1395. Also, petition memorializing the Congress of the United States of America to enact remedial legislation for refinancing of farm mortgages; to the Committee on Banking and Currency.

1396. Also, petition memorializing the Congress of the United States to promote, initiate, and support such legislation as will increase the demand for agricultural products, especially legislation on motor-vehicle fuels to contain grain alcohol; to the Committee on Agriculture.

1397. By Mr. PFEIFER: Petition of New York State Congress of Parents and Teachers, Inc., Batavia, N. Y., urging the Department of the Interior to establish a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education, suitable entertainment, etc.; to the Committee on Education.

1398. Also, Concurrent Resolution No. 42, Senate of the State of New York, Albany, concerning the preservation of Niagara Falls; to the Committee on Rivers and Harbors.

1399. By Mr. RUDD: Petition of the Senate of the Legislature of the State of New York, concerning the preservation of Niagara Falls; to the Committee on Rivers and Harbors.

1400. By Mr. SADOWSKI: Petition of Group 855 of the Polish National Alliance, memorializing Congress to enact a resolution directing the President of the United States to proclaim October 11 of each year General Pulaski Memorial Day; to the Committee on the Judiciary.

1401. By Mr. TARVER: Petitions of J. C. Payne and 28 citizens of Polk County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

1402. Also, petition of certain citizens resident of the county of Floyd in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1403. Also, petition of certain citizens resident of the county of Haralson in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1404. By Mr. TERRY: Petitions concerning old-age pensions; to the Committee on Ways and Means.

1405. By Mr. THOMASON: Petition of residents of Midland County, Tex., endorsing the Townsend plan of old-age-pension legislation; to the Committee on Ways and Means.

1406. Also, petition of residents of El Paso County, urging support of House bill 3263, amending the long and short haul clause of section 4 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1407. Also, petition of residents of El Paso County, Tex., endorsing the Townsend plan of old-age-pension legislation; to the Committee on Ways and Means.

1408. By Mr. TREADWAY: Resolution adopted by Group No. 2734, Polish National Alliance of the United States of North America, Westfield, Mass., urging the designation of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

1409. By Mr. TRUAX: Petition of members of the Townsend Club of Steilacoom, Wash., by their secretary, Alice B. Campbell, urging the immediate enactment into law of the Townsend old-age-pension plan; to the Committee on Ways and Means.

1410. Also, petition of the Akron Junior Chamber of Commerce, by their president, Ralph C. Gross, Akron, Ohio, endorsing the present excise tax on copper and determining that it is urgently necessary for Congress to reenact this tax; to the Committee on Ways and Means.

1411. Also, petition of St. Joseph Society, by their president, Emanuel Hejia, Cleveland, Ohio, endorsing the workers' bill (H. R. 2827); to the Committee on Labor.

1412. Also, petition of Independent Merchants Association, Bohemian National Home, by their president, J. J. Vanecek, Cleveland, Ohio, endorsing the workers bill (H. R. 2827); to the Committee on Labor.

1413. Also, petition of Columbiana County Council of American Legion, East Liverpool, Ohio, by their adjutant, George C. Grafto, urging the enactment of legislation for the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

1414. Also, petition of the Unemployment Council, Cleveland, Ohio, by their secretary, A. Glick, demanding the enactment of a Federal system of genuine unemployment insurance as contained in the Workers' Act (H. R. 2827), in order that their future and the future of all workers, farmers, professionals, and other unemployed and their dependents may be more secure; to the Committee on Labor.

1415. By Mr. ROGERS of New Hampshire: Memorial of Group No. 874 of the Manchester (N. H.) Polish National Alliance of the United States of America, favoring the enactment of House Joint Resolution 81 relative to General Pulaski's Memorial Day; to the Committee on the Judiciary.

1416. By Mr. STEFAN: Resolution of the Nebraska State Senate, memorializing the Congress of the United States to acquire the Daniel Freeman farm in Gage County, Nebr., for the purpose of establishing it as a national monument to mark the filing of homestead no. 1 of the United States and to commemorate the development of the agricultural empire of the West; to the Committee on the Public Lands.

1417. Also, resolution of Nebraska House of Representatives, memorializing the Congress of the United States to promote, initiate, and support such legislation as will increase the demand for agricultural products, and especially legislation on motor-vehicle fuels, to contain grain alcohol; to the Committee on Agriculture.

1418. By Mr. WEAVER: Petition of various citizens of the Eleventh Congressional District of North Carolina, asking for the enactment of House bill 2856; to the Committee on Ways and Means.

1419. By Mr. MARTIN of Massachusetts: Petition of Group No. 1054 of the Polish National Alliance of Taunton, Mass., urging the enactment of House Joint Resolution 81, for the observance of the anniversary of the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

SENATE

MONDAY, FEBRUARY 18, 1935

(Legislative day of Friday, Feb. 15, 1935)

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

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the Journal of the proceedings of the calendar day Friday, February 15, 1935, was dispensed with, and the Journal was approved.

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 following bills, in which it requested the concurrence of the Senate:

H. R. 240. An act for the relief of Capt. Alexander C. Doyle;

H. R. 330. An act for the relief of Sophie de Sota;

H. R. 340. An act for the relief of Louis Zagata;

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 426. An act for the relief of Jacob Santavy;

H. R. 529. An act granting compensation to George S. Conway, Jr.;

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased;

H. R. 593. An act for the relief of Fred C. Blenkner;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 1073. An act for the relief of John F. Hatfield;

H. R. 1119. An act for the relief of Joseph W. Harley;

H. R. 1438. An act for the relief of Carrie McIntyre;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 1575. An act to correct the military record of John S. Cannell, deceased;

H. R. 1951. An act for the relief of John J. O'Connor;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 3128. An act for the relief of Rossetta Laws;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 2480. An act for the relief of Charles Davis;

H. R. 2485. An act for the relief of William Estes;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson;

H. R. 3105. An act for the relief of Samuel Kaufman;

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States Military Reservation at Fort Lewis, Wash.;

H. R. 3373. An act for the relief of Anna S. Carrigan;

H. R. 3558. An act for the relief of Capt. Walter S. Bramble;

H. R. 3721. An act for the relief of Angelo J. Gillotti; and

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as "Carl Lindo".

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

Mr. ROBINSON. I announce that the junior Senator from Louisiana [Mr. OVERTON] is absent because of illness, that the Senator from New York [Mr. COPELAND] is absent because of illness in his family, and that the Senator from Connecticut [Mr. MALONEY] and the senior Senator from Louisiana [Mr. LONG] are unavoidably detained from the Senate.

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

YELLOWSTONE RIVER COMPACT BETWEEN WYOMING AND MONTANA (S. DOC. NO. 20)

The VICE PRESIDENT laid before the Senate a letter from William A. Lamb, commissioner for the United States, Yellowstone River compact between the States of Wyoming and Montana, reporting, pursuant to law, that on the 6th day of February 1935, at Cheyenne, Wyo., the commissioners of the States of Montana and Wyoming and the commissioner representing the United States entered into a compact of agreement for the division of the waters of the Yellowstone River, which, with the accompanying copy of compact, was referred to the Committee on Irrigation and Reclamation and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of Massachusetts, memorializing Congress to enact legislation for the relief of the cotton and textile manufacturing industry from the burden imposed upon it by the cotton processing tax, which was referred to the Committee on Agriculture and Forestry.

(See resolutions printed in full when presented today by Mr. WALSH, p. 2063.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho, favoring the prompt enactment of legislation remonetizing silver at the ratio of 16 to 1, which was referred to the Committee on Banking and Currency.

(See joint memorial printed in full when presented today by Mr. POPE, p. 2062.)

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution memorializing the Congress of the United States to promote, initiate, and support such legislation as will increase the demand for agricultural products, and especially legislation on motor-vehicle fuels to contain grain alcohol

Whereas agriculture is the basic industry of this country and the prosperity of the entire United States of America is dependent upon the prosperity of the agricultural regions; and

Whereas reduction programs limit the amount of work to be done and the amount of equipment needed and is thus disadvantageous to labor; and

Whereas the sounder bases to prosperity is to increase the demands for agricultural products by adoption of legislation carrying into effect such purposes: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth regular session assembled—

1. That this house hereby respectfully petitions and memorializes the Congress of the United States to promote, initiate, and support any legislation that will increase the demand for agricultural products, and especially to promote, initiate, and support any legislation for the purpose of requiring all motor-vehicle fuels to contain grain alcohol in the percentage shown to produce a sufficient fuel. That the chief clerk of this house is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, to the Vice President as Presiding Officer of the United States Senate, to the Speaker of the House of Representatives of the United States, and to the United States Senators and Congressmen representing the State of Nebraska in the Congress, to the end that our Representatives in Washington may have our views upon this important subject.

The VICE PRESIDENT also laid before the Senate the following resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

House Resolution A–2

TWENTY-FOURTH LEGISLATIVE ASSEMBLY,
OF THE STATE OF NORTH DAKOTA,

Memorial to our President and Congress

Be it resolved by the House of Representatives of the State of North Dakota (the Senate concurring), That—

Whereas there are a number of so-called "farm-relief bills" pending in the present Congress, most of which bills are just make-believe farm relief, and mere gestures, and intended to deceive and mislead the farmers of this Nation; and

Whereas there is now pending and has been pending before the present Congress a real farm-relief bill known as the "Frazier-Lemke United States Senate bill 212", which provides that the United States Government shall refinance the existing farm indebtedness at 1½-percent interest and 1½-percent principal on the amortization plan, not by issuing bonds, but by issuing Federal Reserve notes, secured by first mortgages on farms—the best security on earth—better than foreign bonds, and far better than the security put up for Federal Reserve notes by the Federal Reserve Board; and

Whereas two or three billion dollars used as a revolving fund will be sufficient to refinance the nine and one-half billion dollars of farm indebtedness, and the Government will make $6,345,000,000, gross profit at 1½-percent interest, in 47 years; and

Whereas, if this bill is passed, it will put from two to three billion dollars new money in circulation among the people; it will loosen the frozen assets of the Nation; the unemployed will again be able to get work and eat; the price of agricultural products will go up; the starving of millions will end, and business will again be general; and

Whereas there is also pending before the present Congress a real cost-of-production bill, agreed to a year ago by three great farm organizations—the Farmers Union, the Farm Bureau, and the Grange—which bill is known as the "McNary bill", in the Senate, and which provides for the cost of production of that part of American agriculture consumed or used within the United States; and

Whereas this bill is far superior to the so-called "Jones bill" in that it is not loaded down with cumbersome and expensive machinery and limited to only part of the agricultural products;

Now, therefore, the Legislature of North Dakota respectfully petitions the Honorable Franklin D. Roosevelt, our President, in whose ability and wisdom we have unbounded faith, to carefully consider the Frazier-Lemke bill and the McNary bill, above referred to, which we believe are far superior to any measures so far introduced in Congress or discussed in public, and which we believe will put an end to this depression that has all but wrecked this Nation; and be it further

Resolved, That we respectfully request the next Congress to give careful consideration to these two bills and to pass them without further delay. This, we believe, was the mandate of the people of this Nation in the last election.

The Frazier-Lemke bill has the endorsement of 20 or more State legislatures, including Montana, North Dakota, South Dakota, Minnesota, Wisconsin, Illinois, and Nevada, and if passed, together with the McNary bill, will give sure and certain relief immediately to agriculture and the wheels of industry will start again, the depression will end, and the confidence of the people in this Nation will again be restored; and be it further

Resolved, That a copy of this resolution be forwarded to President Franklin D. Roosevelt, the President of the United States Senate, the Speaker of the United States House of Representatives, the Honorable Henry A. Wallace, Secretary of Agriculture, Congressmen WILLIAM LEMKE and USHER L. BURDICK, United States Senators LYNN J. FRAZIER and GERALD P. NYE.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNNELL,
Secretary of the Senate.

Dated February 7, 1935.
Filed February 13, 1935.

JAMES D. GRONNA,
Secretary of State.
CHARLES LEISSMAN,
Deputy.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution A–7

TWENTY-FOURTH LEGISLATIVE ASSEMBLY
OF THE STATE OF NORTH DAKOTA.

Federal feed supply

Whereas elaborate preparations were made by the United States Government to provide feed for stock in North Dakota, and to that end there has been concentrated in several of the cities of North Dakota a large supply of both hay and straw; and

Whereas it is now very apparent that a large amount of this hay and straw will be left to rot unless some provision is made for a more adequate and liberal system of distribution; and

Whereas owing to the severe cold weather a large amount of stock already has died from lack of feed and many thousand additional head are in such physicial condition that they will starve in the near future and result in a tremendous loss to the owners unless some immediate relief is furnished; and

Whereas it is certain that the Government is going to take a huge loss on the hay and straw piled up as above stated owing to the high price paid and the inability of our farmers to buy: Therefore be it

Resolved by the Legislative Assembly of the State of North Dakota, That this condition be brought to the attention of the President of the United States, the Congress of the United States, Federal, State, and local relief administrators, and they be urged to take immediate and definite steps to see that this situation is remedied; that the hay and straw now piled up be distributed to the farmers in need of it, and where it appears that the owners of stock are unable to purchase same it be distributed upon an equitable basis without charge; and be it further

Resolved, That the clerk is instructed to mail authenticated copies hereof to President Roosevelt, to the Vice President, to the Speaker of the House of Representatives, the Federal Relief Administrator in Washington, and the local Federal administrator.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNNELL,
Secretary of the Senate.

Filed in this office this 13th day of February 1935.

JAMES D. GRONNA,
Secretary of State.
By CHARLES LIESSMAN,
Deputy.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Banking and Currency:

A concurrent resolution memorializing Congress to enact a law whereby the States may use a part of the credit given to the United States in obtaining money to give employment to the unemployed and the carrying on of great public improvements without the high rate of interest being charged to obtain money

Whereas our country is in a very deplorable condition financially, and millions of our fellow citizens are unemployed and have not the opportunity to enter into employment in any gainful trade whereby they may obtain the mere means of existence; and

Whereas our Federal Government has unitized in it the credit of all the States, and under the Constitution is clothed with the power to coin money and issue currency; and

Whereas the great State of Texas, with a 6,000,000 population, is entitled to the enjoyment of a part of this credit, and has within her bounds tens of thousands of unemployed who are now suffering, and will continue to suffer, for the necessaries of life; and

Whereas the State of Texas has voted twenty million in bonds to give a measure of relief to these unemployed, and there is a great demand for more money, and the relief burden for these people is becoming too great for the State to continue to pay the high rate of interest on nontaxable bonds to the money lenders; and

Whereas the currency of this country has been monopolized by the national banks and the Federal Reserve bank under Federal law, and it is most difficult to obtain money without paying high interest and giving security of a kind that is hard to obtain; and

Whereas the State of Texas and all other sovereign States should enjoy the use of a part of the credit which they have delegated to the Federal Government in order that these States may have money for the erection of great necessary public improvements from which revenue may be obtained to repay the loans; and

Whereas there is still crying need for many public improvements to the end that the unemployed may be given work, and especially that the people may have the beneficial enjoyment of additional improvements of many kinds in the reclamation of lands, the building of highways, bridges, storing of flood waters, and many other things; and

Whereas the employment of the idle will place purchasing power in their hands, and there will then be a salutary demand for the products of stock raising, agriculture, and our industries; and

Whereas it is not necessary that the sovereign States should have to bear the burden of paying interest for money on their own credit by the issuance of bonds that bear high interest: Therefore be it

Resolved by the house of representatives (the senate concurring), That we do hereby memorialize the Congress of the United States of America to enact speedily a law whereby the different States may have the opportunity to borrow from the Federal Government and use money based on the bonds of each State, which bonds shall bear interest not exceeding 1 percent to pay for the accounting and printing of said currency, money for the building of roads and bridges, the reclamation of lands, conservation of soil, storing of flood waters, and various other necessary public improvements within their territory to the end that thousands of men may be given employment; and be it further

Resolved, That we petition the Congress of the United States to provide by law that such money may be paid back in from 30 to 40 years payable one-thirtieth to one-fortieth each year for the said period, to be paid out of the revenues of the public improvements to be erected. We further show the Congress of the United States that by this method we will have an enormous amount of interest, give employment to thousands of idle men, that is much needed, and obtain speedily these public improvements.

The chief clerk of the house of representatives, conferring with the secretary of the senate, are hereby directed to send certified copies of this memorial to each of the United States Senators and Congressmen from the State of Texas, one to the President of the United States, one to the Vice President, one to the Speaker of the United States House of Representatives.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Kansas, which was referred to the Committee on Claims:

House Resolution 19

A resolution memorializing Congress to enact House Resolution 2024 of Congress, providing for the payment of travel pay to certain Spanish-American War soldiers

Whereas during the Spanish-American War the troops who were serving in the Philippine Islands in 1899 were requested by the War Department to remain in service for an additional 6 months after the expiration of their enlistment period and until troops could be sent to replace them; and

Whereas these troops were promised by the officers in charge that if they would so remain during the period of such emergency then existing that they would be given regular travel pay of soldiers whose enlistment expired and reenlisted in the service of the United States as was authorized by section 15 of the Army bill then in force; and

Whereas these troops were held in service for said 6 months' period under such agreement and these troops were never paid such travel pay so promised; and

Whereas numerous citizens of the State of Kansas would be greatly benefited by such payment; and

Whereas House Resolution 2024 of the Federal Congress covering such payment has been recommended by the War Claims Committee for passage: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas, That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed House Resolution 2024 of the Federal Congress; and be it further

Resolved, That certified copies of this resolution, duly certified, be transmitted to the President of the Senate and the Speaker of the House of Representatives in Congress and to the Senators and Representatives in Congress from the State of Kansas, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

Adopted February 8, 1935.

