regiment, San Juan, Puerto Rico, a magnificent gavel and block with a silver inscription dedicated to the Speaker of this House, the Honorable JOSEPH W. BYRNS, and which I had the honor of handing to him in his chambers this morning.

Now, I ask unanimous consent to extend my remarks in the RECORD by inserting the letters of transmission, together with a short history of Morro Castle, of San Juan, P. R., from which the wood was taken to prepare this gavel.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

The matter referred to follows:

SAN JUAN, P. R., January 21, 1935.

HON. SANTIAGO IGLESIAS,

*Resident Commissioner for Puerto Rico,  
House Office Building, Washington, D. C.*

MY DEAR SIR: Col. O. R. Cole, United States Army, commanding officer of the United States troops in Puerto Rico, and myself are sending you, under separate cover, a gavel and block made from ausubo wood taken from the lower foundation of El Morro, which we want you to present to the Honorable JOSEPH W. BYRNS, Speaker, with such ceremony and at such time and place agreeable to you and to him.

I attach hereto a letter that Colonel Cole and myself have addressed to Speaker BYRNS giving him the history of the gavel and block. There is a copy of this letter enclosed for your use. There is also enclosed a brief history of El Morro. In making your presentation of this gavel and block you are at liberty to use any of the information contained herein.

I have had the pleasure of knowing Mr. BYRNS for the past 17 years, and soon after the wonderful Democratic victory of last November I wrote BYRNS telling him that I anticipated that he would be the next Speaker of the House, and in case that prediction came true I wanted to present him with a suitable presiding symbol. As this symbol is of historical value and comes from the Territory which you represent, we want you to represent us in making the presentation.

Both Colonel Cole and myself will greatly appreciate this.

I have never had the pleasure of meeting you but hope sometime in the near future this can be done.

With best wishes and kindest regards, I beg to remain,

Yours most sincerely,

A. E. HUTCHISON.

HEADQUARTERS SIXTY-FIFTH INFANTRY,  
POST OF SAN JUAN, P. R.,  
San Juan, P. R., January 4, 1935.

HON. JOSEPH W. BYRNS,

*Speaker of the House of Representatives,  
Washington, D. C.*

MY DEAR MR. SPEAKER: The gavel and block which were recently sent to you from Puerto Rico are made from a native wood called ausubo.

Ausubo was used extensively on the island in early times for the main beams in all large houses and public buildings. When kept dry it became extremely hard with age and for hundreds of years has withstood rot and polilla, a wood-boring pest which does great damage in Puerto Rico to practically all woods except ausubo. Ausubo is now practically extinct in Puerto Rico with only an occasional tree to be found in the interior of the island.

The piece of timber from which the gavel and block were made was taken from the lower foundation of El Morro, the old Spanish fortress at the entrance of the harbor of San Juan. The foundations of El Morro were laid about 1593, and as it is estimated that

an ausubo tree requires about 400 years to reach the size needed to hew the beams used for construction purposes, it is quite probable that the wood used is about 800 years of age from seed to gavel and block.

The attached pamphlet gives a very brief outline of the history of El Morro which may be of interest in connection with the history of the gavel and block.

The gavel and block were made by the mechanics of the service company, Sixty-fifth Infantry, Post of San Juan, Puerto Rico, in December 1934, and are presented to the Speaker of the House of Representatives of the United States by Col. Otis R. Cole, Sixty-fifth Infantry, commanding officer, United States Troops in Puerto Rico, and by Mr. A. E. Hutchison, Territorial Manager Home Owners' Loan Corporation, San Juan, Puerto Rico.

Faithfully yours,

A. E. HUTCHISON,  
Territorial Manager Home Owners' Loan Corporation.  
O. R. COLE,  
Colonel Sixty-fifth Infantry, Commanding.

#### EL MORRO

The following data relating to El Morro has been taken from *Historia de Puerto Rico*, by Paul G. Miller (Rand, McNally & Co., New York-Chicago), and is presented with the compliments of Company F, Sixty-fifth Infantry, United States Army, the present garrison of El Morro.

The first settlement in Puerto Rico was established by Ponce de León in 1508 across the bay from San Juan and was called Caparra (the guide can point out to you the location from the upper level). Ponce de León had a home in Caparra; he never lived in San Juan proper, which was settled in 1521. Casa Blanca, the residence of the commanding officer of the United States troops in Puerto Rico, was built originally in 1523, 2 years after the death of Ponce de León, by García Troche, a nephew, for a minor son, Luis Ponce de León.

The first fortification was the Fortaleza where the Governor's palace now stands; begun in 1533 but it was not finished until 1540.

The construction of the first fortification on the site of El Morro was begun in 1539. In 1541 the treasurer complained that the arms for the fort had not arrived. In 1555 the Governor reported that eight pieces of bronze had been placed in El Morro.

The construction of the fort was slow and the historian, Brau, reports that, "The Negro slaves brought in 50 years before for use on public works had nearly all died of old age."

In 1586 an annual assessment of money was charged against the treasurer of Mexico to build the public works at San Juan. These remittances constituted the principal supply of money from outside sources for the Government of Puerto Rico for 2 centuries.

In 1586, after Sir Francis Drake destroyed the city of Santo Domingo, it was decided to increase the fortifications of San Juan. The improvement of El Morro began with great activity in 1591.

Drake attacked San Juan in 1595. In March of that year a Spanish fleet en route from Mexico to Spain was driven into the harbor by a storm, and 2,000,000 pesos in gold and silver were deposited in the Fortaleza. The Spanish King advised the Governor that a strong force was being organized in England to take Puerto Rico.

Sir Francis Drake arrived off San Juan on the morning of November 22, 1595, and was fired on by the forts of El Morro and Escambrón (the small fort at the northeastern part of the island). That afternoon Sir Nicholas Clifford and Captains Brown and Strafford were mortally wounded while seated at supper with Sir Francis Drake. John Hawkins, a famous English mariner, was killed the same day. The following day the English fleet moved to the lee side of Cabras Island beyond the range of the Spanish guns, and Drake personally reconnoitered in a small boat, sounding the waters to find a way into the shore. At 10 that night he launched an attack on the Spanish ships in the harbor. He sent in 25 boats, with 50 or 60 men in each boat. They attempted to burn four Spanish ships and succeeded in burning one. The light from this ship made them a clear target for the Spanish artillery and they were driven back after an hour's hard fighting with the loss of 9 or 10 boats, 400 men, and many wounded. The next morning at 8 o'clock he sailed out to sea, but at 4 o'clock he was seen again approaching directly toward the entrance of the harbor and the Spaniards sank three ships in the channel to block it. Drake came up off the entrance to the harbor, but left the next day.

The Spanish King realized the danger of losing Puerto Rico, and consigned a special credit of 3,000,000 maravedies for the purchase of cannons and other arms and ordered a special credit of 6,000,000 maravedies with the treasurer of Mexico for completing the work on El Morro. These funds, however, had not arrived some time later when the new Governor arrived and found the garrison reduced to 134 infantrymen and 14 artillerymen.

On June 6, 1598, the Earl of Cumberland arrived in the bay just east of the island on which San Juan is situated, with one of the strongest forces ever organized against the Spanish. He tried first to force the San Antonio Bridge (then called the bridge of the soldiers) with 1,000 men, but failed. He then landed on the beach between Escambrón and the city proper with 200 pike men and 50 musketeers. They took the defenders of the bridge from the flank and rear. The remaining Spanish troops could not hold the forces of Cumberland and they retired into El Morro with about 250 men.

On the 19th Cumberland took possession of the city and placed his guns for an assault on El Morro. He opened breaches in the



walls and the fort was surrendered on the 21st. The day following the English fleet entered the bay.

Cumberland desired to make Puerto Rico an English colony and he ordered the Spanish to leave and called for volunteers who wished to remain. The epidemic which had reduced the Spanish forces now broke out among the English, and they lost 400 men from the 1,000 who had landed.

He sailed away, taking with him all the cannon, the bells of the church, and all the hides, ginger, and sugar that he was able to seize, to seek his fortune elsewhere. He left John Berkley in command.

Berkley, finding that the epidemic was causing many deaths among his people, abandoned the city on November 23, 1598, after it had been held by the English for 157 days.

The following year Spain sent 300 men to recover the city, but they found the city abandoned by the English.

The defenses of El Morro were improved and enlarged after the invasion by Cumberland. There are two tablets made of clay in the walls on the side toward the city which read as follows:

"Reinando Felipe tercero  
Felicísimo Rei de las Españas siendo  
su Gobernador Capitan General de esta  
Isla Sancho Ochoa de Castro Señor de la  
Salsolar de los Condes de Salvatierra  
se acabo este baluarte de Ochoa,  
asta el puesto de esta piedra.  
Año 1606."

Quarters for the troops, cisterns, and powder magazines were constructed and some of the defenses facing the city were erected.

On the 24th of September 1625 there appeared 17 Dutch ships, with 2,500 men, off El Morro. The Spanish commander expected them to attempt a landing east of the city and took two pieces of artillery from El Morro and constructed trenches east of the city to repel the attack. When the Dutch saw the Spanish works they sailed directly for the port and passed El Morro with little damage. Of the few pieces of artillery, some of the cannon had been charged for 4 years, and others when they were fired once were out of action. The Dutch occupied the city and tried to take El Morro. The Spanish troops finally arranged a sortie from the fort at the same time that a force from the mainland attacked the Dutch from the rear. The combined attacks drove them from the town and aboard the ships. A Spanish officer, a native of Puerto Rico, Juan de Amezquita, commanded this sortie and subsequently conducted himself with great valor in the final assault on the Dutch trenches. A monument to him has been erected near where the flagpole now stands.

On account of the attacks by the French, English, and Dutch established in the Windward Islands on Spanish shipping and towns, the King ordered the defenses of San Juan to be further improved. The original plans for El Morro had been made by Maj. Juan de Hell, an engineer of the Spanish forces some years before.

The defenses of El Morro were shown to be insufficient and a wall was begun around the entire city in 1630.

In 1646 Torres Vargas reported that they had expended on El Morro 1,900,000 ducats and to finish the work would require much more.