S. C. BLOSS,
Speaker of the House.
W. T. BISHOP,
Chief Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Indiana, which was referred to the Committee on Commerce:

A concurrent resolution memorializing Congress to improve the Michigan City Harbor

Whereas a need and necessity exists for the improvement of the Michigan City Harbor and the improvement of the outer basin thereof as a harbor of refuge; and

Whereas such improvement would be of great benefit to the State of Indiana; and

Whereas the Michigan City harbor is in reality the only free port in the State of Indiana and has heretofore not received the attention and improvements to which it is entitled as Indiana's entrance to the sea: Be it

SECTION I. *Resolved by the House of Representatives of the General Assembly of the State of Indiana (the Senate concurring),* That the General Assembly of the State of Indiana hereby respectfully memorializes the Congress of the United States to enact suitable legislation to provide for the improvement of the Michigan City harbor and the outer basin;

SEC. II. That the General Assembly of the State of Indiana further hereby respectfully memorializes the War Department of the United States Government to improve the Michigan City Harbor and the outer basin thereof in accordance with plans and specifications now on file in the office of the said Board of Army Engineers and to cause said work to be done out of funds available for such purpose.

SEC. III. The clerk of the house is hereby instructed to send a copy of this resolution to the President of the United States, to the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, to the Chairman of the Board of Army Engineers of the United States Government, and to each United States Senator and Member of Congress from Indiana.

M. T. KRUEGER, *Representative.*

The VICE PRESIDENT also laid before the Senate the following resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Finance:

Resolution

A joint resolution memorializing Congress to enact a law providing for the immediate cash payment of the adjusted-service certificates held by veterans of the World War

Whereas the Congress of the United States has heretofore enacted a law providing for the issuing of adjusted-service certificates to veterans of the World War, providing for payment of certain sums of money to each veteran, and pursuant to such law have issued such certificates, which are now held by millions of veterans of the World War; and

Whereas concerted effort is being made at this time, for ex-service men generally throughout the country, to urge the Congress of the United States to enact into law a bill providing for the immediate cash payment of such adjusted-service certificates; 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 not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government; and

Whereas, 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; and

Whereas the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, will be a most effective means to that end: Now, therefore, be it

Resolved by the Senate of the State of Minnesota and the House of Representatives of the State of Minnesota, That the Congress of the United States be, and it hereby most earnestly is, requested to enact into legislation a bill providing for the immediate cash payment of the full face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid; be it further

Resolved, That the secretary of the State of Minnesota be, and he hereby is, instructed to transmit certified copies of this resolution to the President of the United States, the President of the United States Senate, and to the Speaker of the House of Representatives at Washington, D. C.

HJALMAR PETERSEN,
President of the Senate.
GEORGE W. JOHNSON,
Speaker of the House of Representatives.

Passed the senate the 8th day of February 1935.

G. H. SPAETH,
Secretary of the Senate.

Passed the house of representatives the 9th day of February 1935.

JOHN I. LEVIN,
Chief Clerk House of Representatives.

Approved February 14, 1935:

FLOYD B. OLSON,
Governor of the State of Minnesota.

Filed February 14, 1935.

MIKE HOLM,
Secretary of State.

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

House Joint Memorial 1

TWELFTH LEGISLATURE,
STATE OF NEW MEXICO.

A memorial memorializing the Congress of the United States for an extension of the time within which to return the livestock taken into the Republic of Mexico for temporary pasturage purposes

Be it enacted by the Twelfth Legislature of the State of New Mexico—

Whereas due to the unprecedented drought in many of the States affecting particularly the States of Texas, New Mexico, and Arizona, a large number of domestic animals have been temporarily removed from said States to the Republic of Mexico for feeding purposes; and

Whereas paragraph 1506 of section 201 of title II of An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purpores, approved September 21, 1922, commonly known as the "Tariff Act", limits the time within which such animals may be returned, free of duty, to the period of 8 months from the date of their removal; and

Whereas it will be impossible to return said animals to the States of Texas, New Mexico, and Arizona within said period of 8 months; and

Whereas the persons engaged in the livestock industry have suffered great financial loss on account of the extreme drought; and

Whereas said drought still continues, and the ranges of said States have become so impaired that it will take a period of 1 to 2 years under favorable moisture conditions before said ranges will be restored and be adequate to take care of the pasturage of the livestock so removed: Now, therefore, be it

Resolved, That the Twelfth Legislature of New Mexico does hereby request the Congress of the United States to amend said paragraph 1506 so as to extend the time within which such animals, with their offspring, may be returned, free of duty, to a period of 2 years from the date of their removal, or authorizing the Secretary of the Treasury of the United States to grant such extensions; and be it further

Resolved, That a copy of this joint memorial be forwarded to the Honorable BRONSON CUTTING, the Honorable CARL A. HATCH, Senators from New Mexico; Hon. J. J. DEMPSEY, Member of the House of Representatives; and to the Speaker of the House of Representatives and President of the Senate of the United States Congress.

ALVAN N. WHITE,
Speaker of the House of Representatives.

Attest:

J. R. T. HERRERA,
Chief Clerk of the House of Representatives.
LOUIS C. DE BACA,
President of the Senate.

Attest:

F. E. MCCULLOCH,
Chief Clerk of the Senate.

Approved by me this 14th day of February 1935.

CLYDE M. TINGLEY,
Governor of New Mexico.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State

of South Carolina, which was referred to the Committee on Finance:

A concurrent resolution to memorialize the Congress of the United States favorable to the immediate passage of the bonus bill

Whereas the Federal Government is now spending billions of dollars for national recovery; and

Whereas the amount due to veterans of the World War is an admitted obligation with the time payment alone in question; and

Whereas to make immediate payment it would in our opinion greatly stimulate industry and put in circulation funds needed to stimulate trade: Now, therefore, be it

Resolved by the House of Representatives of the State of South Carolina (the senate concurring), That the Congress of the United States should now pass what is known as the "bonus bill" by Mr. VINSON, of Kentucky, H. R. 3896, providing for the immediate payment of the soldiers of the World War of the amount admitted due.

Resolved further, That a copy of this resolution be forwarded to the proper officer of the United States Senate and the House of Representatives; and that a separate copy be forwarded to each Congressman from the State of South Carolina.

In the house of representatives, Columbia, S. C., February 14, 1935.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the house of representatives and concurred in by the Senate of South Carolina.

[SEAL] JAMES E. HUNTER, Jr.,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Foreign Relations:

STATE OF WISCONSIN.

Joint resolution relating to ratification of the Great Lakes-St. Lawrence Seaway Treaty

Whereas there is absolute unanimity in this State, as often expressed by the legislature, that the Great Lakes-St. Lawrence seaway is a vital need not only to Wisconsin but to the entire Middle West, as it would result in a large reduction in freight rates upon agricultural and manufactured products, to the benefit of all farmers and industries of this section of the country; and

Whereas such seaway would permit of the development of power, especially in the Great Lakes region, with resulting electrical energy at cheaper rates for the farm, home, and smaller business and industry; and

Whereas this project would give employment to many thousands of the unemployed workmen of the country, and thereby aid very materially in economic recovery; and

Whereas this treaty will again be submitted to the United States Senate by President Roosevelt at this session of the Congress: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin memorializes the Congress of the United States, and especially the Wisconsin Senators and Members of Congress, to promptly ratify any treaty which may be so submitted for this purpose, and to enact the necessary legislation for the beginning of actual construction; be it further

Resolved, That properly attested copies of this resolution be transmitted to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Illinois, which was referred to the Committee on the Judiciary:

House Resolution No. 27

Whereas great numbers of persons have been lynched in the United States in the last 50 years with less than a dozen convictions resulting therefrom, and, moreover, that in each of these convictions only nominal prison terms were given the lynchers; and, furthermore, during the year 1934 there were a total of 18 lynchings, which is a travesty on justice in our country; and

Whereas further miscarriage of justice should be prevented: Therefore be it

Resolved by the House of Representatives of the Fifty-ninth General Assembly of Illinois, That Congress is respectfully importuned to enact either the Costigan-Wagner antilynching bill or the Arthur Mitchell bill, which are now before that legislative body; and be it further

Resolved, That copies of this preamble and resolution be forwarded to the President of the United States, the President of the Senate, and Speaker of the House of Representatives of the Seventy-fourth Congress, and to each Congressman and Senator from Illinois.

Adopted by the house of representatives February 12, 1935.

JOHN P. DEVINE,
Speaker of the House of Representatives,
HAROLD J. TAYLOR,
Clerk of the House of Representatives.

The VICE PRESIDENT also laid before the Senate a resolution adopted at a mass meeting held at St. Louis, Mo., under the auspices of the Central Trades and Labor Union, favoring an investigation of employer-organized company unions under the National Industrial Recovery Act and the activities of private detective agencies, and also favoring the enactment of further legislation to make the labor provisions of the act effective, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by William J. Murphy Chapter, No. 9, Disabled American Veterans of the World War, of Denver, Colo., favoring the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by a committee of the St. Louis Archdiocesan Union of the Holy Name Society, of St. Louis, Mo., favoring an investigation looking to the correction of alleged religious persecutions and antireligious conditions in Mexico, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Philadelphia (Pa.) Textile District Council, United Textile Workers of America, protesting against the method of trial and certain court convictions growing out of labor disturbances in the textile industry at Lancaster, Pa., which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Common Council of Covington, Ky., and the City Council of Lansing, Mich., favoring the enactment of legislation providing that October 11 in each year be designated General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Progressive Republican Club, of Corona, N. Y.; the Baptist Ministers' Conference, of Cleveland, Ohio, and the Inter-Racial Committee of the District of Columbia, favoring the passage of the so-called "Costigan-Wagner antilynching bill", which were referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Common Council of the City of Manitowoc, Wis., favoring the adoption of a Federal work-relief program that will maintain an adequate standard of living for workers, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the American League of Ex-Servicemen, of Los Angeles, Calif., favoring the immediate payment of adjusted-service certificates of World War veterans, the repeal of the Economy Act, and the enactment of unemployment insurance and old-age-pension legislation, which was ordered to lie on the table.

Mr. GUFFEY presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of pending legislation providing for old-age, unemployment, and health insurance, which was referred to the Committee on Finance.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of legislation providing for a 30-hour work week, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented petitions of sundry citizens of Winfield and vicinity, in the State of Kansas, praying for the enactment of legislation embodying the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also presented a resolution adopted by members of the Building Craftsmen of Topeka, Kans., favoring the awarding of work by competitive bidding in the expenditure of all public funds in the State of Kansas, which was ordered to lie on the table.

Mr. KING presented a telegram in the nature of a petition from Herman Russell, president Rochester (N. Y.) Gas & Electric Corporation, praying that corporations and companies that have inaugurated adequate pension plans for employees may be permitted to continue to operate such plans, notwithstanding the proposed adoption of a Federal pension plan, which was referred to the Committee on Finance.

Mr. GEORGE presented the following resolution of the Senate of the State of Georgia, which was referred to the Committee on Agriculture and Forestry:

Whereas the term of the Bankhead bill made no provision for the payment for the collection of taxes imposed thereunder by cotton ginners; and

Whereas the Treasury Department required that the operators of cotton ginneries should collect such taxes and did not stipulate any compensation therefor; and

Whereas the collection of taxes at ginneries for account of the United States Government entailed an enormous amount of time and effort and necessitated the employment of additional salaried help in connection with the operation of ginneries, which, under no conception, could be construed as legitimate expense imposed upon the owners and/or operators of cotton ginneries: Be it resolved—

1. That the Congress of the United States is earnestly requested to enact such legislation as will fairly compensate the extra expense incurred in the collection of taxes imposed upon the ginneries, during the years 1934 and 1935.

2. That a copy of this resolution be transmitted to the Senators and Congressmen from the State of Georgia.

Mr. GEORGE also presented the following resolution of the Legislature of the State of Georgia, which was referred to the Committee on Post Offices and Post Roads:

Whereas the famous Okefenokee Swamp, one of nature's landmarks, located in the southern section of the State of Georgia, comprising a domain of about 700 square miles, in which the stately St. Marys River and renowned Suwanee of song and story take their source, and in which there is found an abundance of wildlife and much to attract and entrance the sportsman, its vast area teeming with wild animals and game of every description native to North America; with its lakes and creeks and rivers abounding in the finest fish and its forests and prairies ringing with the music of native bird life; and

Whereas in this wonderland of nature, nestling among the stately cypress and kingly pine, the beautiful magnolia and the lovely bay, live many birds of every variety indigent to North America; and

Whereas in this vast territory there remains much of America's wild life and game; where the bear and southern lynx can be found; and the only place in this section of the country where the black bear exists in any appreciable numbers; and

Whereas no section of our great State is so rich in its natural attraction to the student, where he can reap the satisfaction of seeing and observing many species of both bird and animal life in fairly abundant quantities, extremely rare if not almost extinct, and enjoy the beauties of nature untarnished by civilization's cruel hand; and

Whereas the Okefenokee is equally rich in material and possibilities for the careful study of fish life, here being found a great variety of fresh-water fish, its lucid waters containing more varieties than in any other similar area, and its long lagoons and placid lakes fairly teeming with those fish that are the delight of every sportsman; and

Whereas the State of Georgia has in its Okefenokee Swamp the possibilities of a most wonderful place of scenic beauty and intriguing interest for the tourists of the world, wholly unlike anything else in this part of the country, that should be developed and maintained for the betterment of our State and the welfare of its people: Therefore

The House of Representatives of Georgia (the senate concurring) do resolve—

(1) That our Senators and Representatives in the Congress of the United States be, and they are hereby, memorialized to have the Congress enact appropriate legislation whereby funds will be supplied to build a highway running south from Waycross, Ga., through the Okefenokee Swamp to the Florida line with Lake City, Fla., as its objective.

(2) Such road would greatly supplement existing highways from all points north, shortening distances between all Gulf and Atlantic ports, and would be of inestimable value to the Government as a military road in time of war.

(3) That duly certified copies of these preambles and resolutions be immediately transmitted by the secretary of state to each of the Senators and Members of the House of Representatives from this State in the Congress of the United States.

E. D. RIVERS,
Speaker of the House.
ANDREW J. KINGERY,
Clerk of the House.
CHARLES D. REDWINE,
President of the Senate.
JOHN W. HAMMOND,
Secretary of the Senate.

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

Senate Joint Memorial 6

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

To 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 from the dawn of recorded history until A. D. 1873 the commercial nations of the world used a bimetallic monetary system, the ratio of gold and silver being approximately 16 to 1; and

Whereas the experience of the past 60 years following the demonetization of silver in 1873 has demonstrated that the single gold standard is an unsatisfactory, unstable, and costly experiment, resulting in world-wide financial chaos and the final forced abandonment of the standard by practically all nations; and

Whereas the United States as the major world power is now in position to settle its own monetary policies without dictation from the international bankers or the governments of the Old World, and there is every reason to believe that the remonetization of silver by the United States would result within 1 year in similar action by every nation with which this country has commercial relations; and

Whereas the administration under the inspired leadership of President Franklin D. Roosevelt has already recognized the necessity and importance of taking some steps toward the remonetization of silver, but has not yet restored the money of the people to its ancient and stable status: Now, therefore, be it

Resolved, That the Senate of the State of Idaho, the House of Representatives concurring, most respectfully request the President and Congress of the United States to cast off the shackles of the international money changers and to restore to the American people the sound money of their forefathers by the immediate and unconditional remonetization of silver at its historic ratio of 16 to 1; and be it further

Resolved, That copies of this resolution be by the secretary of state sent to the President of the United States and to both Houses of Congress and to the Senators and Representatives in Congress from Idaho.

This senate joint memorial passed the senate on the 7th day of February 1935.

G. P. MIX,
President of the Senate.

This senate joint memorial passed the house of representatives on the 11th day of February 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial 6 originated in the senate during the twenty-third session of the Legislature of the State of Idaho.

MORRIS STACY,
Secretary of the Senate.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Foreign Relations:

STATE OF WISCONSIN.

Joint resolution relating to ratification of the Great Lakes-St. Lawrence Seaway Treaty

Whereas there is absolute unanimity in this State, as often expressed by the legislature, that the Great Lakes-St. Lawrence seaway is a vital need not only to Wisconsin but to the entire Middle West, as it would result in a large reduction in freight rates upon agricultural and manufactured products, to the benefit of all farmers and industries of this section of the country; and

Whereas such seaway would permit of the development of power, especially in the Great Lakes region, with resulting electrical energy at cheaper rates for the farm, home, and smaller business and industry; and

Whereas this project would give employment to many thousands of the unemployed workmen of the country and thereby aid very materially in economic recovery; and

Whereas this treaty will again be submitted to the United States Senate by President Roosevelt at this session of the Congress: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin memorializes the Congress of the United States, and especially the Wisconsin Senators and Members of Congress, to promptly ratify any treaty which may be so submitted for this purpose and to enact the necessary legislation for the beginning of actual construction; be it further

Resolved, That properly attested copies of this resolution be transmitted to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

Mr. AUSTIN presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Public Buildings and Grounds:

Whereas the State of Vermont is possessed with an abundance of granite, marble, and slate deposits admirably suited for use in the construction of buildings and memorials; and

Whereas a large number of our citizens who ordinarily are employed in connection with these native industries are and have been for some time unemployed; and

Whereas such unemployment has been caused partially by reason of the fact that Government contracts for the construction of public buildings and memorials have failed to specify that same should contain certain granite, marble, or slate in their construction; and

Whereas the Federal Government is contemplating a public-works program in the carrying out of which many public buildings and memorials are planned to be erected; and

Whereas this general assembly believes every effort should be made to procure the use of granite, marble, and slate in the construction of a fair proportion of the public buildings and memorials to be erected under the said public-works program, and thus reduce the number of unemployed in our State connected with said industries and thereby alleviate the suffering caused by such unemployment: Therefore be it

Resolved by the senate and house of representatives, That the general assembly hereby expresses its approval of any means of remedying the unemployment situation in the aforementioned industries and the suffering of those affected thereby;

That the general assembly is in favor of instructing the Senators and Congressman representing our State in Washington to use every effort to procure the use of granite, marble, and slate in the construction of a just and fair proportion of the buildings and memorials erected by the Federal Government under its public-works program;

That it is further resolved that the secretary of state be, and hereby is, directed to send a copy of this resolution to the members of the Vermont delegation in the United States Senate and House of Representatives in Washington, and that a copy of this resolution also be sent to the Federal Administrator of Public Works in Washington.

ERNEST E. MOORE,
Speaker of the House of Representatives.
GEO. D. AIKEN,
President of the Senate.

Approved February 15, 1935.

CHARLES M. SMITH, *Governor.*

Mr. WALSH presented the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Agriculture and Forestry:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

Resolutions memorializing the Congress of the United States in relating to the cotton-processing tax, so called, and for relief from the provisions thereof

Whereas the Congress of the United States, for the purpose of extending aid to growers of cotton, has levied a tax called the "cotton-processing tax" upon the manufacture of cotton and textile products; and

Whereas the imposition of such a tax upon the principal industry of this Commonwealth has proven an unbearable financial burden jeopardizing the continued successful existence of the textile industry; and

Whereas the majority of our cities and towns and a large proportion of our citizens and their families are dependent for the means of existence upon this industry: Therefore, be it

Resolved, That the General Court of Massachusetts hereby memorializes the Congress of the United States for relief from the oppressive burden of this tax, and requests the repeal of such tax or spreading of the tax over industry in general; and be it further

Resolved, That copies of these resolutions be forwarded by the secretary of the Commonwealth to the clerks of both Houses of Congress and to the Senators and Representatives in Congress from this Commonwealth.

In house of representatives, adopted February 1, 1935.
In senate, adopted, in concurrence, February 11, 1935.
A true copy.
Attest:
[SEAL]

F. W. COOK,
Secretary of the Commonwealth.

Mr. WALSH also presented resolutions adopted by the General Court of Massachusetts, favoring the enactment of legislation providing that mortgages on vessels of smaller tonnage than 200 tons shall have the same priority over liens as vessels of 200 tons or upward, or such other legislation as may be deemed necessary, to the end that the fishing industry may be assisted and preserved, which were referred to the Committee on Commerce.

(See resolutions printed in full when laid before the Senate by the Vice President on the 8th instant, pp. 1706–1707, CONGRESSIONAL RECORD.)

Mr. WALSH also presented resolutions adopted by the agricultural committee of the New England Council (Economic Development and Research), Boston, Mass., favoring adequate support and appropriation by the Federal Government to maintain control of the white-pine blister rust, gypsy moth, and the Dutch elm disease, which were referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a petition from Mrs. Henry Randolph Brigham, president of the Massachusetts League of Women Voters, on behalf of that league, praying for a reorganization of local, State, and National tax systems, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the American Legion Auxiliary to Bridgewater Post, No. 203, of Bridgewater, Mass., praying for adoption of the American Legion legislative program, which was referred to the Committee on Finance.

He also presented a petition of citizens of Fall River, Mass., praying for the enactment of legislation known as the "Workers' Unemployment, Old Age, and Social Insurance Act", which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Elias B. Farslind, president Everett Townsend Club No. 1, of Everett, Mass., praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Dorchester, Roxbury, and Jamaica Plains, in the State of Massachusetts, praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented resolutions adopted by Lodge Italian American, No. 1235, of Norwood, and Loggia Giosue' Carducci, No. 242, Ordine Figli D'Italia in America, of East Boston, in the State of Massachusetts, favoring inclusion in proposed Federal old-age-pension legislation of a provision making noncitizens who have been bona fide residents of the United States for 10 years or more eligible for pensioning, which were referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from A. H. Ferguson, chairman executive committee, New England Traffic League, New Bedford, Mass. (which letter stated that it is concurred in by the New Bedford Board of Commerce and the New Bedford Cotton Manufacturers' Association), opposing the passage of the following resolutions and bills: Senate Concurrent Resolution 1, directing the Federal Trade Commission to investigate the question of freight rates prescribed by freight associations and railroads jointly; Senate Concurrent Resolution 6, favoring a uniform scale of transportation rates on a mileage basis by interstate carriers; Senate Resolution 5, providing for an investigation of railroad freight rates; Senate Resolution 6, requesting the Interstate Commerce Commission to investigate the relationship of freight rates in different parts of the United States; and H. R. 3042, providing that the freight rates between different sections of the United States be so adjusted as to be no higher than the destination territory rates for the same or like classes of traffic, distance considered; which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by about 3,000 members of the Boston (Mass.) Young Women's Christian Association, favoring the enactment of the so-called "Costigan-Wagner antilynching bill", which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from members of the interracial committee, Massachusetts Branch of the Women's International League for Peace and Freedom, Boston, Mass., on behalf of that organization, praying for the enactment of the so-called "Costigan-Wagner antilynching bill", which was referred to the Committee on the Judiciary.

He also presented letters in the nature of petitions from Sergeant John P. Balch Auxiliary, No. 57, of Newburyport; Sergeant Fred Thomas Camp, No. 48, of Haverhill, and Major M. J. O'Connor Auxiliary, No. 58, of South Boston, all of the United Spanish War Veterans, in the State of Massachusetts,

praying for the passage of House bill 100, to reenact provisions of law relating to pensions for Spanish-American War veterans, and for other purposes, which were referred to the Committee on Pensions.

He also presented a letter in the nature of a petition from E. H. Johnson, secretary-treasurer Building Trades Council of Boston and Vicinity, Boston, Mass., on behalf of that organization, praying for amendment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes so as to provide for maintenance of the prevailing rates of wages on all construction work to be performed under the joint resolution, which was ordered to lie on the table.

REPORT OF THE COMMITTEE ON MILITARY AFFAIRS

Mr. COOLIDGE, from the Committee on Military Affairs, to which was referred the bill (S. 1404) to promote the efficiency of national defense, reported it with amendments and submitted a report (No. 115) thereon.

BILLS INTRODUCED

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

By Mr. BYRD:

A bill (S. 1891) to amend section 602 and paragraph (a) of section 602½ of the Revenue Act of 1934, entitled "An act to provide revenue, equalize taxation, and for other purposes"; to the Committee on Finance.

By Mr. ASHURST (by request):

A bill (S. 1892) to amend the act authorizing the Attorney General to compromise suits on certain contracts of insurance; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

A bill (S. 1893) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 1894) granting an increase of pension to Emma J. Bratton (with accompanying papers); to the Committee on Pensions.

By Mr. AUSTIN:

A bill (S. 1895) granting an increase of pension to Florence E. Southwick; to the Committee on Pensions.

By Mr. PITTMAN:

A bill (S. 1896) to provide for interest payments on American Embassy drafts; to the Committee on Foreign Relations.

By Mr. GEORGE:

A bill (S. 1897) to amend the Interstate Commerce Act relative to loss and damage claims; to the Committee on Interstate Commerce.

By Mr. JOHNSON:

A bill (S. 1898) for the relief of Andrew M. Dunlop; and

A bill (S. 1899) for the relief of B. M. Elliott; to the Committee on Claims.

A bill (S. 1900) for the relief of Harry Francis Zeller; to the Committee on Naval Affairs.

A bill (S. 1901) granting a pension to Carlos J. Anderson;

A bill (S. 1902) granting a pension to Don E. Bartell;

A bill (S. 1903) granting a pension to John William Boland;

A bill (S. 1904) granting a pension to Wiley E. Bolt;

A bill (S. 1905) granting a pension to Laura F. Collins;

A bill (S. 1906) granting a pension to Ollie A. De Selm;

A bill (S. 1907) granting a pension to Charles Foye;

A bill (S. 1908) granting a pension to Mary D. Howard;

A bill (S. 1909) granting a pension to Josephine Johnson;

A bill (S. 1910) granting a pension to Ulysses Samuel Main;

A bill (S. 1911) granting a pension to Kitty A. Miller;

A bill (S. 1912) granting a pension to David Poula;

A bill (S. 1913) granting a pension to Martha L. Stonerock;

A bill (S. 1914) granting a pension to Jesse Thomas;

A bill (S. 1915) granting a pension to Kate Thompson;

A bill (S. 1916) granting a pension to Michael L. Walsh;

A bill (S. 1917) granting an increase of pension to Madison M. Burnett;

A bill (S. 1918) granting an increase of pension to Joseph W. Hicks;

A bill (S. 1919) granting an increase of pension to Mary E. Jasper;

A bill (S. 1920) granting an increase of pension to Harry A. Smith; and

A bill (S. 1921) granting an increase of pension to Alzina M. Wilson; to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 1922) to regulate interstate and foreign commerce in coal; stabilize the coal-mining industry; provide for cooperative marketing; secure prices just to operators and consumers and fair living and working conditions for the miners concerned; to create a court of coal conservation; levy taxes on coal to provide for the general welfare and to provide for a drawback under certain conditions; to conserve the coal resources of the United States and to establish a national coal reserve; and for other purposes; to the Committee on Interstate Commerce.

By Mr. KING:

A bill (S. 1923) to amend section 5 of the Federal Trade Commission Act; to the Committee on Interstate Commerce.

By Mr. ADAMS:

A bill (S. 1924) to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SHEPPARD:

A bill (S. 1925) for the relief of E. S. de Bessieres; to the Committee on Military Affairs.

HOUSE BILLS REFERRED

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

H. R. 340. An act for the relief of Louis Zagata;

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 426. An act for the relief of Jacob Santavy;

H. R. 529. An act granting compensation to George S. Conway, Jr.;

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased; and

H. R. 593. An act for the relief of Fred C. Blenkner; to the Committee on Claims.

H. R. 330. An act for the relief of Sophie de Sota; and

H. R. 3373. An act for the relief of Anna S. Carrigan; to the Committee on Foreign Relations.

H. R. 240. An act for the relief of Capt. Alexander C. Doyle;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 1073. An act for the relief of John F. Hatfield;

H. R. 1119. An act for the relief of Joseph W. Harley;

H. R. 1438. An act for the relief of Carrie McIntyre;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 1575. An act to correct the military record of John S. Cannell, deceased;

H. R. 1951. An act for the relief of John J. O'Connor;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 2128. An act for the relief of Rosetta Laws;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 2480. An act for the relief of Charles Davis;

H. R. 2485. An act for the relief of William Estes;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson;

H. R. 3105. An act for the relief of Samuel Kaufman;

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.;

H. R. 3558. An act for the relief of Capt. Walter S. Bramble;

H. R. 3721. An act for the relief of Angelo J. Gillotti; and

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as "Carl Lindo"; to the Committee on Military Affairs.

WORK-RELIEF PROGRAM—AMENDMENTS

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

On page 5, after line 17, add the following new proviso: "*Provided*, That in the employment of all officials and employees paid from funds appropriated by this resolution preference shall be given, where they are qualified, to ex-service men."

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

On page 3, line 4, after the second parenthesis to insert a colon and the following: *Provided*, That not less than 25 percent of any amounts allocated from the appropriation made herein for the construction of public highways and related projects shall be applied to secondary or feeder roads, including farm to market roads, rural free delivery mail roads, and public school bus routes.

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

On page 7, line 13, strike out all of section 6 of the committee amendment and insert in lieu thereof the following:

"SEC. 6. The President is authorized to prescribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however*, That (a) such rules and regulations shall stipulate that the rates of wages paid to all laborers and mechanics employed by any contractor or subcontractor or by the public officer in charge for the United States or for the District of Columbia, for work done under this joint resolution, whether by contract or otherwise, involving the expenditure of any money appropriated by the resolution, need not be uniform throughout the United States but shall not be less than the prevailing rates of wages paid for work of a similar nature in the city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia; (b) rules and regulations prescribed under this section shall not abrogate any existing law."

Mr. BAILEY submitted two amendments intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which were ordered to lie on the table and to be printed, as follows:

Amend by striking out the following words in lines 3 and 4 on page 1:

"That in order to protect and to promote the general welfare, by (1) providing."

And insert in lieu thereof the following:

"That in order to provide."

Amend by inserting a new section numbered 4½, between sections 4 and 5, as follows:

"(1) All work undertaken shall be useful—not just for a day, or a year, but useful in the sense that it affords permanent improvement in living conditions or that it creates future new wealth for the Nation.

"(2) Compensation on emergency public projects shall be in the form of security payments which should be larger than the amount now received as a relief dole, but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in Government work.

"(3) Projects should be undertaken on which a large percentage of direct labor can be used.

"(4) Preference should be given to those projects which will be self-liquidating in the sense that there is a reasonable expectation that the Government will get its money back at some future time.

"(5) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprises.

"(6) The planning of projects shall seek to assure work during the coming fiscal year to the individuals now on relief, or until such time as private employment is available. In order to make adjustment to increasing private employment, work shall be planned with a view to tapering it off in proportion to the speed with which the emergency workers are offered positions with private employers.

"(7) Effort should be made to locate projects where they will serve the greatest unemployment needs as shown by relief rolls."

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 9, after line 17, to insert:

"Part II. Financing: Providing a plan for placing money in circulation, thereby making it possible for the people to secure funds for payment of taxes necessary to balance the Budget and to meet the interest and principal of the bonds made necessary by the appropriation made in section 1 of this act

"SEC. 12. The Congress, in the exercise of its power under section 8 of article 1 of the Constitution—to coin money and to regulate the value thereof—hereby declares it to be in the public interest that:

"(a) A sufficient amount of money must be coined, introduced into, and maintained in constant circulation to enable the people to have ample opportunity to secure such money with which to meet tax, interest, and debt burdens.

"(b) There is not at this time a sufficient amount of money in circulation to serve the best interests and general welfare of the people.

"(c) It is hereby declared immediately necessary that an additional amount of money should be coined, introduced into, and maintained in circulation to serve the public interest and general welfare.

"SEC. 13. To carry out the declaration of policy set forth in section 12 hereof, the Secretary of the Treasury is hereby authorized and directed:

"1. To issue silver certificates against all silver bullion now held or hereafter acquired at its monetary value, and such silver certification shall be placed in circulation immediately through the payment of maturing obligations.

"2. All silver certificates issued and outside the Treasury, and all silver certificates which may be hereafter issued, shall, upon receipt by the Secretary of the Treasury, be reissued and paid out again and kept in circulation as provided for legal-tender notes in chapter 146 of the United States Statutes at Large, Forty-fifth Congress, and approved May 31, 1878.

"SEC. 14. The Secretary of the Treasury is hereby authorized and directed to purchase silver bullion at the rate of not less than 50,000,000 ounces per month wherever silver shall be procurable at a price to be fixed by him from time to time, and the silver so purchased shall be paid for, held, and deposited as provided by law: *Provided*, That such purchases of silver shall continue until the proportion of silver to gold in the monetary stocks of the United States shall equal one-fourth of the monetary value of such stocks, or until the price of silver in the world markets, based upon international exchange, shall reach the value of $1.29 per fine ounce, whereupon such purchases shall cease: *Provided further*, That at any time the price of silver in such world markets reaches the value of $1.29 per fine ounce, the mint is hereby opened to the free acceptance of silver upon the basis of 371¼ grains of fine silver to the dollar, as provided in section 9 of chapter 16, of the First Statutes of 1792: *Provided:*

"(a) That the Secretary of the Treasury shall deduct from all silver tendered for coinage a quantity as seigniorage sufficient to cover the cost of assaying and coinage.

"(b) That the Secretary of the Treasury may suspend coinage of bullion into dollars at any time and thereafter shall convert silver received into bars of suitable shape and weight;

"(c) That payment for all silver accepted, as provided herein, shall be made in standard silver dollars or in silver certificates at the option of the person, firm, association, or corporation tendering silver for coinage.

"(d) That to the end that the necessary proportion of silver may be acquired for our metallic monetary stocks, the Secretary of the Treasury may, in his discretion, exchange gold for silver on a fair and equitable basis of price and silver certificates shall be issued immediately against all silver thus acquired by such exchange as provided in paragraph I of section 13 hereof.

"(e) That the Secretary of the Treasury is hereby authorized, in his discretion, to accept silver at an agreed price in settlement and adjustment of any balance due the United States.

"(f) That the Secretary of the Treasury shall make all needful rules and regulations for carrying into effect the provisions of this title."

NELLIE SNYDER

Mr. SCHWELLENBACH submitted the following resolution (S. Res. 85), 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 contingent fund of the Senate to Nellie Snyder, widow of Nevin Snyder, late an assistant clerk to the Senate Committee on Interstate Commerce, 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.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. WAGNER. Mr. President, I give notice that tomorrow when the Senate convenes, or as soon thereafter as I

can get the floor, I shall address the Senate upon the pending unfinished business.

Mr. GLASS. Mr. President, I think there are several amendments to the bill to which I imagine there will be no objection, and if the Senate might pass upon those before proceeding to general debate it would relieve the situation somewhat. For instance, in section 1, on page 1, in line 6, the committee unanimously struck out "(2) relieving economic maladjustments, (3)" and inserted "(2)." I move that that amendment be adopted.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. MCNARY. Mr. President, on account of confusion in the Chamber, I am at a loss to know what the proposal is that has been submitted by the Senator from Virginia.

The VICE PRESIDENT. The request of the Senator is to consider some committee amendments.

Mr. MCNARY. Some of them. But what are the specific amendments?

Mr. GLASS. I suggested that there were several committee amendments to which I imagined there would be no objection at all, and I suggested that we act on those amendments.

Mr. MCNARY. I appreciate that, but what are the specific amendments the Senator has in mind?

Mr. BORAH. The amendment which has been stated is on page 1, in line 6.

The VICE PRESIDENT. The clerk will again state the amendment.

The CHIEF CLERK. On page 1, line 6, after the word "from", it is proposed to strike out "(2) relieving economic maladjustments, (3)" and insert "(2)."

The VICE PRESIDENT. Is there objection to agreeing to the amendment?

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The CHIEF CLERK. On page 1, line 7, after the word "distress", it is proposed to strike out "and/or (4)" and insert "and (3)."

The amendment was agreed to.

The next amendment was, on page 1, line 11, after the word "purposes", to strike out "and/or" and insert "and."

The amendment was agreed to.

The next amendment was, on page 2, line 1, after the word "non-Federal" to insert "of a type such as is or may be authorized by law."

Mr. O'MAHONEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Wyoming?

Mr. GLASS. I yield.

Mr. O'MAHONEY. Mr. President, I desire to move a substitute for the committee amendment. In lieu of the words in line 11 on page 1, and lines 1 and 2, on page 2, reading "and/or and such projects, Federal or non-Federal of a type such as is or may be authorized by law", I move to insert the words which I send to the desk.