Carlos III sent Marshal de Campo Alejandro O'Reilly in 1765 to investigate the defenses. His report showed great deficiencies not only in the defenses but in the organization, discipline, and maintenance of the troops.

In view of this report, the King authorized the reconstruction of the fortifications of San Juan and he named a Colonel of Engineers, Tomas O'Daly, to direct the work. He assigned him a credit of 100,000 pesos annually to be remitted from Mexico, sent him a new regiment of troops and 445 prisoners to work on the fortifications and also placed at his disposal those prisoners who had been condemned for contraband commerce.

In 1776 he had reconstructed El Morro and had constructed defenses to the San Antonio bridge and had rebuilt San Cristóbal by 1783. This officer also paved the streets of San Juan.

On April 17, 1797, the English again attacked San Juan. The fortifications now contained 376 cannon, 35 mortars, 4 obuse, and 3 pedreros and a regular regiment of 938 men.

The British disembarked 7,000 men on the beach at Cangrejos, beyond where the Condado Vanderbilt Hotel now stands. They placed their guns near where the hotel now stands and bombarded the forts on the east end of the island but failed to reduce them and gave up the attempt on April 30, 1797.

In 1898 the first shot of the Spanish-American War in Puerto Rico was fired from San Cristóbal, which was under the command of Captain Rivero (now living in Puerto Rico) against the American cruiser *Yale*.

A naval fight occurred between the *St. Paul* and two small Spanish boats just off El Morro, in which the *St. Paul* was victorious.

Admiral Sampson bombarded the fort on the 12th of May 1898. He directed most of his fire into the harbor to find out if Admiral Cervera was there. The bombardment lasted 3 hours. The effects of the fire can be seen on the wall toward the sea.

The story is told that in 1917 a German ship in the harbor at the time war was declared tried to escape. The one gun available in El Morro was loaded and fired, the shot hit the water ahead of the ship, but the gun turned over and was out of action. The Germans believed that a disappearing gun had been fired and turned back into the harbor.

#### RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report on the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask the gentleman if he is going to call that bill up the first thing in the morning?

Mr. STEAGALL. I hope to do so.

Mr. SABATH. Mr. Speaker, reserving the right to object, may I ask if both of the amendments the House agreed on yesterday have been adopted in conference?

Mr. STEAGALL. I am sorry to say they have not.

Mr. McFARLANE. They have been ignored, as usual.

Mr. SABATH. Then the conferees did not pay any attention to the action of the House, and both of these amendments are out of the bill.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I am especially anxious about the amendment changing the date. Was the date changed in order to allow new business to come in?

Mr. STEAGALL. Yes.

Mr. PATMAN. Was the amendment retained which permits loans to be made where there is reasonable assurance of repayment?

Mr. STEAGALL. The language of the House was retained, which was the same as the Senate language. That matter was not in conference. I hope the gentleman will not ask me to discuss the entire conference report at this time.

Mr. SABATH. Mr. Speaker, it is manifestly unfair to the House for its conferees to yield on important amendments that were passed by nearly a unanimous vote of the House after general debate. These amendments were of very great importance. Of course, I recognize that this legislation must be enacted by tomorrow. If it were not for that fact I would object and insist that the House disagree to the action taken.

Mr. STEAGALL. May I say that I did not expect to be called upon to answer such inquiries at this time, but, to be frank with the gentleman, I may say that the House conferees yielded because of the compelling necessity for the enactment of this legislation tomorrow, and not for any other reason.

Mr. SABATH. The gentleman knows that similar provisions were carried in the securities exchange bill in 1934. I refer particularly to the provisions that protect the rights of bondholders in reorganizations, eliminate fraud, and safeguard the interest of millions of men and women of the United States. I am fearful that we are not protecting either their rights or interests by the elimination of these two important provisions. I shall not object at this time, in view of the fact that the matter will come up tomorrow, when I will demand to know the actual reasons for the elimination of these amendments, and, if possible, I shall insist that the conferees' report be disagreed to and the conferees be instructed to ask for another conference and to insist upon the retention of these amendments. I feel that I shall in this have the support of a majority of the Members of the House, who justifiably resent this disregarding of the will of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL. 1936

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that the general debate on the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, continue for not to exceed 2 hours tomorrow, the



time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3410. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

#### ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Thursday, January 31, 1935, at 12 o'clock noon.

#### COMMITTEE HEARING

The House Committee on Merchant Marine, Radio, and Fisheries will hold public meeting tomorrow, Thursday, at 10 a. m., on H. R. 111, on requisitioning of ships.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

172. A letter from the treasurer of the Washington Rapid Transit Co., transmitting copy of the balance sheet of the company as of December 31, 1934; to the Committee on the District of Columbia.

173. A letter from the Chairman of the Interstate Commerce Commission, transmitting report of the Federal Coordinator of Transportation on transportation legislation (H. Doc. No. 89); to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations.

174. A letter from the Secretary of the United States Employees' Compensation Commission, transmitting the annual report of the Commission covering the fiscal year ended June 30, 1934; to the Committee on the Judiciary.

175. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend an act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, approved April 15, 1926, so as to equalize the allowances for quarters and subsistence of enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

176. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointment as warrant or commissioned officers in the regular Navy, or as warrant or commissioned officers in the United States Naval Reserve force, for the purpose of promotion to chief warrant rank"; to the Committee on Naval Affairs.