The VICE PRESIDENT. Let the Chair call the attention of the Senator from Wyoming to the unanimous-consent agreement that committee amendments shall first be considered before considering other amendments changing the House text. If the Senator's amendment is an amendment to the committee amendment it is in order; otherwise it is not in order.

Mr. O'MAHONEY. I am offering a substitute for the committee amendment.

Mr. GLASS. It is an amendment to the committee amendment.

The VICE PRESIDENT. Then, the clerk will state the amendment.

The CHIEF CLERK. On page 1, line 11, it is proposed to strike out the words "and/or and such projects, Federal or non-Federal, of a type such as is or may be authorized by law" and in lieu thereof to insert the following: "and such type or types of projects, Federal or non-Federal, as are or may be authorized by law of the United States."

Mr. GLASS. So far as I am concerned, I am willing to accept the amendment.

The VICE PRESIDENT. Unless it can be done by unanimous consent the parliamentary method would be to adopt the committee amendments which strike out or insert as the case may be, and then subsequently to strike out certain portions of the text of the House provisions, which would be in order. The Chair wants simply to call attention to it, because a unanimous-consent agreement has been entered into that the committee amendments shall be first considered. As the Senator from Wyoming proposes his amendment, it seeks to strike out some of the House text, and the amendment, therefore, does not come within the rule. By unanimous consent, of course, the amendment could be considered. Is there objection to considering the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY]?

Mr. GLASS. I ask unanimous consent that it may be considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY].

Mr. BORAH. Mr. President, if I may have the attention of the Senator from Wyoming and the Senator from Virginia, I understand the effect of the amendment is to limit "authorized by law" to the laws of the United States?

Mr. O'MAHONEY. It is.

Mr. BORAH. That is the only effect of the amendment?

Mr. O'MAHONEY. That is the only effect of the amendment.

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

Mr. WHEELER. Mr. President, I should like to have a statement from the Senator from Wyoming explanatory of the amendment before we vote upon it.

Mr. O'MAHONEY. Mr. President, in response to the Senator from Montana, let me say that when the committee amendment was discussed upon the floor last Friday, some question was raised as to whether the language would not authorize the expenditure of the appropriation provided in the joint resolution for projects or purposes that were authorized by some law other than a law of the United States. It was the belief of the committee, and it was my own belief as the author of the committee amendment, that it referred solely to the laws of the United States.

There was also a question as to whether the language in lines 1 and 2, page 2, "of a type such as is or may be authorized by law" modified the word "projects" only, and not the word "purposes" also as was intended. The substitute amendment is designed for the purpose of making it clear that the limitation applies both to "purposes" and to "projects", and authorizes expenditures only for purposes and projects which have been approved by Federal laws.

Mr. WHEELER. I think we ought to get a correct interpretation so that it may be clearly understood that the only projects which could be built under this joint resolution would be those authorized by the Congress of the United States.

Mr. O'MAHONEY. That is, types of projects. The National Industrial Recovery Act, which contains in title II the law which authorized the Public Works Administration to function, authorized the executive department to engage in certain broad functions and to carry out certain broad programs. The purpose of the amendment and the effect of the amendment are merely to provide that unless Congress has specifically authorized a certain type of project or a certain purpose, then the funds appropriated here could not be used for any such project or purpose not within the classification authorized already or to be hereafter authorized by the Congress.

Mr. ADAMS. Mr. President, if I may submit an inquiry to the Senator from Wyoming as to the interpretation of the amendment, he is proposing to restrict, as I understand, the expenditure of this money to projects authorized. Does that mean that the project itself must be authorized or the character of the expenditure might have been authorized?

Mr. O'MAHONEY. As the language clearly states, it is the type and not the specific project that must have been authorized by the Congress.

Mr. ADAMS. I believe I failed to make myself clear. For instance, under the Public Works Administration as it has been administered heretofore money has been appropriated or allocated for schoolhouses which were authorized by State law. Funds have been allocated for the construction within a State of waterwoks, electric plants, and streets. Those projects were not authorized by Federal law. However, the expenditure of money for those purposes was authorized under the Public Works Act.

Mr. O'MAHONEY. My understanding is that such projects were specifically authorized by Federal law; in other words, title II of the N. R. A. Act authorized the Public Works Administration to make loans to cities for projects of that kind.

Mr. ADAMS. That is an authorization for the expenditure and not for the project itself. I am taking the authorization for construction as distinguished from authorizations for such projects.

Mr. O'MAHONEY. I think the language covers the authorization the Senator has in mind.

Mr. KING. Mr. President, may I inquire of the Senator from Wyoming whether or not under this omnibus authority all the projects which were enumerated by the Senator from Oregon [Mr. STEIWER] a few days ago and many others, provision for which is scattered through hundreds of laws, some of them 10, 15, or 20 years old, might be completed or inaugurated under this measure?

Mr. O'MAHONEY. Whatever Congress has authorized to be carried out may be provided for out of this appropriation. The purpose of the amendment is to make certain that nothing which Congress has not authorized may be attempted under this appropriation.

Mr. KING. Congress authorized some time ago large appropriations for naval craft, a portion of which has been expended. As I am advised, a considerable portion has not been appropriated, though heretofore authorized. Under this omnibus measure would not the President or whoever is charged with the enforcement of this proposed law be permitted to dip into the fund carried in the bill to complete the construction of ships so authorized?

Mr. GLASS. Mr. President, I may answer the specific question of the Senator from Utah by the statement that it was authoritatively asserted to the committee that the President himself had said that he had no idea of expending a dollar of this money on the Navy shipbuilding projects.

Mr. KING. I am glad to obtain that information. I inquire, though, if, under the interpretation placed upon the joint resolution by the Senator having it in charge [Mr. GLASS] or by the Senator from Wyoming [Mr. O'MAHONEY], notwithstanding the statement made, the President or somebody else who might be charged with the execution of the law might not dip into the Treasury and take money for the purpose of constructing naval craft?

Mr. O'MAHONEY. I may say that the Senator is arguing against the joint resolution and not against the amendment. The amendment constitutes a limitation upon the joint resolution. Of course, the President may expend this appropriation for any purpose or for any type of project which is now authorized by law. Without this amendment, the authority of the Executive would be much broader.

Mr. KING. As I am advised, the primary object of the joint resolution is to furnish employment to a large number of unemployed, including many of those who are upon the relief rolls of the country. With that purpose I am in accord. The measure before us, however, contains some provisions that do not meet my views, and for that reason I should be glad to see some amendments offered to the resolution. It is ambiguous as to the projects which may be undertaken and is too all-inclusive as to their character and nature.

Under the terms of the resolution as I interpret it, authorizations of projects and undertakings provided in laws enacted many, many years ago, could be undertaken. The measure is too all-inclusive, and I shall be glad to see it restricted in a number of particulars. I should be opposed to any part of the funds to be provided under this resolution being devoted to the inauguration of projects or undertakings of Federal activities which may have been authorized years ago. I am sure that neither the President or any person or persons designated to execute the resolution would desire the all-inclusive and almost unlimited authority which, under the provisions of the resolution, are sought to be conferred.

By way of illustration of the point I am trying to make, I call attention to a measure enacted under the administration of President Coolidge. It authorized an expenditure of nearly $900,000,000, as I recall, for flood control and to acquire lands in States where the waters of the Mississippi and Missouri Rivers had caused serious damage. That law has not been repealed, but a small portion of the authorized appropriations have been expended. That measure, as well as many others to which reference might be made, authorizes, as I have stated, numerous projects and undertakings, the cost of which would amount to hundreds of millions and perhaps several billions of dollars. In my opinion, the resolution should not be so all-inclusive but should indicate more specifically the projects or undertakings for which the large sum provided in the resolution is desired.

Mr. GLASS. I call the attention of the Senator from Utah to the fact that unless this qualifying amendment be adopted the President can do anything he pleases, whether it has been authorized by Congress or not.

Mr. KING. I am not objecting to this amendment. The only question in my mind is whether the amendment goes far enough. I prefer that the resolution should limit and indicate the projects which may be inaugurated and completed under the appropriation which is made. As I understand the situation now, there are hundreds of authorizations of appropriations for expenditures for many, many projects; and notwithstanding the fact that those authorizations may have been made 1, 2, 3, 4, 5, 10, or 20 years ago, there would be in the resolution power for whoever may execute it to take from this fund sufficient for the purpose of carrying out all such authorizations.

Mr. President, while this amendment is an important one, in my opinion it does not go far enough; and I should dislike to vote for it if it would preclude the offering later on of an amendment which would point out specifically the projects which may be carried forward. I desire to ask, as a parliamentary inquiry, whether or not that would be the case.

The VICE PRESIDENT. The parliamentarian suggests that when this amendment and other Senate committee amendments shall have been disposed of any amendment may be offered by a Senator to the House text or to portions of the House text as amended.

Mr. KING. An amendment, then, recurring to this amendment and limiting it, would be in order?

The VICE PRESIDENT. It would be if it embraced House text along with the amendment of the Senator from Wyoming; but not if it applied only to the language contained therein.

Mr. NORRIS. Mr. President, I am seeking only information here, and I am seeking it as one who is in favor of the proposed legislation, speaking in a general way. I am afraid the amendment goes too far, although the Senator from Utah [Mr. KING] thinks it does not go far enough; and yet I am in sympathy with the statement of the Senator from Utah that it is well to have these things outlined; and perhaps it would be dangerous if the money were used, as he says, for some project which was authorized several years ago and approved by Congress and something done on it. At the same time I am worried when the Senator from Wyoming [Mr. O'MAHONEY], who offers the amendment, says the object is to preclude the use of the money for any projects that have not been specifically approved by Congress. I think that is going too far.

Mr. O'MAHONEY. Mr. President, I think the Senator misunderstands me.

Mr. NORRIS. I hope so.

Mr. O'MAHONEY. If the Senator will read the amendment as it is now proposed——

Mr. NORRIS. I have not the Senator's amendment before me.

Mr. O'MAHONEY. I intend to read it for the Senator.

Mr. NORRIS. I shall be glad if the Senator will do so.

Mr. O'MAHONEY. The fund not otherwise appropriated is to be used—

In the discretion and under the direction of the President in such manner and for such purposes—

And now comes the amendment—

and such type or types of projects, Federal or non-Federal, as are or may be authorized by law of the United States.

It will be observed, if I may say so to the Senator——

Mr. NORRIS. Let me interrupt the Senator right there. The Senator has thrown some light on the matter. I supposed his amendment struck out the words he has just read.

Mr. O'MAHONEY. Oh, no. It was just a rearrangement of the language; and the words "such type or types" are used to make it perfectly plain that it is not necessary to approve specific projects. Any general classification of projects which has been heretofore authorized or approved by law or which may hereafter be so authorized may be carried out by the President within the terms of the amendment.

Mr. NORRIS. I was fearful lest the Senator's amendment would take away from the President discretion to do that very thing.

Mr. O'MAHONEY. Not at all.

Mr. NORRIS. Because we shall have to have in mind, if we favor this kind of legislation and pass it, that the President must be given a large discretion. Otherwise, if he were confined strictly to something that Congress had passed on or might pass on, he would be unable to produce the results that we all hope may be produced by this legislation, such as the improvement of the unemployment situation, for instance.

Mr. O'MAHONEY. The purpose of the amendment is merely to meet the criticism that under the joint resolution as it originally stood the Executive might expend moneys out of this appropriation for purposes and for projects of which Congress had never dreamed.

Mr. WAGNER. Mr. President, I should like to ask a question of whoever has charge of this particular amendment. I am somewhat puzzled by the meaning of the amendment, as to whether or not it is a further limitation upon the power of the President to expend this money. When the expression "by law of the United States" is used, does that mean the laws passed by the Congress of the United States?

Mr. O'MAHONEY. Exactly.

Mr. WAGNER. Suppose a municipality has some kind of a project which would put people to work, which is a worthy, desirable project, and that particular municipality should desire to apply to the Federal Government for a loan: Under the amendment, would the President of the United States be able to extend that loan?

Mr. O'MAHONEY. If he has the authority now to make the loan, he would be able to extend the loan. The amendment does not place any limitation whatsoever upon present law.

Mr. WAGNER. All right; but suppose the present law under which that authority is exercised should expire, as the National Recovery Act will expire on June 16. It seems to me that the powers will go with the expiration of that particular act, so I wanted to ascertain the Senator's interpretation.

Mr. O'MAHONEY. My interpretation would be that any power or function which is now authorized would be covered by this measure, and a future expiration of the National Industrial Recovery Act would not of itself repeal the authority given by this amendment.

Mr. WAGNER. In other words, what the Senator understands this amendment to do is to extend the powers to deal with the public-works fund that are now conferred upon the President in the National Recovery Act?

Mr. O'MAHONEY. So far as concerns the expenditure of moneys for the purpose of recovery and for types of projects already authorized, the amendment would make that extension.

Mr. WHEELER and Mr. HASTINGS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Virginia yield; and if so, to whom?

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

Mr. WHEELER. Mr. President, I am inclined to agree with the Senator from New York that if the National Recovery Act should expire, the President could not go ahead with these projects; and it seems to me we ought to examine the original law to find out what are the types of projects that are mentioned in it before we adopt this amendment.

Mr. O'MAHONEY. Mr. President, I may say that the committee made that examination. We consulted lawyers in the Treasury Department with respect to the interpretation of the language concerning which I myself had no doubt at any time; and I may say to the Senator that the legal adviser whose views we sought concurs in that opinion.

Mr. WAGNER. Mr. President, the apprehension under which I was laboring perhaps is this: Take the case of the construction of a power plant in New York, which is contemplated by the Federal Government to supply electricity to the Federal public buildings situated in New York. I take it that the power to construct that particular plant now exists under the National Recovery Act; but if the President should not, until some time subsequent to the expiration of that act, decide to allocate funds for the construction of that particular plant, the question arose in my mind, since there is not any other Federal law authorizing such an expenditure, whether his power is continued by this amendment or whether the President will be powerless to make such an expenditure.

I hope the Members of the Senate who are lawyers will consider very seriously the effect of this particular amendment. "Types of projects" is a very indefinite term.

Mr. GLASS. It is a very general term, a very comprehensive term; is it not?

Mr. WAGNER. Frankly, I do not know exactly what it means.

Mr. GLASS. It is the opinion of the chairman of the committee that there are few things of which the human mind may conceive that the President may not do under the terms of the joint resolution.

Mr. KING. Very few.

Mr. GLASS. And if the Senator listened to the speech of the Senator from Oregon [Mr. STEIWER] a few days ago, he will recall that there was—if the Senator will not object to the term—an almost interminable recitation of what might be done under the joint resolution. If, however, every Senator has in mind a pet project and proposes to amend the joint resolution by putting his particular project within its terms, we shall be here until next January.

Mr. FLETCHER. Mr. President——

Mr. WAGNER. Mr. President, in connection with my inquiry I desire to emphasize the fact that I am not in favor of limiting the power of the President at all. I am quite willing to give him the powers that were granted to him under the National Recovery Act. I am not sure but that we would be limiting those powers very much under this amendment.

Mr. O'MAHONEY. Mr. President, if the chairman of the committee will permit me, I shall modify the amendment in a way which I think will meet the possibility of criticism suggested by the Senator from New York.

Mr. GLASS. Meanwhile, I will yield the floor to the Senator from South Carolina [Mr. BYRNES].

Mr. O'MAHONEY. Just one word further, with the Senator's permission.

Mr. BYRNES. Certainly.

Mr. O'MAHONEY. I desire to modify the amendment so as to make the new language read as follows:

and such type or types of projects, Federal or non-Federal, as are now or may be hereafter authorized by law of the United States.

I have just inserted the words "now" and "hereafter."

Mr. BYRNES obtained the floor.

Mr. FLETCHER. Mr. President, may I ask the Senator to yield just a moment so that I may ask a question?

Mr. BYRNES. I yield.

Mr. FLETCHER. I should like to ask whether this amendment would exclude from the power and authority given the President in the expenditure of this fund any enterprise or undertaking or project which he may determine to be in the public interest, but which has not heretofore been authorized by Congress? For instance, as the Senator from New York suggested, the President may find new things, new projects, new undertakings, which ought to be instituted in order to give employment to people and to make the best possible use of this fund, undertakings which have never been dealt with by Congress at all. Does the Senator want to exclude them? I do not think that would be quite fair to the President.

Mr. GLASS. The amendment does exclude them, of course. That was the intention of the committee.

Mr. FLETCHER. I object to the amendment on that ground, because I can see very well how something new might develop which would give employment and which would provide important public works of great benefit to the country, but the President would be precluded from utilizing any of this money to effectuate them.

Mr. GLASS. Mr. President, let us have a vote on the amendment.

The VICE PRESIDENT. Without objection——

Mr. FLETCHER. I object. Let us have a vote on it.

Mr. HASTINGS. Mr. President, I understood the Senator from Virginia desired to yield to the Senator from South Carolina. I desire to make some inquiries before the amendment shall be adopted.

Mr. BYRNES. I should much prefer to have this amendment voted upon, and be recognized afterward.

Mr. HASTINGS. I desire to inquire of the Senator from Wyoming whether his amendment does anything more than to describe the type of non-Federal projects for which this money may be used. Does it do anything more than that?

Mr. O'MAHONEY. Perhaps it does not exactly do that. It restricts the expenditure of the fund to such purposes and such type or types of projects as may now or hereafter be authorized.

Mr. HASTINGS. That is, if the President may anywhere find now in the law——

Mr. O'MAHONEY. In the law of the United States.

Mr. HASTINGS. In the law of the United States that any Federal project has been authorized, then he can take some non-Federal project of a like type and spend the money for that purpose?

Mr. O'MAHONEY. I think not. The distributive is used, "Federal or non-Federal."

Mr. HASTINGS. Does it not include the provision that he shall have authority to spend this money for non-Federal projects?

Mr. O'MAHONEY. Such as have been authorized by law. In other words, let me say to the Senator, returning to the Public Works authorization, that law, title II of the N. I. R. A., gives the Executive the authority to lend funds from the Public Works Administration appropriation for non-Federal projects.

Mr. HASTINGS. Yes.

Mr. O'MAHONEY. He may continue to do that under this amendment, but only for projects of the type authorized by that law.

Mr. HASTINGS. He may do that only for such types of projects as have been approved by the Congress. Is not that correct?

Mr. O'MAHONEY. To carry out such authorizations as have been made by the Congress.

Mr. HASTINGS. It does not seem to me that the Senator's amendment does anything. That is the point I make.. It does not help at all.

Mr. O'MAHONEY. That may be the Senator's opinion. It is not mine.

Mr. COUZENS. Mr. President, I desire to draw the attention of both the Senator from Wyoming and the Senator from Delaware to section 202 of the N. I. R. A. There it is provided—and I doubt whether there is any limitation even in that act—

The Administrator—

Referring to the Administrator of the P. W. A.—

The Administrator, under the direction of the President, shall prepare a comprehensive program of public works, which shall include, among other things, the following: (a) Construction, repair, and improvement of public highways and park ways, public buildings, and any publicly owned instrumentalities and facilities; (b) conservation and development of natural resources, including control, utilization, and purification of waters, prevention of soil or coastal erosion, development of water power, transmission of electrical energy, and construction of river and harbor improvements and flood control and also the construction of any river or drainage improvement required to perform or satisfy any obligation incurred by the United States through a treaty—

And so forth. These activities can be expanded to include the doing of anything, except that I do not believe that an interpretation of that language would permit the authorities to engage in the establishment of retail oil stations, for example, as was suggested before the Committee on Appropriations by one of the witnesses. I doubt whether that could be done under this provision. I doubt whether the Government could engage in the operation of a department store, or the operation of a furniture factory, or in any other such activity, with the exception, perhaps, of the utilization of power. It could put in power stations all over the United States, under this law. It could put in anything that had to do with power, and the other things enumerated previously in the law, but I doubt whether the Government could go into activities which some fear it might enter, so as to interfere with private enterprise. I should like to know whether that is the idea of the Senator from Wyoming.

Mr. O'MAHONEY. It was not my intention to put any limitation on the authority contained in the act from which the Senator is reading. I concur in his opinion. Anything the President may now do under that act he could do under this amendment.

Mr. COUZENS. So I take it the enactment of the joint resolution containing this amendment would in no sense extend his authority beyond the authority he already has?

Mr. O'MAHONEY. Absolutely not.

Mr. COUZENS. In the way of construction expenditures?

Mr. O'MAHONEY. That is my understanding.

Mr. GLASS. Mr. President, if I may satisfy the minds of doubting Thomases, I will state further that some gentlemen imagine that there is some restriction contained in the amendment proposed by the Senator from Wyoming, but there is no restriction. Let us vote.

Mr. KING. Mr. President, of course I know the impatience of some Senators to push this legislation through; but I should like to ask the chairman of the committee whether or not under this joint resolution the 30-percent grant contained in the law, to which reference has been made, will be continued.

Mr. GLASS. Any grant that is now contained in any act of Congress may be utilized in the expenditure of this money.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY], as modified.

The amendment, as modified, was agreed to.

Mr. BYRNES. Mr. President, because of questions which have been asked this morning, and particularly because of the debate last week, I desire for a short time to discuss the purpose of the pending joint resolution.

The Senator from Virginia [Mr. GLASS] stated a few moments ago that on Thursday of last week the Senator from Oregon [Mr. STEIWER] made what the Senator from Virginia apologetically said was an interminable recital of what could be done under the pending measure. On the following afternoon the Senate was entertained by the Senator from Michigan [Mr. VANDENBERG], who, for about 3 hours exhausted his imaginative powers in telling us what might be done or could be done under the proposed law.

Seemingly the Senators deliberately forget that the President of the United States came to the Congress only a few weeks ago and stated to the Congress the purpose and the object sought by the proposed legislation. He said then:

I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves, or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution, but also their self-respect, their self-reliance, and courage and determination.

He then set forth a program having for its object the giving of jobs instead of cash and grocery orders to three and one-half million people now on the relief rolls.

To listen to the Senator from Oregon and the junior Senator from Michigan one would never dream that such purpose was ever in the mind of the President or in the minds of the Members of the House of Representatives, which passed the joint resolution. They spoke of the possible opening of factories, the establishment of businesses, and of every other imaginable thing. They did not refer to the purpose as declared by the President. Why? Was it because they disbelieved the President of the United States in his statement that the proposed legislation had for its object only this one thing—to give jobs to three and one-half million people, unfortunately out of work, but anxious to work, so that they could give something in exchange for that which they received from their neighbors? That is the purpose of the pending measure.

The President set forth, first, that all work undertaken should be useful, not just for a day or a year, but useful in the sense that it afforded permanent improvement in living conditions. The Senator from Michigan in discussing the matter said "Useful to whom?" and "What does he mean by 'useful'?"

It is astonishing that the Senator from Michigan does not even know the common-sense definition of the word "useful."

The President said, further:

Compensation on emergency public projects should be in the form of security payments, which should be larger than the amount now received as a relief dole but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in Government work.

(3) Projects should be undertaken on which a large percentage of direct labor can be used.

(4) Preference should be given to those projects which will be self-liquidating in the sense that there is a reasonable expectation that the Government will get its money back at some future time.

(5) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprises. This suggests—

Said the President—

that if it were not for the necessity of giving useful work to the unemployed now on relief, these projects in most instances would not now be undertaken.

In an effort to put into legislative form the program set forth by the President a bill was drawn. As to the drafting of that bill from the other side of this Chamber we learn that it was a mystery—born in the dark, said the Senator from Michigan, as only he in his eloquent way could say—born in the dark, sacrificing $4,000,000,000—$4,000,000,000 of lost liberty. A distinguished Representative from the State of Texas, the Chairman of the Committee on Appropriations in the House, introduced this bill. I knew nothing of its drafting. I do not believe that any Member of the Senate did. But when criticism was expressed upon this floor I took the trouble to inquire as to the drafting.

Before the Senate committee the Director of the Budget said that under his direction and supervision, with the assistance of Mr. Hester, one of the attorneys in the Treasury Department, a draft was prepared. It was taken to Congressman BUCHANAN, who called in the legislative assistants on the House side, Mr. Beaman and Mr. O'Brien, just as every Senator on this floor has called in the assistance of the Legislative Drafting Counsel time after time.

The Comptroller General was consulted by the Chairman of the Committee on Appropriations, who assumed the sole responsibility for the bill as drafted, and introduced it into the House. It was passed by the House, and of the 435 Members all but 78 voted for its passage in the House. It was voted for by Republicans and Democrats.

Now when it comes to this side of the Capitol it is received in an entirely different way. Two days after it was received in this Chamber the old guard, or what is left of the old guard, called a conference to make a partisan issue on an appropriation bill, certainly for the first time since I have served on the Appropriations Committee of the Senate. On Saturday before the bill was to be submitted to the committee the press carried the announcement, and it was a correct announcement, that a conference of Republican Senators was called to consider the bill. When the ranking member of the Appropriations Committee on the Republican side came into the committee room 2 days thereafter he made a statement, prefacing his statement by the announcement, "by direction of the conference." It was only additional evidence of the intention to inject political partisanship into the consideration of this bill.

The Senator from Alabama [Mr. BLACK] said the other afternoon that it was rather difficult to have the Senator from Michigan say just exactly whether he was in favor of $4,000,000,000 or whether he was in favor of a larger amount or a smaller amount, and I must agree that the Senator was correct. I have read the speech in the RECORD. I find that the Senator from Michigan was exceedingly explicit in his stand upon it. He said:

I do not stress the size of the grant because I would hesitate to put so great a sum at the disposal of the needs of the people of the United States.

You see he is not against the amount—

On the contrary, I assert that any sum, required for our emergency and promising adequate relief and evolution out of this depression, must be put to work upon these tasks.

The Senator from Alabama was right. If in Michigan there is any gentleman who is in favor of a higher appropriation, he can cite that language and say, "Regardless of what others may do, our junior Senator is in favor of any sum—the sky, and the sky alone is the limit." The Senator further stated:

Able Senators in this body, Senators who have made a searching study of work relief and who believe in it, insist upon amendments to increase the four billions to ten billions in order to do the job. There is no warrant for the belief, I assert, that four billions will suffice, even if we waive aside the argument whether work relief is a wise reliance at all.

So I answer the question of the Senator from Alabama that was not answered by the Senator from Michigan. Four billion dollars will not suffice, and he would be in favor of any sum. But the Senator devoted his time, most of it, to a statement that it was too great a power to give to the President. That the power would be abused. He said:

The last grant which we made for the Public Works Administration was for the purpose, of course, of creating immediate employment as swiftly as possible. Yet the enormous sum of $238,000,000 was promptly detoured from the P. W. A. to the Navy Department for the construction of new ships. It was not primarily an employment program.

Any man reading that, any man hearing it, would come to the conclusion that in some improper way funds which were appropriated for a specific purpose were detoured into the building of a naval program; and yet the Industrial Recovery Act in its public-works section specifically provided that the money appropriated, the $3,300,000,000, could be used—

If in the opinion of the President it seems desirable, for the construction of naval vessels within the terms and the limits established by the London Naval Treaty of 1930.

The specific authority was given to the President to use the money for that purpose. The Senator from Michigan was in the Senate at the time. If it was an improper use—if he deemed it even an unwise use, he could have raised his voice; he could have cast his vote against that specific provision, and he did neither.

Now he leads the people to believe that it was an improper use by the President of funds that were appropriated. He says further that—

The President is authorized under this bill to make any loan he pleases, whether to a citizen or an alien.

The bill specifically provides that the moneys herein appropriated—

Shall be available for use only in the United States and its Territories and possessions, including the Philippine Islands.

The Philippine Islands being stricken from the bill by the committee.

I could go through this platform of the Senator from Michigan and call attention to many things which he stated for which there was no foundation in fact, but I think there is one that is sufficient to explain the mental attitude of the Senator from Michigan. He says that the President in a message to the House made a statement as follows:

The throwing out of balance of the resources of nature throws out of balance also the lives of men. We find millions of our citizens stranded in village and on farm. We find other millions gravitated to centers of population so vast that the laws of natural economics have broken down.

And the Senator says:

Suppose one of the purposes ahead, under the proposed authority, is to order a correction of this particular maladjustment. Certainly it is amply authorized. Evidently it is in the Presidential mind. I do not argue its merits. I discuss the naked fact itself.

Now let us see what the Senator tells the people of this country and of Michigan is in the Presidential mind.

Suppose it is determined—

He said—

by supergovernment, that 10,000 farmers should be moved from sand-soil lands in Michigan to the great open spaces of Wyoming. Under this joint resolution the order can issue; and if it be resisted by farmers who are attached to Michigan and do not wish to be transplanted, they could have been put in jail in the first instance. They could be fined $5,000 under the House program. They are let off for $1,000 under the amended joint resolution as reported by the Senate Appropriation Committee. As originally drawn, they could also have been jailed for resisting the Executive decree covering fundamental rights of the citizen whom Congress, if consulted, would never permit to be thus handled as a pawn in a game of economic chess.

Suppose it is determined, in a flash of superior wisdom which implements this philosophy of transmigration, that 10,000 workers in Detroit should be scattered among the villages of Arizona. Under this joint resolution the order can issue; and the victim who finds this moving order on the lintel of his door can choose between his newly ordered destination and a fine of $5,000, or he can be sent to jail for 2 years if the joint resolution should be restored to the form in which it came to us from the other end of Pennsylvania Avenue.

And when the Senator from Virginia [Mr. GLASS] asked the Senator from Michigan [Mr. VANDENBERG] if he did not know that within the limits of this bill there was no authority anywhere for a compulsory transfer the Senator said:

It becomes a compulsory transfer unless the penalty is excepted.

The Senator continued:

Are these violent assumptions?

He would not say they were.

I hope so—

He said—

but I do not know.

He would have the farmers in Michigan believe that the President of the United States was seeking authority to drive people from their homes, and he could not even give them the comfort that it would not be used. He wanted a man to believe that some night there would be placed on his door an order to move to Wyoming, to Arizona, and that if he did not leave with the sun that he would be put in jail for 2 years. He would have the people of Michigan believe that the splendid gentlemen who represent that State in the House, men like CARL MAPES, of Michigan, and MCLEOD, of Michigan, who voted for this bill, would vote for a measure authorizing the President or any other man to drive out of the homes of Michigan the people who are attached to their State and to their soil. He could not tell them that it would not be done. He only hoped that it would not be done, and perchance, upon his return when they still find themselves at home they can say, "Those Democrats would have done it; Roosevelt would have driven us to Wyoming, but, thank God, our junior Senator saved us and enabled us to stay at home." That will be a comforting thought.

Mr. O'MAHONEY. Mr. President——

Mr. BYRNES. I yield to the Senator from Wyoming, anticipating what he will probably say.

Mr. O'MAHONEY. I merely desire to observe that the Executive would probably confer a benefit upon anybody whom he caused to be sent to Wyoming.

Mr. BYRNES. The people of Wyoming may remember that when the Senator from Michigan sought to frighten the people of Michigan to death, he could think of nothing worse to hold up before their eyes, than the threat of being sent to Arizona or Wyoming. [Laughter.]

That any man studying the pending joint resolution, having for its purpose nothing but to give jobs to three and a half million poor unfortunates who are out of work and who want to work, can distort its meaning and purpose into a grant of authority under which men may be driven from their homes, under which they may wake up and find a notice on their doors to remove to some other section of the country, shows the extent to which my friend from Michigan would go, and the poverty of his cause at this time.

But it was not always thus. Lest someone may think so, I desire to advise the Senate that it was only a short time ago when the Senator from Michigan had an entirely different idea about this situation. When he went before the people of the State of Michigan to announce his candidacy for reelection, recalling that the State of Michigan had voted for Franklin D. Roosevelt at the previous election, the junior Senator from Michigan stated:

One dominating move must underlie this contemporary service. We are in another war.

Can you not hear him?—

We never yet have lost a war. War requires unified command and unified allegiance. Under our system we could not at the moment change command if we would. Thus the patriotic challenge stands clear. As patriots, long before we are partisans, we owe all possible support to Franklin D. Roosevelt—

The gentleman in front of me looked around. I imagine he was startled. I will read it again:

We owe all possible support to Franklin D. Roosevelt, President of the United States, in what we all unitedly hope and pray may be the permanent upsurge of American affairs. He has given our people new hope. Encouragement is in the air. The country moves ahead. It is our Republican function to aid this trend in every compatible way. We are not required to surrender our fundamental convictions, but we are required to cooperate in the last possible degree, pending the appropriate time when we can take our cause to the electorate. The alternative would be chaos.

That was the candidate speaking, the junior Senator from Michigan, asking for reelection. And, Mr. President, it is rather generally believed that had the Senator not so addressed the people of Michigan there would have been a little more room for the miniature golf course that could be built on the other side of the Chamber at this time. [Laughter.]

But the Senator was wiser than others. He said we must stand by the President of the United States; we are at war; we owe him allegiance; and because he did it he has returned, to our great pleasure, while some other gentlemen did not. It is a pity that last week he did not remember the next paragraph of his Grand Rapids speech:

In such a situation I undertake to make it plain that I have no use whatever for petty political sniping and for what some who often are themselves guilty of the precise practice which they blatantly condemn, call "carping criticism."

I leave it to the junior Senator from Michigan to say whether it is political sniping or carping criticism for him to say that he could not even assure the people of Michigan that the President of the United States would not overnight drive out of Michigan and into the far West the farmers and the God-fearing people who live today in the State of Michigan.

Carping criticism! What else is there to the speech the Senator has made about the joint resolution? The Sena-

tor did speak about the tide; the tide was coming in at various times or the tide was going out. We knew that he was all wet without such continued references to the tide. The sum and substance of his speech was that he thought now that the election was over, the joint resolution proposed to give too great power to the President, but he never raised his voice against the expenditure of $3,300,000,000 under the National Industrial Recovery Act; he never objected to the original relief act. He referred to the Federal Housing Act, but the Senator from Michigan voted for it. He says the economy act was terrible, but he voted for it. If after each paragraph of his speech in which he referred to laws passed under the Roosevelt administration the Senator had said, "I voted for it", those who read the speech would have a clearer understanding of the position of the Senator as to the various measures which he discussed.

But after all, Mr. President, the question is not who drafted this measure; the question is what is in the measure.

Mr. COUZENS. Will the Senator yield at that point?

Mr. BYRNES. I yield.

Mr. COUZENS. The Senator perhaps should not be so harsh on my colleague, because he is a candidate for the Presidency. I hope the Senator from South Carolina will not put me in the same category, because I was not born within the limits of the United States, and I cannot be a candidate. So I want to ask the Senator if he, in all good faith, approved the joint resolution as it was introduced in the House of Representatives.

Mr. BYRNES. I will answer the Senator, but, first, I want to say that while the senior Senator from Michigan [Mr. COUZENS] was not in the Chamber the other afternoon, all of us who were here listening to the junior Senator from Michigan [Mr. VANDENBERG] knew he was a candidate without the senior Senator from Michigan telling us so.

Mr. COUZENS. I heard a great part of the speech, but I still want to ask the question of the Senator from South Carolina.

Mr. BYRNES. I will answer the Senator's question. As to the program of the President as set forth in this joint resolution, I voted for the amendment adopted only a few moments ago on the motion of the Senator from Wyoming [Mr. O'MAHONEY]. Other amendments I have voted for. I objected, as I know my friend the senior Senator from Michigan objected, when I first read the joint resolution to the provision guaranteeing loans, but I want now, in justice to the House of Representatives, to say a few words with reference to that. When I read in the measure the power to guarantee the payment of loans, I was immediately opposed to it. I found it to be the fact that the power was placed in the joint resolution by the Representative who introduced it in the other body because of the statement by the relief administration that in some instances when men who were on the relief rolls had secured jobs they had no money with which to pay for groceries.

They could stay on the relief roll because they had no money, and the relief administration would still have to furnish them groceries. The administrators conceived the idea some few months ago that if they could guarantee the amount, as the man was working they would make him pay it when he got his pay 2 weeks hence, instead of the relief administration advancing the money or the groceries. With the idea of saving money in that instance, they asked for the power. They said that, in all, it would amount to between five and ten thousand dollars. Because I knew that five or ten thousand dollars' worth of time would be lost in the discussion of it, it mattered not how worthy it was, I moved to strike it from the joint resolution.