177. A letter from the Acting Secretary of the Navy, transmitting draft of a proposed bill to authorize certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Naval Affairs.

178. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend section 7 of the act approved May 29, 1934 (48 Stat. 811); to the Committee on Naval Affairs.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 4751. A bill to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission; without amendment (Rept. No. 37). Referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1689) granting a pension to Julia C. Messamore; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4149) granting an increase of pension to Amanda E. Kellam; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1118) granting a pension to Mary A. Hayes; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 5049) providing punishment for forging or counterfeiting any postmarking stamp; to the Committee on the Post Office and Post Roads.

By Mr. BRUNNER: A bill (H. R. 5050) to provide for the construction of four vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: A bill (H. R. 5051) to amend the Civil Service Act approved January 16, 1883 (22 Stat. 403), and for other purposes; to the Committee on the Civil Service.

By Mr. DEROUEN: A bill (H. R. 5052) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes; to the Committee on Agriculture.

Also, a bill (H. R. 5053) to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; to the Committee on the Public Lands.

By Mr. DOCKWEILER: A bill (H. R. 5054) to amend an act approved August 13, 1894, entitled "An act for the protection of persons furnishing materials and labor for the construction of public works"; to the Committee on the Judiciary.

Also, a bill (H. R. 5055) to provide for rehabilitation and uniform pension for all totally blind soldiers of the Army, Navy, Marine Corps, and war nurses; to the Committee on Pensions.

By Mr. FADDIS: A bill (H. R. 5056) to authorize the correction of military records; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 5057) to amend sections 10 to 14, inclusive, of the act approved July 2, 1926 (44 Stat. 784, 789); to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 5058) to convey certain lands to Clackamas County, Oreg., for public-park purposes; to the Committee on the Public Lands.

By Mr. RAMSAY: A bill (H. R. 5059) authorizing the purchase of United States Supreme Court Decisions and Digest; to the Committee on the Library.

By Mr. SANDERS of Louisiana: A bill (H. R. 5060) to provide for an additional judicial district in Louisiana; to the Committee on the Judiciary.

By Mr. VINSON of Georgia: A bill (H. R. 5061) relating to the special tax on the selling of intoxicating liquor in violation of State and local laws; to the Committee on Ways and Means.



By Mr. MAPES: A bill (H. R. 5062) to amend certain provisions of the antitrust laws; to the Committee on the Judiciary.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5063) to provide that the pay of substitute post-office clerks and letter carriers be at the rate of 80 cents per hour, and for their promotion; to the Committee on the Post Office and Post Roads.

By Mr. DOCKWEILER: A bill (H. R. 5064) to establish a United States Army air base in Alaska to provide a supporting Army air base at a favorable and strategic location for the protection of the north Pacific and Alaskan coasts and coast cities; to the Committee on Military Affairs.

By Mr. HOLMES: A bill (H. R. 5065) to enable the Secretary of Agriculture to control and eradicate the Dutch elm disease in the New England States; to the Committee on Agriculture.

By Mr. MANSFIELD: A bill (H. R. 5066) to reduce freight rates on agricultural products; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5067) to reduce tariff duties; to the Committee on Ways and Means.

By Mr. WHITE: A bill (H. R. 5068) to fix the compensation of registers of local land offices; to the Committee on the Public Lands.

By Mr. BEITER: A bill (H. R. 5069) to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927; to the Committee on Indian Affairs.

By Mr. STACK: A bill (H. R. 5070) to renew appointments to regular positions in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN (by request): A bill (H. R. 5071) to promote the efficiency of national defense; to the Committee on Military Affairs.

By Mr. YOUNG: Resolution (H. Res. 91) authorizing the appointment of a special committee of five Members of the House of Representatives to investigate the Federal Home Loan Bank Board; to the Committee on Rules.

By Mrs. NORTON: Resolution (H. Res. 92) authorizing the expenditure of not more than \$5,000 by the Committee on the District of Columbia in the conducting of the investigation authorized by House Resolution 66; to the Committee on Accounts.

By Mr. WARREN: Resolution (H. Res. 93) to pay to Isaac S. Scott, brother of the late Albert Scott, \$246 to cover the latter's funeral expenses; to the Committee on Accounts.

By Mr. COX: Joint resolution (H. J. Res. 144) to require observance of the law relating to the apportionment among the several States and Territories and the District of Columbia of employees in the public service; to the Committee on the Civil Service.

By Mrs. KAHN: Joint resolution (H. J. Res. 145) authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition of 1938 at San Francisco, Calif.; to the Committee on Foreign Affairs.

By Mr. McCORMACK: Joint resolution (H. J. Res. 146) to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; to the Committee on the Judiciary.

By Mr. COX: Concurrent resolution (H. Con. Res. 5) concerning resolution favoring a uniform scale of rates on a mileage basis by interstate carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: Concurrent resolution (H. Con. Res. 6) authorizing an investigation of the vessels of the Ward Line or subsidiaries; to the Committee on Merchant Marine, Radio, and Fisheries.

#### MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Montana, memorializing Congress for the passage of legislation providing for the immediate conversion into cash of the adjusted-compensation certificate of the soldier of the World War; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Colorado, urging payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Maine, memorializing Congress to eliminate the Federal tax on gasoline; to the Committee on Ways and Means.

Also, memorial from the Legislature of the State of Idaho, favoring an old-age pension bill; to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ASHBROOK: A bill (H. R. 5072) granting a pension to William Bills; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 5073) granting a pension to Kate Beard; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 5074) granting a pension to John Doane Gardiner; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 5075) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army, and his retirement in that grade; to the Committee on Military Affairs.

By Mr. DOCKWEILER: A bill (H. R. 5076) to correct the naval record of Comdr. Royall Roller Richardson; to the Committee on Naval Affairs.

Also, a bill (H. R. 5077) for the relief of Walter E. Sharon; to the Committee on Naval Affairs.

Also, a bill (H. R. 5078) for the relief of Mrs. Charles F. Eikenberg; to the Committee on Claims.

Also, a bill (H. R. 5079) for the relief of John G. DeMuth; to the Committee on Military Affairs.

Also, a bill (H. R. 5080) to allow the Distinguished Service Cross for service in the Philippine Insurrection to Ross I. Barton; to the Committee on Military Affairs.

By Mr. ENGEL: A bill (H. R. 5081) granting a pension to Rebecca Barnard; to the Committee on Pensions.

By Mr. ENGLEBRIGHT: A bill (H. R. 5082) to correct the military record of Nathan Albeer Gregory; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 5083) providing for an examination and survey of Sandy River, near Troutdale, Oreg; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5084) granting an increase of pension to Mary A. Ballard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5085) granting an increase of pension to Nettie M. Underwood; to the Committee on Pensions.

Also, a bill (H. R. 5086) for the relief of Lelia McKay; to the Committee on Claims.

Also, a bill (H. R. 5087) for the relief of Edward M. Brown; to the Committee on the Post Office and Post Roads.

By Mr. FLETCHER: A bill (H. R. 5088) for the relief of Henry J. Corcoran; to the Committee on Military Affairs.

By Mr. FORD of California: A bill (H. R. 5089) for the relief of H. B. Van Brunt; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 5090) for the relief of Julius A. Geske; to the Committee on Claims.

Also, a bill (H. R. 5091) for the relief of E. H. Estabrook; to the Committee on Claims.

Also, a bill (H. R. 5092) for the relief of Charles W. Lynch; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 5093) granting an increase of pension to Nathan Ain; to the Committee on Pensions.

By Mr. HEALEY: A bill (H. R. 5094) granting a pension to Julia Agnes Silva; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5095) to authorize the presentation to Frank E. Abbott of a Distinguished Service Cross; to the Committee on Naval Affairs.



Also, a bill (H. R. 5096) for the relief of Domenico Conte; to the Committee on Claims.

Also, a bill (H. R. 5097) for the relief of Mary E. Lord; to the Committee on Claims.

Also, a bill (H. R. 5098) for the relief of John A. Lane; to the Committee on Military Affairs.

Also, a bill (H. R. 5099) for the relief of Albert Henry George; to the Committee on Naval Affairs.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5100) for the relief of Michael F. Calnan; to the Committee on Naval Affairs.

By Mr. HOLMES: A bill (H. R. 5101) for the relief of Adrian Van Leeuwen; to the Committee on Military Affairs.

Also, a bill (H. R. 5102) for the relief of Hector H. Perry; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 5103) granting an increase of pension to Orrie S. McCutcheon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5104) granting an increase of pension to Carrie A. Groce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5105) granting a pension to Unoca Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5106) granting an increase of pension to Sarah L. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5107) granting an increase of pension to Josinah Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5108) granting an increase of pension to Sarah E. Boler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5109) granting an increase of pension to Lucy A. Cartmell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5110) granting an increase of pension to Malinda J. Jacobs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5111) granting an increase of pension to Margaret E. Gorrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5112) granting an increase of pension to Nannie Queen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5113) granting an increase of pension to Emeline Petty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5114) granting an increase of pension to Hannah Gibbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5115) granting an increase of pension to Flerria Messick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5116) granting an increase of pension to Mary M. Gibbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5117) granting an increase of pension to Phoebe A. Kimes; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 5118) granting an increase of pension to Mary Baldwin Kennedy; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H. R. 5119) for the payment of the claims of the Fidelity Trust Co., of Baltimore, Md., and others; to the Committee on Claims.

By Mr. KIMBALL: A bill (H. R. 5120) for the relief of Elmer E. Lawrence; to the Committee on Military Affairs.

By Mr. KOCIALKOWSKI: A bill (H. R. 5121) for the relief of Louis Zagata; to the Committee on Claims.

By Mr. McCLELLAN: A bill (H. R. 5122) for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, Jim Hamilton, Otis Hamilton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, J. E. Seymour, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome DuPree, J. R. Mitchell, Roxie Anderson, J. L. Mitchell, and J. C. Russell; to the Committee on Claims.

By Mr. McFARLANE: A bill (H. R. 5123) for the relief of I. H. Martin and Sarah Jane Tilghman, legal heirs of Benjamin Martin, deceased; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 5124) for the relief of James Darcy; to the Committee on Military Affairs.