As to other provisions of the measure, an amendment was agreed to striking out the words "relieving economic maladjustments", which I certainly did not object to having stricken from the bill. But again, in justice to the other House and to the Representative in Congress and those associated with him who drafted the joint resolution, I will state that the purpose was to care for the situation in rural rehabilitation work and subsistence homesteads. There was a question as to whether the Comptroller General would hold that they were authorized under the first clause "providing relief resulting from wide-spread unemployment", because it was a rural situation, and whether or not farmers had been "employed" in the sense of the word as it would be interpreted by the Comptroller General. My own judgment is that the situation is fully covered by clause 3 and by the words "alleviating distress", and that under those clauses any situation of that kind could be cared for. Because of the possibilities which have been suggested and because of the belief that the language is unnecessary, I think it is well that it be stricken out.

Now, as to the power to establish agencies. I believe the President should have the power to establish an agency. The President has said that he wanted to close the Relief Administration in order that the relief problem, as a relief problem for the unemployed or the unemployable or for the disabled, should revert to the States, and that the United States Government should assume the burden as a work problem and not as a relief problem. Having that in mind, as it became possible that the Relief Administration—certainly in name—could be closed, an organization should be established by him for the purpose of carrying out this proposed act.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. BYRNES. Yes.

Mr. COUZENS. Does the Senator see any objection to the Congress itself saying that the Federal Emergency Relief Administration shall be abolished?

Mr. BYRNES. Not at all, except that I would not want to say it as to time, because I know that the problem is such that no man can tell exactly when it will be possible to entirely remove the United States Government from the extending of relief. It must depend upon the rapidity with which men can get jobs under the program that is now to be undertaken. I have no reason except as to the time element; that is all.

Mr. COUZENS. Am I to understand the Senator in a previous comment to have made the statement that he did not agree with the committee in striking out section 4 as it came from the House?

Mr. BYRNES. That is incorrect. I could write section 4, I am satisfied, in fewer words, giving the President power to do what he wants to, according to a statement made before the committee, to consolidate organizations now administering various relief activities, as well as other governmental organizations. I think the Senator will agree that the matter of soil erosion is scattered in at least two departments, rural housing in two or three bureaus; and certainly, for effective administration, there ought to be a coordination of such activities. If it could be done, it would be in the interest of good administration and economy, and he should have the power to consolidate such agencies.

Mr. COUZENS. Can the Senator see any reason why Congress should not know about these things and pass upon them?

Mr. BYRNES. Congress does know about them.

Mr. COUZENS. There is nothing in the joint resolution about consolidating the specific units the Senator has mentioned. I am not finding any fault with the program the President has in mind, if I may know what it is, but there is nothing here to show what his program is.

Mr. BYRNES. I think the Senator will agree that insofar as the executive department goes we were not unwise when in the closing days of the last administration we authorized the President to coordinate executive bureaus whenever it was possible. As the result of it the Shipping Board and other organizations were reorganized. Some progress was made toward unification. I think the Executive can do it much better than the Congress can.

Mr. COUZENS. I have no objection if the Congress were consulted and advised, as was provided in the act to which the Senator refers which was passed in the closing days of the last administration. But as section 4 of the pending

measure was drafted the authority and power granted thereunder were unconscionable, and I could not agree to it.

Mr. BYRNES. I have said to the Senator that I think I could take the language of the joint resolution and the language of the act to which I have referred, the legislative appropriation act and similar acts, and could accomplish everything that would be necessary and wise under those acts, and would do it much better than it is done by the language in the pending joint resolution; but that act about which he and I are talking expires sometime in the near future, and the Executive would have no power to consolidate unless we confer that power upon him anew.

Mr. President, with reference to the statement so often made as to the powers of the Executive, I ask permission to place in the RECORD a summary of some acts of Congress giving to the President the power to spend lump sums that have been enacted throughout the history of the Government.

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

REFERENCE TO APPROPRIATIONS WHERE THE LAW PROVIDES THAT THE EXPENDITURES ARE TO BE MADE AT THE DISCRETION OF THE PRESIDENT

Act March 20, 1794 (1 Stat. 345): That a sum of $1,000,000, in addition to the provisions heretofore made, be appropriated to defray any expenses which may be incurred, in relation to the intercourse between the United States and foreign nations, to be paid out of any moneys, which may be in the Treasury, not otherwise appropriated, and to be applied, under the direction of the President of the United States, who, if necessary, is hereby authorized to borrow the whole or any part of the said sum of $1,000,000; an account of the expenditure whereof, as soon as may be, shall be laid before Congress. * * *

Act October 31, 1803 (2 Stat. 345): An act to enable the President of the United States to take possession of the territories ceded by France to the United States by the treaty concluded at Paris, on the 30th of April last; and for the temporary government thereof.

The above-cited act provided as follows: "* * * and so much of the sum appropriated by the said act as may be necessary is hereby appropriated for the purpose of carrying this act into effect; to be applied under the direction of the President of the United States."

Act January 15, 1811 (3 Stat. 471): An act to enable the President of the United States, under certain contingencies, to take possession of the country lying east of the River Perdido, and south of the State of Georgia and the Mississippi territory, and for other purposes.

Section 2 appropriates $100,000 for defraying such expenses as the President may deem necessary for obtaining possession as aforesaid, and the security of said territory, to be applied under the direction of the President, out of any moneys in the Treasury not otherwise appropriated.

Act March 3, 1839 (5 Stat. 355): An act giving the President of the United States additional powers for the defense of the United States; authorized to resist any attempt on the part of Great Britain to enforce by arms her claim to jurisdiction over that part of State of Maine which is in dispute.

Section 5 appropriates the sum of $10,000,000, which is placed at the disposal of the President for the purpose of executing the provisions of said act, etc.

Act June 29, 1854 (10 Stat. 391): An act to enable the President of the United States to fulfill the third article of the treaty between the United States and Mexico of December 30, 1853, provides: "That the sum of $10,000,000 be, and the same is hereby, appropriated out of any money in the Treasury not otherwise appropriated, to enable the President of the United States to fulfill the stipulation in the third article of the treaty between the United States and the Mexican Republic, of the 30th of December 1853 * * *."

Act July 31, 1861 (12 Stat. 283): Appropriated the sum of $2,000,000 "to be expended, under the direction of the President of the United States, in supplying and defraying the expenses of transporting and delivering such arms and munitions of war as in his judgment may be expedient and proper to place in the hands of any of the loyal citizens residing in any of the States in which the inhabitants are in rebellion against the Government, * * *."

Act July 31, 1861 (12 Stat. 283): Appropriates $10,000,000 "to be expended under the direction of the President of the United States for the purchase of arms for the use of the regular troops of the United States."

Joint resolution October 12, 1888 (25 Stat. 631): Aid to sufferers from yellow fever. "That the sum of $100,000, or so much thereof as may be necessary, be and the same is hereby appropriated out of any money in the Treasury not otherwise appropriated to be expended under the direction of the President of the United States whenever in his opinion such expenditure will tend to the eradication of the epidemic of yellow fever now prevailing in the United States or its spread from State to State."

Act June 28, 1902 (32 Stat. 481): Panama (Isthmian) Canal: An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans, authorizes the President to acquire all necessary rights, privileges, franchises, property, etc., and to construct the Canal and works appurtenant thereto. For this purpose there was created the Isthmian Canal Commission. "Said Commission shall in all matters be subject to the direction and control of the President."

Various appropriation acts were passed by Congress for the purposes of the above-cited act carrying the clause "to be expended under the direction of the President in accordance with the said act."

For relief, protection, and transportation of American citizens in Europe: Public Resolution No. 41, August 3, 1914 (38 Stat., p. 776), $250,000; Public Resolution No. 42, August 5, 1914 (38 Stat., p. 776), $2,500,000.

(There resolutions provide that the funds in question are "to be expended at the discretion of the President.")

Deficiency Act, March 9, 1898: National defense: For the national defense, and for each and every purpose connected therewith, to be expended at the discretion of the President, and to remain available until January 1, 1899, $50,000,000.

Deficiency Act, April 17, 1917 (40 Stat., p. 28): National security and defense: "For the national security and defense, and for each and every purpose connected therewith, to be expended at the discretion of the President, and to be immediately available and to remain available until December 31, 1917, $100,000,000.

Sundry Civil Act, July 1, 1918 (40 Stat., p. 635): National security and defense: For the national security and defense, and for each and every purpose connected therewith, to be expended at the discretion of the President, $50,000,000.

Act of February 25, 1919 (40 Stat., 1161): European food relief: An act providing for the relief of such populations in Europe, and other countries contiguous thereto, outside of Germany, German-Austria, Hungary, Bulgaria, and Turkey, as may be determined upon by the President as necessary.

Provides for the participation of this Government in furnishing foodstuffs and other urgent supplies to certain European countries.

The above cited act provides as follows: "* * * as may be determined upon by the President from time to time as necessary, and for each and every purpose connected therewith, in the discretion of the President, there is appropriated out of any money in the Treasury not otherwise appropriated $100,000,000, which may be used as a revolving fund * * *."

Mr. BYRNES. I may invite attention to the fact that as early as 1794 the sum of $1,000,000, a great sum at that time, was appropriated to the President to be applied under his supervision without any specific direction as to how it was to be spent, other than that it was to be used in relation to intercourse between the United States and foreign nations. The President was authorized even to borrow the whole or any part of the million dollars which he was authorized to spend. From that day down to this, in Congresses controlled by the Republican Party and in Congresses controlled by the Democratic Party, lump sums have been appropriated for the use of the Executive to be spent in his discretion. The language "in his discretion" and "under his direction" occurs in acts of Congress from 1794 to 1934, so it is really nothing new. Certainly that is true as to the more recent legislation.

Considerable discussion has been had with reference to the penalty clause. It is said that is a terrible thing. The Senator from Michigan [Mr. VANDENBERG] spoke about it the other day. Only 2 weeks ago we passed what is known as the "Connally oil bill", authorizing the President to draft regulations and providing that for their violation a man may be either fined or imprisoned. Not one word was said by anyone I can recall except the Senator from Idaho [Mr. BORAH]. He did question it. He did not demand a vote upon it. The Senator from Oregon [Mr. STEIWER] did not question it. The Senator from Michigan [Mr. VANDENBERG] did not question it. They were here and they voted to send a man to jail if he should violate a regulation under the oil bill; but if there is any penalty under the joint resolution now before us it immediately becomes a terrible crime and a gross abuse and usurpation of power by the President.

The N. I. R. A. had the same provision. If it is bad now, it was bad then. Here is what was provided in that act:

The President is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this title, and any violation of any such rule or regulation shall be punishable by fine not to exceed $500 and imprisonment not to exceed 6 months, or both.

Not one question was raised about that provision. It was all right. Only when such a provision is found in the pending joint resolution is it said to be wrong. Because of that I ask to submit for the RECORD a list of some 43 acts of Con-

gress in which it is provided that for a violation of regulations punishment by fine or imprisonment, or both, may be inflicted.

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

The following are some of the laws containing provisions making it a crime to violate regulations made by the President, a member of the Cabinet, or some other executive officer:

1. An act authorizing the citizens of Colorado, Nevada, and the Territories to fell and remove timber on the public domain for mining and domestic purposes. June 3, 1878. Section 3 (20 Stat. 89).

2. An act to prevent the introduction of contagious diseases from one State to another and for punishment of certain offenses. March 27, 1890. Section 2 (26 Stat. 31).

3. An act to amend section 3354 of the Revised Statutes. June 18, 1890. (26 Stat. 161.) (Liquor regulation.)

4. An act to adopt special rules for the navigation of harbors, rivers, and inland waters of the United States, etc. February 19, 1895. Section 3 (28 Stat. 672).

5. An act to adopt regulations for preventing collision upon certain harbors, rivers, and inland waters of the United States. June 7, 1897. Section 3 (30 Stat. 102).

6. An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1898, and for other purposes. June 9, 1897. (30 Stat. 35.) (Regulations for fire prevention.)

7. An act concerning the boarding of vessels. March 31, 1900. (31 Stat. 58.)

8. An act authorizing Secretary of War to make regulations governing the running of loose logs, steamboats, and rafts on certain rivers and streams. May 9, 1900. (31 Stat. 172.)

9. An act to regulate the construction of bridges over navigable waters. March 23, 1906. Section 5 (34 Stat. 85).

10. An act to amend an act entitled "An act to regulate the construction of dams across navigable waters", approved June 21, 1906. June 23, 1910. Section 5 (36 Stat. 595).

11. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes. March 4, 1915. Section 7 (38 Stat. 1053). (Regulations establishing anchorage grounds, etc.)

12. Agriculture appropriation bill of 1917. August 11, 1916. (39 Stat. 476.) (Regulations of game preserves.)

13. Naval appropriations bill of 1918. March 4, 1917. Section 44 (39 Stat. 1194). (Regulations within limits of established sea areas.)

14. An act authorizing the President to make rules and regulations affecting health, etc., in the Canal Zone. August 21, 1916. (39 Stat. 527.)

15. Revenue Act of 1918. February 24, 1919. Section 627 (40 Stat. 1115). (Liquor regulation.)

16. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919. July 9, 1918. Chapter XIX (40 Stat. 893). (Regulations for protection of life and property in target practice.)

17. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes. August 8, 1917. Section 7 (40 Stat. 266). (Regulations for the use, administration, and navigation of the navigable waters.)

18. An act to provide for the national security and defense by encouraging production, etc., of minerals. October 5, 1918. Section 4 (40 Stat. 1010).

19. Joint resolution authorizing the President to establish zones in which liquor may not be sold, etc. September 12, 1918. (40 Stat. 958.)

20. Act to confer on the President power to prescribe charter rates and freight rates and to requisition vessels, and for other purposes, etc. July 18, 1918. Section 16 (40 Stat. 916).

21. Migratory Bird Treaty Act. July 3, 1918. Section 6 (40 Stat. 756).

22. An act to prevent in time of war departure from or entry into the United States contrary to the public safety. May 22, 1918. Section 3 (40 Stat. 559).

23. Trading with the Enemy Act. October 6, 1917. Section 16 (40 Stat. 425).

24. An act to provide further for the national security and defense by encouraging the production of food products, etc. August 10, 1917. Section 5 (40 Stat. 277).

25. An act to prohibit manufacture, etc., in time of war of explosives. October 6, 1917. Section 19 (40 Stat. 388).

26. Act to enable the President to carry out the price guarantees made to producers of wheat, etc. March 4, 1919. Section 5 (40 Stat. 1350).

27. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1921. May 31, 1920. (41 Stat. 727.) (Regulations on entry of plants.)

28. An act to accept the cession by State of California of lands embraced within Yosemite National Park, etc., June 2, 1920. (41 Stat. 732.) (Regulation for the management, etc., of the park.)

29. An act to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909. March 4, 1921. Section 235 (41 Stat. 1445). (Regulations governing shipment of explosives.)

30. Packers and Stockyards Act of 1921. August 15, 1921. Section 306 (G) (42 Stat. 165).

31. An act for the protection of fisheries in Alaska, and for other purposes. June 6, 1924. Section 6 (43 Stat. 466).

32. An act to protect navigation from obstruction and injury by preventing the discharge of oil into the coastal navigable waters of the United States. June 7, 1924. Section 4 (43 Stat. 605).

33. An act to provide for the protection of forest lands, for their reforestation of denuded areas, etc. June 7, 1924. Section 9 (43 Stat. 655).

34. An act to regulate the importation of milk and cream into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health. February 15, 1927. Section 4 (44 Stat. 1103).

35. An act to amend the act entitled "An act to regulate interstate transportation of black bass, and for other purposes. July 2, 1930. Section 5 (46 Stat. 846).

36. Emergency Railroad Transportation Act. June 16, 1933. Section 12 (48 Stat. 215).

37. Cotton Control Act. April 21, 1934. Section 14 (E) (48 Stat. 605).

38. Securities Act of 1933. May 27, 1933. Section 24 (48 Stat. 87).

39. Emergency Banking Act of 1933. March 9, 1933. Section 4 (48 Stat. 2); section 211 (48 Stat. 5).

40. National Industrial Recovery Act. June 16, 1933. Section 10 (48 Stat. 200).

41. An act to stop injury to the public grazing land by preventing overgrazing and soil deterioration, etc. June 28, 1934. Section 2 (48 Stat. 1270).

42. Communications Act of 1934. June 19, 1934. Section 502 (48 Stat. 1100).

43. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits. June 18, 1934. (48 Stat. 1020.)

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

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Delaware?

Mr. BYRNES. Certainly.

Mr. HASTINGS. I wish the Senator would be a little more specific as to the purpose of this section. I realize that what the Senator has said is true, that in many acts there is some similar provision; but I cannot quite understand how effective this section may be, and I do not know what the person who drafted it had in his mind when he spoke about "rules and regulations."

I followed the remarks of the Senator from Michigan [Mr. VANDENBERG], and it seemed to me at the time he discussed this particular part of the measure that it could not have had as its object that the President might by Executive order direct that certain people be transferred from one place to another and for any violation of that order he might impose this penalty. I do not know whether under this joint resolution he could do it or not. I am asking the Senator from South Carolina about it.

Mr. BYRNES. The language is taken exactly from the N. R. A. Act, which I hold in my hand, with one exception, that as the House framed the pending joint resolution it provided that it must be a "willful" violation, but in all the other acts it is simply provided that the President is authorized to—

prescribe such rules and regulations as may be necessary to carry out the purpose of this title, and that a violation of such rule or regulation shall be punishable—

And so forth; but the joint resolution now before us was modified at least to the extent of using the expression "willful" violation. It means only what has been meant in every act of Congress up to this time. The Senator knows how stock language is placed in our measures by the draftsmen.