By Mr. MAPES: A bill (H. R. 5125) granting a pension to Maryette Sweet; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5126) granting a pension to Alice C. Waters; to the Committee on Invalid Pensions.

By Mr. MAVERICK: A bill (H. R. 5127) for the relief of D. E. Sweinhart; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 5128) granting a pension to Golda Stump Darr; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5129) for the relief of William W. Collins; to the Committee on Military Affairs.

Also, a bill (H. R. 5130) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to J. M. Fraley; to the Committee on Claims.

Also, a bill (H. R. 5131) for the relief of Elmer Blair; to the Committee on Military Affairs.

Also, a bill (H. R. 5132) granting a pension to Laura B. Poore; to the Committee on Pensions.

By Mr. ROGERS of New Hampshire: A bill (H. R. 5133) for the relief of Nellie Oliver; to the Committee on Military Affairs.

By Mr. ROMJUE: A bill (H. R. 5134) authorizing a preliminary examination and survey of the North Fabius River in Lewis County, Mo., with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. RYAN: A bill (H. R. 5135) for the relief of Frank G. Babcock; to the Committee on Military Affairs.

Also, a bill (H. R. 5136) for the relief of John W. Sweger; to the Committee on Claims.

Also, a bill (H. R. 5137) for the relief of Rogowski Bros.; to the Committee on Claims.

By Mr. SCHAEFER: A bill (H. R. 5138) granting an increase of pension to Catherine Becherer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5139) for the relief of Joseph M. Black; to the Committee on Military Affairs.

By Mr. SOMERS of New York: A bill (H. R. 5140) for the relief of Max Gordon; to the Committee on Claims.

By Mr. SOUTH: A bill (H. R. 5141) granting a pension to Maude Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5142) granting a pension to Emma L. Lee; to the Committee on Pensions.

By Mr. STACK: A bill (H. R. 5143) granting a pension to Reimhold J. Schaaf; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 5144) granting a pension to Nellie Woodard; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 5145) for the relief of Marion Ray; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H. R. 5146) for the relief of James J. Orme; to the Committee on Military Affairs.

Also, a bill (H. R. 5147) granting a pension to Emily Jordan Martin; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 5148) granting a pension to Annie McKown; to the Committee on Invalid Pensions.

By Mr. ZIONCHECK: A bill (H. R. 5149) authorizing payment to Peter C. McCartin of allotments made to his children under the Veterans' Act of 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 5150) for the relief of Alexander E. Kovner, of Seattle, Wash.; to the Committee on Claims.

Also, a bill (H. R. 5151) granting a pension to Rebecca Patterson; to the Committee on Pensions.

By Mr. DOCKWEILER: Joint resolution (H. J. Res. 143) awarding Distinguished Service Medals to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection; to the Committee on Military Affairs.

#### PETITIONS, ETC.

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

564. By Mr. BEITER: Petition of the Ninth Ward Taxpayers Association, Buffalo, N. Y., urging passage of the bill appropriating \$4,800,000,000 for Public Works projects and work relief; to the Committee on Appropriations.

565. Also, petition of the Erie County Board of Supervisors, Buffalo, N. Y., urging passage of the bill appropriating \$4,800,000,000 for Public Works and relief projects, and recommending that a certain allotment be provided for grade-crossing improvements; to the Committee on Appropriations.



566. By Mr. BOYLAN: Letter from the New York Press Association, Elmira, N. Y., protesting against Post Office Department Order No. 6338, dated October 12, 1934, permitting a general distribution of advertising circulars addressed in simplified form, omitting names and addresses; to the Committee on the Post Office and Post Roads.

567. Also, letter from Lipton & Hartman, fur merchants, New York City, urging the repeal of the 10-percent excise tax on furs; to the Committee on Ways and Means.

568. Also, letter from the National Fur Tax Committee, New York City, protesting against the 10-percent excise tax on furs; to the Committee on Ways and Means.

569. Also, letter from the Central Trade and Labor Council of New York City, vigorously protesting against the continuance of the Federal pay cut of postal employees; to the Committee on the Post Office and Post Roads.

570. By Mr. BRUNNER: Resolution of the John J. McGrath Democratic Association, 110-15 Two Hundred and Tenth Street, St. Albans, N. Y., urging Congress to make an additional appropriation to carry on the activities of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

571. By Mr. BUCKLER of Minnesota: Petition of Bozena M. Grathwol and members of the Ladies' Auxiliary Unit, of Burlebach Post, No. 61, of the American Legion, Perham, Minn., praying for the immediate payment of the adjusted-service certificates and the enactment of a universal-draft law; to the Committee on Ways and Means.

572. Also, petition of A. W. Bowman and members of Townsend Club No. 1, of Moorhead, Minn., praying for support and votes for the Townsend old-age-pension act; to the Committee on Ways and Means.

573. By Mr. DUFFY of New York: Petition of the Bricklayers, Stonemasons, Plasterers, Marblemasons, Tilelayers, and Terrazo Workers' International Union No. 11, of Rochester, N. Y., opposing the extension of the Federal Emergency Relief Administration work to include new construction or major repairs, and resolving that public officials be urged to make every effort to create new construction projects on a contract basis whereby the regular workers of the industry can be provided with employment; to the Committee on Banking and Currency.

574. Also, memorial of the Legislature of the State of New York to the United States Congress, to consider legislation looking to either taking all profits out of war, or putting the business of manufacturing munitions of war solely in the hands of the United States Government; to the Committee on Military Affairs.

575. Also, petition of the Order of Benefit Association of Railway Employees, urging enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation as recommended by the Federal Coordinator; to the Committee on Interstate and Foreign Commerce.

576. Also, petition of the Rochester Council, No. 178, Knights of Columbus, of Rochester, N. Y., protesting against the activities of the National Revolutionary Party in Mexico, and urging the Congress of the United States to refrain from trade relations, etc., which are profitable to the supporters of the National Revolutionary Party, and urging tourists not to visit Mexico; to the Committee on Foreign Affairs.

577. Also, petition of the National Guard Association of the State of New York, Albany, N. Y., respectfully petitioning Congress to eliminate from that portion of the Army appropriation bill affecting National Guard activities any provision which would affect the right of Federal pay or Federal recognition of any member of the National Guard of the State of New York; to the Committee on Appropriations.

578. By Mr. FOCHT: Petition of Charles D. Hendershot and numerous other citizens of Fulton County, a part of the Eighteenth Congressional District of Pennsylvania, supporting House bill 2856 for the relief of the aged; to the Committee on Ways and Means.

579. By Mr. HESS: Resolution adopted by Cincinnati Division, No. 137, Order of Benefit Association of Railway Employees, urging the enactment of legislation to modify section 4 of the Interstate Commerce Act as recommended by Federal Coordinator Eastman; to the Committee on Interstate and Foreign Commerce.

580. Also, petition of various citizens of the Second District of Ohio, urging the enactment of House bill 2856, providing for old-age pensions; to the Committee on Ways and Means.

581. By Mr. KNIFFIN: Resolution of the Montpelier Chamber of Commerce, Montpelier, Ohio, calling for the immediate cash payment of the soldiers' adjusted-service certificates, with cancelation of interest accrued and refund of interest paid; to the Committee on Ways and Means.

582. By Mr. MERRITT of New York: Petition of Ottmar Mergenthaler Unit, No. 64, Steuben Society of America, to the Congress of the United States advocating adequate preparation for national defense and in case of war the conscription of capital and labor, as well as of man power; also favoring adoption of an amendment to the Constitution of the United States to the effect that our Government shall not engage in acts of war except it be for the purpose of repelling invasion until after an opportunity by means of referendum shall have been given the people of the United States, who are entitled by the right of franchise to express their will in the matter; to the Committee on Military Affairs.

583. By Mr. MILLARD: Resolution adopted by the members of Council No. 311, Knights of Columbus, New York City, protesting certain alleged acts of the National Revolutionary Party in Mexico; to the Committee on Foreign Affairs.

584. By Mr. McLAUGHLIN: Petition requesting the United States Government to establish a national arboretum at Nebraska City, Nebr.; to the Committee on Public Buildings and Grounds.

585. By Mr. PARKS: Petition regarding old-age pension; to the Committee on Ways and Means.

586. By Mr. PFELFER: Petition of Fur Post, No. 1049, American Legion, Department of New York, opposing continuance of the 10-percent excise tax on furs wholesaling for \$75 or more; to the Committee on Ways and Means.

587. Also, petition of the Pittsburgh Central Labor Union, Pittsburgh, Pa., urging support and enactment of the McCarran-Griswold bill; to the Committee on Labor.

588. Also, petition of the New York State Council of Churches and Religious Education, Albany, N. Y., urging support of the Wagner-Costigan antilynching law; to the Committee on the Judiciary.

589. Also, petition of the Beyer Fur Shop, Schenectady, N. Y., protesting against the 10-percent excise tax on furs; to the Committee on Ways and Means.

590. Also, petition of the Second Division Post, No. 860, American Legion, New York, endorsing the Vinson bill (H. R. 3896); to the Committee on Ways and Means.

591. By Mr. PLUMLEY: Petition of the Burlington (Vt.) Stamp Club, urging that appropriate legislation be enacted to preclude the possibility of Government postage stamps in unauthorized form reaching the public other than through sale by the Post Office Department; to the Committee on the Post Office and Post Roads.

592. Also, resolution of Burlington Post, No. 27, of the American Veterans' Association, Burlington, Vt., endorsed by 23 members, regarding Federal legislation toward veterans; to the Committee on World War Veterans' Legislation.

593. By Mrs. ROGERS of Massachusetts: Petition of the City Council of the City of Woburn, Mass., recording itself as favoring the passage of the old-age assistance or pension bill; to the Committee on Ways and Means.

594. By Mr. RUDD: Petition of the National Guard Association of the State of New York, regarding Federal pay and allowances or Federal recognition of any member of the National Guard of the State of New York qualified to serve therein; to the Committee on Appropriations.



595. Also, petition of the Woodhaven Council, No. 1866, Knights of Columbus, Woodhaven, Long Island, N. Y., concerning the activities of the National Revolutionary Party of Mexico, etc.; to the Committee on Foreign Affairs.