I will tell the purpose behind it, because the Senator has asked about it. In the handling of this amount of money the Federal Relief Administration has sought to prevent that which inevitably would occur throughout the Nation—the efforts on the part of some people to get money or commodities to which they are not entitled. It was found in some places that when the regulations were adopted the pay roll would be padded. In one or two instances, when they undertook to prosecute, the United States district attorneys declared when the case went to court that, as only one individual was involved and there was no conspiracy charged, therefore in the absence of any specific authority on their particular job it would be impossible to secure a conviction. They were told in some cases that they might go to the State courts, and they knew that was impossible. In order to prevent men from doing the things that are set

forth in section 8—because afterward I offered that amendment myself with that fact in mind—it was necessary to make punishable those things, because manifestly it would be useless to prescribe a fine of $5,000 or $1,000 for a man who had no money and who was violating the law by doing the things set forth in section 8. I will say that by section 8 we seek to provide punishment by way of imprisonment for doing the things which have given the most trouble to the Federal Emergency Relief Administration.

Mr. HASTINGS. Mr. President, of course I think section 5, or some language similar to that, is necessary so far as the Government employees are concerned who are carrying out the Executive order. That is what is done by the penalty clauses in most of the acts to which the Senator refers. If the President, who is given authority to execute this measure, issues an Executive order of some kind and the employees of the Government whose duty it is to carry out that Executive order violate it, they ought to be held guilty; but I think no act can be found in which the President is given any such authority as is given under this measure, so that a penalty like this at least requires some explanation.

Mr. BYRNES. I will say to the Senator that the reason why an act exactly like this cannot be found is because every other act provides imprisonment as a punishment; but if the Senator will take this joint resolution and compare it with the N. R. A. Act, against which he did not raise one question, and which I have in my hand, he will see that the penalty clauses of the two are identical, except that the N. R. A. Act and these other acts do not even provide that the violation must be willful. This joint resolution does. In the N. R. A. Act it is provided that if anyone violates it he shall go to jail. This measure does not so provide, as it is now reported. Therefore, the modified proposal is not so severe upon the person who violates the regulation as in the other case.

Mr. HASTINGS. If the Senator will bear with me a moment, I should like to call his attention to the fact that the N. R. A. Act was almost ineffective except by Executive order. These codes, and everything else, were approved by the Executive.

It was necessary to have a multitude of Executive orders to carry out the provisions of the act, but we had some idea of what was to be done under the act. We knew something about what was to be done, and therefore we could get some idea of the necessity of a penalty clause.

I concede that a penalty clause in some form is necessary in this measure, but I am anxious to find out to what extent it goes. I am anxious to find out, as an illustration, whether it is possible for the Executive—I am not intimating that he would do it, but I am talking about what might be done under this measure—whether the Executive can do what has been intimated by the Senator from Michigan under this penalty clause.

Mr. BYRNES. The Senator, as a good lawyer, knows that no matter what else may be conjured up in the mind of any critic of the joint resolution, certainly by no order of the President in this country can any man be ordered from his home to any other State.

Mr. HASTINGS. I think that is true.

Mr. BYRNES. I did not think the Senator from Delaware would go to the extent of approving the statement of the Senator from Michigan that a notice could be put on a man's door telling him to go to Wyoming; and if he should not go, under the Constitution or any law he would go to jail. The Senator from Delaware does not say that.

Mr. HASTINGS. No; I agree with that. I think that is an extreme case; but this joint resolution is, under its terms, designed—

> To promote the general welfare, by providing relief from the hardships attributable to wide-spread unemployment and conditions resulting therefrom, alleviating distress, improving living and working conditions—

And so forth. I do not know to what extent the President might go in an Executive order affecting the private citizen under this measure.

Mr. BYRNES. I will say, because I do not want to spend any more time on this subject, that this langauge is not as strong as the language of other penal clauses. It does provide that the President is authorized to prescribe rules and regulations necessary to carry out the joint resolution. Therefore it is limited in that respect; but in no one of the acts has there been anything to justify the fears that are expressed.

Mr. President, because I desire to conclude my remarks, I only wish to add this statement:

I repeat that the purpose of the joint resolution is to give jobs to three and a half million people. It is to be enacted, if at all, in order to help people, and not projects. Public works are involved only because public works furnish an opportunity to carry out the primary purpose of the joint resolution, to give jobs. Whenever that is done, of course, when we have in mind legislation having for its purpose nothing but to give jobs instead of doles to three and a half million people, we arouse the cupidity of people throughout the Nation who are interested in projects more than in people, of organizations that are interested in their own welfare; and when that is done we ought to remember that there is one class that is not organized, the three and a half million unfortunates who are out of jobs. It is for those three and a half million people that the President appealed for this legislation. They cannot hope for any aid unless the Congress of the United States gives it to them. I appeal to the Senate not to forget that this is a measure to relieve human beings, and not to provide public projects.

Mr. COUZENS. Mr. President, the Senator from South Carolina [Mr. BYRNES], at the inception of his speech, referred to the origin of the joint resolution, and the inference was that that was unimportant.

When this measure was first printed and introduced in the House of Representatives, and before that body had taken any action on it, I made a statement, rather facetiously, to the effect that the man who drafted the joint resolution ought to be hanged in reality, and not in effigy. Now, the Senator from South Carolina says that it is unimportant who was the author of the joint resolution. I disagree, because the President himself said that he had not read the joint resolution.

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

Mr. COUZENS. Not just yet.

I desire to point out that if the joint resolution had been drafted by the Third Internationale at Moscow, and sent over here for introduction, there would be considerable importance attached to its authorship. I want to know who conceived a thing of this sort. It is important to know who in the United States drafted such a measure as was originally presented in the House of Representatives, because in view of the form in which the joint resolution was drafted and in part passed by the House, and the way in which it has been materially amended by the Senate Committee on Appropriations, it is perfectly obvious that neither body of Congress approved of the joint resolution as it was introduced.

I am not ordinarily so much concerned about who introduces a bill; but if there is in this country a movement to encourage fascism, we are going directly to that end by the introduction in Congress of measures which propose to confer on one individual the authority which was originally included in this joint resolution.

The President did not draft the joint resolution. I am making no reflection upon him. I do not know who did draft it. The President made a public statement to the press that he had never read the joint resolution.

Mr. HAYDEN. Mr. President, will the Senator yield right on that point?

Mr. COUZENS. I yield to the Senator from Arizona.

Mr. HAYDEN. If the Senator is really concerned as to who are the authors of the joint resolution, I should like to refer him to the hearings before the Senate Committee on Appropriations.

Mr. COUZENS. Oh, I heard all about that. I will say to the Senator from Arizona that that has all been printed in

the press; but the point is, no one has said where the author of the joint resolution got the idea of writing it. I can hire a lawyer anywhere, I can hire a Communist, to draft a bill. I can have our own drafting bureaus in both Houses of Congress draft any kind of measure that I ask them to draft.

Mr. HAYDEN. But the hearings before the Senate Committee on Appropriations do show that the Acting Director of the Budget, Mr. D. W. Bell, Admiral C. J. Peoples, Director of the Procurement Division of the Treasury Department, Mr. C. M. Hester, an attorney for the Budget Bureau, and Mr. Corrington Gill, the Deputy Administrator of the Federal Emergency Relief Administration, assisted by Judge N. A. Townsend, of the Department of Justice, were the original authors of the joint resolution. The record further shows that Mr. Bell brought the draft of the joint resolution to Mr. BUCHANAN, the Chairman of the House Committee on Appropriations, and that with the assistance of the legislative counsel of the House the joint resolution was prepared. Those are the men who drafted the joint resolution.

Mr. COUZENS. That really does not answer the question, except in a technical way, because, as I said previously, we can get the drafting bureaus of both Houses of Congress to draft any measure we suggest. What I have been trying to arrive at is, who in the devil suggested that kind of a measure? It did not originate with the lawyers around here. The idea of conferring all this power did not originate in their minds. Somebody was told to draft the measure in that way, just as the Senator from Arizona can tell the drafting bureau what he wants and other Senators can tell the drafting bureau what they want. The idea of the legislation does not originate in the minds of the drafters of the bill. It originates in the mind of somebody else; and I want to find out whether that kind of a measure originated in the Third Internationale at Moscow or whether it originated in America.

Mr. HAYDEN. The basic idea behind the joint resolution is to give employment to three and a half million men.

Mr. COUZENS. The Senator cannot confuse me or involve me in a lack of desire to put three and a half million men to work. The Senator cannot charge me with lack of interest in the underprivileged and the distressed citizens of America, because long before the Senator from Arizona was here I stood by every kind of activity that would promote the welfare of the less privileged of our countrymen. I do not propose, therefore, to be diverted to the thought that I am not interested in these people. I am so much interested in them that I am ashamed of the Appropriations Committee for reporting out a measure which provides that three and a half million persons who are unorganized, as the Senator from South Carolina [Mr. BYRNES] says, shall take what is handed to them.

They are required to take whatever the administration says they must take. They are unorganized; they are unprotected. And after 2 weeks of consideration by the Committee on Appropriations, not a word was put into the joint resolution to regulate the profits on nearly half of the money which will go to private industry.

Mr. HAYDEN. Mr. President, I would be the last man in the Senate to imply for one second that the Senator from Michigan was not thoughtful always of the underprivileged and the unemployed. His record here is perfectly clear upon that point.

What I desire to say is that we have a basic idea here which I think the country conceives as coming from the President of the United States. There were three and a half million men on relief in the United States drawing, on an average, $24 a month, some as little as $4 or $5, some as high as $50 or $60 or $70, if they were heads of large families. The President's proposal is to put them to work, and pay them generally about twice that average, to give them continuous employment for a year, the average rate of pay to be $50 a month, or $600 a year. So those who prepared this joint resolution multiplied three and a half millions by six hundred, which produced the figure of $2,100,000,000 to be paid as wages.

Then there remains, out of the $4,000,000,000, $1,900,000,000 for material. I cannot understand why the Senator should complain that if the Government shall buy the lumber, or cement, or reinforcing steel, or whatever may be used to put these men to work, Congress should regulate the profits of everyone who sells some cement or some lumber or some steel. Is that what the Senator desires to have put into the pending measure?

Mr. COUZENS. The Senator from Michigan never suggested any such thing. What I said was that the proposal is to take the unorganized, the most distressed group of our citizenry, and say, "You shall work for a security wage. You will take what is handed you. You will perform labor that is worth twice as much as what we are going to pay you for it." In other words, the industry that supplies the lumber has no limitations on its prices at all, but the most defenseless group of our citizens is told, "You will take what you are given, and you will perform a day's work for half what any other citizen gets for performing a day's work."

Mr. HAYDEN. But the Senator did criticize the Committee on Appropriations for not in some manner limiting the profits of those who may furnish the materials used.

Mr. COUZENS. Yes; because they undertook to limit the returns which three and a half million men would receive. As the measure was drafted and as it went to the committee, no reference whatsoever was made to the scale of wages to be paid these men. As happens right along, some statement comes from some administration official that, "This is the program", and immediately Congress is concerned. If the President and some of his staff had not said something about $50 a month, there would have been found in the bill no reference to wage scales at all, would there?

Mr. HAYDEN. I doubt that. The statement was made by the President in a message to Congress that he proposed to pay less than the prevailing scale of wages to persons employed with this money. Where the $50-a-month statement originally came from I do not recollect at the moment, but when it was made, immediately there came before our committee those urging that, in the light of the statement made in the President's message, there should be legislation included in this measure directing him to pay the prevailing wage. That is how it came before our committee.

Mr. COUZENS. I understand all that, but there was not a word in the joint resolution as it came from the House of Representatives about wages, was there?

Mr. HAYDEN. No; that was left entirely to the President's discretion; that is correct.

Mr. COUZENS. So the whole controversy was based on the discussion of $50 a month, or some other discussion indulged in by somebody other than the President. The same thing occurred with respect to the Government engaging in private industry. Some minor official of the Government said in the hearings, as I recall it, that the Government was to engage in the establishment of a string of oil stations. Is not that correct?

Mr. HAYDEN. There was a statement in the RECORD to that effect, with respect to highways.

Mr. COUZENS. So, in effect, the whole Congress is to get its instructions, it is to legislate, on the statements offered by unimportant officials of the Government, who come here and tell us what the policy of this great United States is to be. We get all stirred up and excited because witnesses come before the Committee on Appropriations and say that the Federal Government is going into private business by the establishment of oil stations. Another one comes along and says the Government is going to do something else, and another one comes along and says we are going to pay $50 a month. So, in that sort of chaos, the Congress of the United States is expected to legislate.

As the joint resolution was introduced in the House of Representatives, it was an insult, a gross insult, to 531 Members of Congress, to ask them to delegate their power to any one individual, no matter who he is. I venture to say that history will so conclude, no matter how much excitement we

may have now, no matter what the strain and pressure of the situation may be, with which I am familiar, and about which I know. We could not excuse ourselves for granting the power that was proposed in the original joint resolution.

I am not stating that the committee has not greatly improved the joint resolution. I think it has. It has put many limitations into the measure, and greatly improved it. I am still concerned, however, with my wonder at who had the idea in the first place of asking 531 Members of Congress to sign on the dotted line, as was proposed in the first measure.

Mr. President, this is my explanation of why I made such a vigorous condemnation of the joint resolution when it was first introduced.

The PRESIDENT pro tempore. The clerk will state the pending amendment.

The LEGISLATIVE CLERK. On page 2, line 4, the Committee on Appropriations proposes to strike out "(3), or (4)" and to insert in lieu thereof " or (3)."

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

Mr. ROBINSON. I desire to announce that the Senator from Louisiana [Mr. OVERTON] is detained by illness.

I also wish to announce that the Senator from New York [Mr. COPELAND] is absent on account of illness in his family.

The Senator from Louisiana [Mr. LONG] and the Senator from Connecticut [Mr. MALONEY] are necessarily detained.

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

The question is on agreeing to the amendment of the Committee on Appropriations on page 2, line 4.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The LEGISLATIVE CLERK. It is proposed on page 3, line 4, after the colon, to insert:

Provided, That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established to the satisfaction of the official charged with furnishing such relief that such unemployed person (1) is in actual need, (2) has not within 60 days resigned from or left any position the wage for which was at a rate in excess of $50 a month, and (3) has bona fide endeavored to obtain employment and has been unable to do so.

Mr. McNARY. Mr. President, this is probably one of the most controversial amendments in the bill. I do not assume that the Senator from Virginia desires to take it up at this time.

Mr. GLASS. Mr. President, I did not know it was controversial.

Mr. McNARY. I think the Senator from Virginia recalls that before his committee it was one of the most discussed of all the amendments.

Mr. GLASS. The Senator from Maryland on Friday made a very clear explanation in the Senate of the proposal which was made by him.

Mr. McNARY. May I ask the Senator—this does not apply, then, to the prevailing-wage amendment?

Mr. GLASS. Oh, no. It was to prevent fraud upon the fund to be used for relief purposes.

Mr. McNARY. I think I was, perhaps, mistaken. I had in mind another amendment, the prevailing-wage amendment.

Mr. GLASS. No; I do not think this amendment was in controversy.

Mr. WALSH. Mr. President, did the amendment have the practical unanimity of the committee?

Mr. GLASS. Yes.

Mr. WALSH. So I understood.

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

Mr. CUTTING. Mr. President, is it in order to move to modify this amendment before it is voted on?

The PRESIDENT pro tempore. A move to modify the amendment is in order.

Mr. CUTTING. If so, I send to the desk a modification of the amendment.

The PRESIDENT pro tempore. The modification will be stated.

The CHIEF CLERK. It is proposed, on page 3, line 8, to strike out "(1)" after the word " person ", and in line 9, after the word " need ", to strike out down to and including the word " so " in line 12.

Mr. CUTTING. The object of this suggestion, Mr. President, is to limit the amendment by striking out clauses 2 and 3 and having the amendment simply read—

That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established to the satisfaction of the official charged with furnishing such relief that such unemployed person is in actual need.

Mr. President, I am not at all sure that even that is necessary, or that it will serve any useful purpose in this bill, but I feel quite certain that clauses 2 and 3 of this paragraph will effectively prevent anyone from receiving relief of any kind from the Government if he is engaged in any industrial strike. I cannot read either one of these clauses in any other way. That, of course, may not have been the purpose of the Senator from Maryland [Mr. TYDINGS] or the committee in introducing them, but the effect they will have, in my judgment, will be an almost insuperable obstacle to any strike.

I inquired the other day of the Senator from Virginia and the Senator from Maryland whether that was not the practical effect of this amendment and both Senators, as I recall, said that that might easily be the effect.

Mr. GLASS. Yes; I think so. Does the Senator think that the money of the taxpayers of this country should be used to sustain people who may work but who refuse to work and are on strike?

Mr. CUTTING. Why, Mr. President, I do not think any distinction whatever ought to be made between men on strike and men in any other position. If that distinction is made, then it is obviously impossible for the strike weapon, which has been for so many years the only effective weapon which labor has had, to be used at all.

Mr. GLASS. Oh, I fully recognize the right of everybody to strike, but I should not think that the people of the country should be taxed to sustain them while they are on strike.

Mr. CUTTING. Does not the Senator think that the right to strike would be very seriously jeopardized if the threat were held over the men's heads that if they struck, their families would starve?

Mr. GLASS. Oh, no; I do not think—in fact, I am quite sure that no such purpose as that which the Senator has in mind was in the mind of the proponent of this resolution. We were not dealing with people on strike, who almost invariably are receiving the prevailing rate of wages or approximately the prevailing rate of wages. We were having in mind, simply, persons who were on the relief roll and who were perpetrating frauds upon the fund proposed for the relief of such persons.

Mr. CUTTING. Mr. President, of course, I accept the statement of the Senator from Virginia, and I said just now that I did not believe that that had been the purpose of the members of the committee; but if, in effect, that is what is going to happen if we adopt this amendment, I think it is comparatively unimportant what the members of the committee had in mind.

Mr. GLASS. I would not say that, in effect, that is going to happen. The Senator asked me the other day if it might not in some cases happen, and I said I thought so. I think it will happen in comparatively few, if any, cases. I think it might happen. But if the proposal of the Senator prevailed, we might as well strike out that whole section.

Mr. CUTTING. I think so myself. I think the first clause is innocuous, but I have no brief for the section as a whole. I do not believe it is necessary. But I have no objection to it if it were limited to the first clause.

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

Mr. CUTTING. I yield to the Senator from Montana if I have the floor.

Mr. WHEELER. There is no question at all but what the wording of the section would affect the people, for instance, who went on a strike. If they went on a strike in some place for higher wages, or something like that, this provision undoubtedly would prevent them from getting any relief. If the Congress of the United States wants to adopt that policy that is one thing, but that has not been the policy of this administration, permit me to say, under the former bill.

Mr. GLASS. Of course, if Congress wants to adopt the policy of undertaking to feed people who go on strike, why it can do that.

Mr. WHEELER. Well, it is not a question of whether Congress wants to do it. It is the policy of the administration——

Mr. GLASS. That is the inevitable attitude of the Senator from Montana and the Senator from New Mexico, as I understand it. The committee had not that in mind at all. And, frankly, I do not think that will ever occur. I was asked if it might not occur, and I said, "Yes; it might occur." A good many inconceivable things might occur under this bill.

Mr. WHEELER. Let me say that I agree with what the Senator says with reference to it, but I happen to know of actual cases where if this provision were in the bill they could not get any relief. That took place in my home city of Butte, for instance, during the past year. It took place in other places throughout the country.

Mr. GLASS. If the only objection to this provision is that the Senators think the taxpayers of the United States should take care of people who are on strike that otherwise could obtain employment, why, strike it out.

Mr. WHEELER. So far as I am concerned, I will say quite frankly that I think it ought to be stricken out, and it ought to be left up to the Administrator and the President, under certain rules and regulations which they would adopt as administrative officers, to determine as to when and how the relief should be administered.

Mr. GLASS. If I were President and that were stricken out I should feel perfectly at liberty to furnish the taxpayers' money to strikers at any time and in any sum within the limitations of this bill.

Mr. CUTTING. Well, but, Mr. President, has not that been the policy of the administration up to now?

Mr. GLASS. Has it been?

Mr. CUTTING. I understand that no distinction whatever has been made between strikers and anyone else.

Mr. WHEELER. That has been the exact policy of the administration. The exact policy of the administration has been and is at the present time that in the event people are on strike they shall be furnished relief regardless of the causes of their destitution.

Mr. GLASS. As I recall the facts, Mr. Hopkins made that announcement in the newspapers one day and the next day he rescinded his own announcement.

Mr. WHEELER. Permit me to say to the Senator from Virginia that I happen to know that it was not rescinded by Mr. Hopkins, because it was carried into effect actually——

Mr. GLASS. But it was rescinded by Mr. Hopkins, because I read his statement.

Mr. WHEELER. I do not care whether the Senator saw his statement in the newspapers as to whether it was rescinded or not, but I am saying to the Senator that as an actual fact it was carried on last summer and last spring for a long period of time. So if Mr. Hopkins made a statement one day and rescinded it the next, nevertheless, the practice was carried on for a long period of time. That is true of my home city of Butte.

Mr. GLASS. If it be the conception of the Congress that the people of this country should be taxed in order to maintain individuals on strike, let us have it so determined. That is the inevitable implication of this proposed modification of the provision.

Mr. WHEELER. I do not think that is necessarily the conclusion that should be arrived at. I simply say that I think it ought to be left up to the administrative officers to say whether or not a person should be entitled to relief, under proper rules and regulations laid by the department, and that the Congress of the United States should not limit such officers in determining who is entitled to relief and who is not under the circumstances of each case.

Mr. GLASS. Very well. Mr. President, I ask for a vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING].

Mr. CUTTING and Mr. BYRNES addressed the Chair.

Mr. CUTTING. If the Senator from South Carolina desires to speak, I yield to him.

Mr. BYRNES. Mr. President, I simply wish to say that in the committee there was no roll call on this amendment at all. The question that has been raised here was not discussed, as the Senator from Virginia has said, and I am satisfied it was not considered at all. There was a discussion simply as to a feature of clause 2. For instance, where a man working, say in Washington, should be forced by illness in his family or for some other reason to go to another city to earn his living, if he found it impossible to secure employment and 30 days passed and he was in need and applied for relief, the burden under clause 2 would be upon him to show that he had not resigned from a job within 60 days.

The Senator from Maryland [Mr. TYDINGS], the member of the committee who offered the amendment, is now on the floor. At the time there was a discussion as to clause 2 and clause 3. In my opinion, clause 2 and clause 3 should not be retained, but the Senator from Maryland thought otherwise, and I know he will give his reasons for desiring to have those provisions retained. The question the Senator has discussed was not raised at all in the committee, and there was no vote taken upon it.

Mr. GLASS. Mr. President, the amendment of the Senator from Maryland [Mr. TYDINGS] was adopted by the committee with practical unanimity; no member of the committee objected to it and nobody raised this issue. It was not in the mind of any member of the committee; and, so far as I am individually concerned, I do not concede that that question will ever, in a practical way, arise. But it has been brought up now; and if the Congress shall adopt the amendment proposed by the Senator from New Mexico [Mr. CUTTING], the plain implication will be that what none of us had in mind may be done and very likely will be done by the administration.

Mr. BONE. Mr. President, I was out of the Chamber at the time the Senator from New Mexico made the motion. I do not understand the exact nature of his motion.

Mr. CUTTING. For the benefit of the Senator from Washington, I will state that I have moved to strike out clauses 2 and 3 on page 3, lines 9 to 12. In my opinion, if these clauses shall be retained they will prevent any relief from being given to anyone on strike under any conceivable circumstances. Of course, by striking these clauses out we do

not necessarily imply that the Government, under any particular circumstances, should extend relief to men on strike, but we leave that question to the discretion of those who are agents of the Government in this matter. If we retain those clauses, it is my contention—I cannot see any other way in which the amendment could be read—that the Government is left no option at all; that men who are on strike will get no relief; and that this will be a most powerful weapon in preventing strikes in the future, no matter what may be the provocation.

Mr. BONE. Mr. President, I think it very obvious to anyone who has ever had experience in labor difficulties that if an employer or group of employers should elect to reduce wages to $51 a month it would simply clamp handcuffs on labor in that particular industry. There can be no doubt about that. If a large employer in an industry said to the men in the industry, "We are going to reduce wages to $51 a month and you must either work at that rate or starve", so far as this measure is concerned, they would starve if the employer elected to starve them. I think most who have had some experience in these matters know that to be true. When I saw that the joint resolution was drawn in this shape, it had been my purpose to offer an amendment. I think most of us, however, will be in agreement on this, that when the Government cut wages under the Economy Act, many private employers all over the country immediately reduced wages. Many did so out in my section of the country. The Government set the pace. If we are going to make it possible for an employer who is selfish to reduce wages to $51 a month, then the starvation I suggested does not seem impossible. I know there are employers who will simply say, "Either work for me for that price or go hungry"; and under this measure, if it shall become a law in this form, they would go hungry if they went on strike.

Mr. GLASS. I am glad we have no such employers in Virginia.

Mr. BONE. Then I can assure the Senator from Virginia that he comes from a very fortunate State.

Mr. GLASS. I think the Senator from Virginia does.

Mr. TYDINGS. Mr. President, as has been pointed out on the floor, the matter of strikes never entered my mind when I offered the amendment. I had heard on many sides the protest that relief funds were in some cases being expended for persons not actually in need, and I knew it was the wish of the people and of the Congress that such funds should go to the people who have to have them in order to exist. My effort, therefore, was directed to throwing such safeguards around the expenditure of the funds as to take care of those who are unemployed rather than those who are employed and who might want to give up their employment in order to obtain Government relief.

How are we going to protect the man who is unemployed as against the man who is employed without writing definitely some safeguarding language into the joint resolution?

Mr. BORAH. Mr. President——

Mr. TYDINGS. Will the Senator let me finish a brief statement, and then I will be delighted to yield to him.

Mr. BORAH. Certainly.

Mr. TYDINGS. I have heard on many occasions protests of farmers that they have lost their laborers because the laborers on the farms have left the farms and gone to work on Government projects. I know that to be the case in my community where about $3,000,000 was spent on modernizing the Aberdeen Proving Grounds, in a county which has never received to this date a dollar of relief from anybody. So much farm labor was drawn away from the farms that the farmers were practically unable to secure labor, in the first place; and when they did secure it, it was at such a high figure, having to compete with the Federal Government, that their crops were not profitable.

This measure is designed primarily to take care of people out of employment. The Federal Government has determined that $50 is what is called a security income. I did not determine it; the experts of the Government determined it and submitted that fact to the committee.

I therefore took that fact—the $50-a-month income—and provided that no man should be entitled to relief who was making more than $50 a month. In other words, a man making $60 a month, or $55 a month, or any figure in excess of $50, had no right to surrender a job which was paying him that return and to take relief money which was not appropriated for him; but the right course for him was to keep on with his work and not involve the Federal Government in greater expense than necessary to deal with this problem. I take the position that men working in times like these ought not to be provided for in this relief measure; that its very philosophy is to take care of men who are unemployed, and that in emergent times such as these not a dollar ought to be given to a man who has an income sufficient to provide for himself and his family.

If we are going to enter upon the policy of enticing men from work and putting them on the Government pay roll, $4,800,000,000 a year will not be sufficient to pay the bill. It will create a dangerous precedent, and I predict it will come back to mock the Congress. What we had rather do, there being no substantial prospect of an increase in employment in the future as we can now see it, is to spend no more money than we actually have to spend in order humanely to take care of the unemployed, so that we may have sufficient money to take care of them so long as we can.

This joint resolution in itself appropriating $4,880,000,000 is certainly generous, to say the least, in an attempt on the part of Congress to deal with the suffering that is now existing in the United States. I think when we are expending huge sums like that, as representatives of the American people, both the employed and the unemployed, we should throw all the safeguards around the measure which we possibly can in order to make sure that those who need it get the money, and not those who may be employed in some other line of activity.

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

Mr. TYDINGS. I yield.

Mr. WAGNER. Has the Senator considered that the effect of his amendment might be to deprive of relief one who for a perfectly justifiable cause left his employment, say, as a result of a strike?

Mr. TYDINGS. He would be until 60 days had elapsed.

Mr. WAGNER. In other words, if he joins his fellow workers in their efforts to better conditions he must starve; he cannot get any relief at all under this legislation.

Mr. TYDINGS. Of course I would not want to be so hardhearted as to say I should want to say to the man who was striking for what seemed to him to be a righteous cause that he must starve. Let me ask the Senator a question. Suppose the whole railroad personnel tomorrow should go on strike, would he be in favor of using this relief money to pay those men $50 a month while they were on strike?

Mr. WAGNER. Oh, now, Mr. President!

Mr. TYDINGS. I answered the Senator's question and I am certainly entitled to an answer to my question.

Mr. WAGNER. That all depends on the cause of the strike. I am taking the ordinary case of men who are perhaps receiving only $50 a month in private industry, which I do not consider a fair wage. Because of this situation, the workers are compelled to protest by means of a perfectly justifiable strike, a strike which the Senator and I would agree was righteous. In a case of that kind, under the Senator's amendment, men, if they were without means, would have to continue to submit to any conditions imposed by their employers or they would have to starve. The Senator would not give them any employment and he would not give them any relief.

Mr. TYDINGS. Of course, the answer to the Senator's observation is that every man in the United States could go on strike, and every man in the United States who went on strike could get $50 a month.

Mr. WAGNER. Oh, no!

Mr. TYDINGS. I do not say that will happen. I do not say my amendment perhaps may not work some injustice indeed. What the Senator is doing in times of wide-spread

unemployment, when a measure is brought on the floor of the Senate dealing with unemployment, is to say to people who are employed, "If you voluntarily stop work for any reason whatsoever you can rely on the Government's paying you $50 a month as long as you stay out of work." I think in times like these that is rather a dangerous principle.

Mr. WAGNER. I think the Government ought to be the last in the world to permit, or to indulge in the exploitation of the worker. That, by implication, is what the Senator suggests, though I know he does not mean to. I really protest against an approach to this question that assumes that our working people are unpatriotic citizens who would take advantage——

Mr. TYDINGS. Oh, Mr. President, I did not say, by direction or indirection, that our working people are unpatriotic. I decline to yield further to the Senator. It is not a question he is propounding. It is a speech in my own time.

Mr. WAGNER. Very well.

Mr. TYDINGS. I shall be very glad to answer any questions I can.

Mr. BONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Washington?

Mr. TYDINGS. I yield.

Mr. BONE. The Senator from Maryland will observe that the provision is that before the man may receive aid he must show that he is in actual need. Manifestly if a man went out on strike to better his conditions or against a wage cut and at the time he was in actual need, it would be obvious to the Senator from Maryland, I believe, that the man was entitled to something by way of relief. He would have to prove he was in actual need. If he had been working at a wage that put him below the level of common decency in his livelihood, he would be entitled to relief. I do not think we ought to protect the wage cutters of this country by enabling or authorizing them to put men on a wage level which would compel these men to live below a decent standard. If we strike out the two provisions under the motion of the Senator from New Mexico, the worker would still have to show he was in actual need. If he had been working for a private employer who put him on such a wage level that he could not live decently, then we ought not to be lily-fingered and withhold help from him.

Mr. TYDINGS. There is no question of fundamental sympathy involved here in the matter of those who are unemployed or who are in need. Everybody wants to take care of the unemployed, everybody wants to take care of those in misery and want, and even if the striking man is in misery we do not want him to starve to death.

I join in that sentiment. I do not want to be unduly pessimistic either. Relief expenditures in this country are mounting, and inside of a year, unless conditions improve, there will not be any $4,000,000,000 to appropriate at all. We cannot go on forever spending $4,000,000,000 or $5,000,000,000 more than we are receiving. We are sitting here in 1935 and we can get the $4,000,000,000 or $5,000,000,000. Can we get it again next year? Can we get it again the following year?

I am not one of those Democrats or Republicans who believe that we can spend $4,000,000,000 or $5,000,000,000 or $10,000,000,000 in a single year and cure the depression and have no unemployed left over. My prediction, for whatever it is worth, is that recovery in these times, like all recovery, has to be gradual and slow. Simply by giving the patient overdoses of medicine is not going to make him well any more quickly.

Mr. COUZENS rose.

Mr. TYDINGS. There are economic forces responsible for the depression and the cure of those forces in one form or another will be the means by which we will get out of the depression. Therefore in the interim, so far as I am concerned, I conceive it to be my duty to take care of the victims at this time, of those who want work and who cannot get work and who are in need. I am not willing to go to the extent of providing for a man who has work, who may surrender his job and come over and use some of this money which sooner or later we will need in the years to come for our permanent army of unemployed as society is now set up.

Mr. COSTIGAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield; and, if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Michigan, who rose first, and then I shall be glad to yield to the Senator from Colorado.

Mr. COUZENS. May I ask the Senator if there is any such limitation based on the workers in industry or in private employment? The Senator is defending the amendment?

Mr. TYDINGS. I am.

Mr. COUZENS. The amendment inserted by the committee places a limitation on the most direly distressed citizens we have.

Mr. TYDINGS. That is right.

Mr. COUZENS. Is there any limitation on the $2,000,000,000 which goes to private industry? Is there any limitation placed on the use of that by industry for their employees?

Mr. TYDINGS. A part of this fund goes for public works, to illustrate the question the Senator raises. It is not contemplated in the construction of public works that the existing wage scale shall be reduced. This program is what is termed, for want of a better name, "work relief", and is differentiated from the normal building activities of the Government. As I understand, its authors claim that they want to get away from just the mere doling out of money without a return, and therefore work relief has been set up instead of direct relief to accomplish that result. It is estimated that, with 3,500,000 people in the country getting work relief at a basic wage of $50 a month, they will soon exhaust the sum of money set aside for that purpose.

Therefore, if we were to make it $60 a month, by way of illustration, we would exhaust the sum of money that much more quickly or we would have to appropriate more.

I only take the $50-a-month figure because the experts who came before the committee called that the "security income." It was the lowest possible income which would enable a man possibly to exist in comfort. I did not set that figure myself. I assumed the relief authorities knew what they were talking about in presenting that figure to the committee.

Mr. COUZENS. I am trying to get an answer from the Senator as to how much out of this $4,880,000,000 is set aside or is expected to be expended for material.

Mr. TYDINGS. I had the figures, but I do not now have them with me. My recollection is that about 45 percent is to be expended in the way of materials and about 55 percent for labor. That figure may not be correct.

Mr. COUZENS. That is the general understanding I had. If we put a limitation upon what these distressed citizens may secure, why not put a limitation on what capital may secure for the use of their plants in producing the material for which they shall receive 45 percent of the amount appropriated?

Mr. TYDINGS. Off hand the suggestion of the Senator from Michigan does not look to me to be unreasonable, and if he is going to offer an amendment in a humane enterprise like this, I shall probably vote for it.

Mr. COUZENS. The Senator would approve of making the industries that furnish the material to the extent of about $2,000,000,000 work at considerably less than a profit, so they would then be working on a security-income basis?

Mr. TYDINGS. I would not want to make them work at a loss, of course, because if the industry had to cut its price it would probably have to cut the wages of the men who are fabricating the materials to be used. I quite agree with the Senator that we would not be in favor of that.

Mr. COUZENS. Certainly not.

Mr. TYDINGS. If we should compel industry to accept a lower rate, I am afraid, under the Senator's suggestion, that we would come to the point where the working man would get less money and there would be no bids.

Mr. COUZENS. What I want to point out is that the men who work on the streets for the Government, doing the same class of work, are required to work for not more than $50 a month. The man across the street, who is doing the same class of labor in furnishing the material for the man out on the street, may get twice the amount.

Mr. TYDINGS. That is true.

Mr. COUZENS. Does the Senator justify that?

Mr. TYDINGS. Of course I had that problem, and we all had that problem before us; and we had two alternatives. One was to pay the men who are on work relief the same amount of money that men would receive in private employment, and we realized that $4,500,000,000 would not be enough money to do that. Then we asked the Government how we could take care of the maximum number of unemployed and at the same time, by employing them, pay them sufficient money to live. The Government then came back with the $50-a-month security wage. Then we asked, "Would the man work every day for that much money?" The Government said, "No; we would work him so many days a week at about the existing wage scale for the kind of work he is doing, so that at the end of the month he would have $50 for