596. Also, petition of the Captains and County Committeemen's Club, Third Zone, Fourth A. D. Queens, Springfield, Long Island, N. Y., regarding the continuation of the Home Owners' Loan Corporation and the advancing of an additional fund of \$3,000,000,000 by the Government for this purpose; to the Committee on Banking and Currency.

597. Also, petition of the New York State Council of Churches and Religious Education, regarding the Costigan-Wagner Antilynching Law; to the Committee on the Judiciary.

598. By Mr. RYAN: Petition of 1,337 citizens of Cottonwood County, Minn., urging the enactment by Congress of the Townsend old-age pension bill; to the Committee on Ways and Means.

599. By Mr. SCOTT: Petition of W. R. Douglas and 9 others, Edith Byers and 41 others, N. S. Surls and 35 others, Mrs. Barber M. King and 10 others, Mrs. J. S. Humbert and 51 others, of Long Beach, Calif., and many others by personal letters, favoring the Townsend old-age revolving pension; to the Committee on Ways and Means.

600. By Mr. SCHAEFER: Petition of H. H. Hall, John A. Lang, and others, of East St. Louis, and A. C. Hoeffken, Henry F. Hoeffken, Louis Ruff, and George A. Kloess, of Belleville, Ill., favoring contract system for \$4,000,000,000 Public Works program in preference to day-labor system; to the Committee on Appropriations.

601. Also, petition of H. A. Kruse and other furriers, of Chicago, Ill., against the existing 10-percent excise tax on fur; to the Committee on Ways and Means.

602. By Mr. TARVER: Petitions of Susie P. Henderson and 18 other citizens of Dade County, B. F. Williams and 14 other citizens of Haralson County, Lula Ryals and 19 other citizens of Floyd County, Mrs. W. H. Strain and 17 other citizens of Chattooga County, Belle Paris and 56 other citizens of Dade County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

603. By Mr. TRUAX: Petition of Mary Oliver and other citizens of Cleveland, Ohio, urging and demanding that Congress enact the old-age pension bill, as sponsored and approved by Dr. J. E. Pope, editor of the National Forum and president of the National Old Age Pension Association and the Nonpartisan Voters' Secret League, as embodied in House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma, embracing the following: A Federal pension of \$30 to \$50 per month to every man and woman above the age of 55, financed on a contributory basis, or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pensions; to the Committee on Labor.

604. Also, petition of Zanesville Federation of Labor, by their secretary, Joseph A. Bauer, recommending that 10-cent cigarettes be taxed \$2.70 per thousand while 15-cent cigarettes be taxed \$3 per thousand; to the Committee on Ways and Means.

605. Also, petition of the Labor & Relief Workers Union, having assembled in a general meeting on the 18th day of January 1935, at 188 Doty Street, city of Fond du Lac, county of Fond du Lac, State of Wisconsin, and having endorsed House bill 2827, known as the "Workers' Unemployment, Old Age, and Insurance Act", do, therefore, demand that CHARLES V. TRUAX, member of the House Labor Committee, immediately endorse and support House bill 2827, and also give a recommendation to Congress approving the bill and demanding quick action; to the Committee on Labor.

606. Also, petition of the stockholders of the Champaign County National Farm Loan Association, by their secretary, Edwin L. English, requesting that interest rates upon the Federal land bank and land-bank commissioner loans should

be further reduced from the schedule fixed by the Emergency Farm Mortgage Act of 1933, and that the Farm Credit Administration and Federal Land Bank of Louisville be, and they are hereby, requested and urged to take the necessary steps toward granting a further reduction in interest rates to borrowers in the Federal land-bank system; to the Committee on Agriculture.

607. By the SPEAKER: Petition of the city of Cleveland, Ohio; to the Committee on Ways and Means.

## SENATE

THURSDAY, JANUARY 31, 1935

(Legislative day of Wednesday, Jan. 30, 1935)

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

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 30, 1935, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

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

H. R. 3410. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

### 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.

### THOMAS JEFFERSON MEMORIAL COMMISSION

The VICE PRESIDENT. The Chair appoints the Senator from Mississippi [Mr. HARRISON], the Senator from Utah [Mr. THOMAS], and the Senator from Oregon [Mr. McNARY] as members of the Thomas Jefferson Memorial Commission, created by Public Resolution No. 49, Seventy-third Congress, approved June 26, 1934.

Mr. HARRISON subsequently said: Mr. President, this morning the Vice President very graciously appointed me as a member of the Thomas Jefferson Memorial Commission. I should be very glad to serve on that Commission, but there are so many matters coming before my committee that I hope the Vice President will excuse me and appoint someone else in my place.

The VICE PRESIDENT. Without objection, the resignation of the Senator from Mississippi from the Commission will be accepted; and the Chair appoints the Senator from Connecticut [Mr. LONERGAN] in his place.

### REPORT OF THE FEDERAL HOUSING ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Federal Housing Administration, submitting, pursuant to law, the first annual report on the operations of the Administration commencing with the approval of the National Housing Act on June 27, 1934, and ending December 31, 1934, which, with the accompanying report, was referred to the Committee on Banking and Currency.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on the Judiciary: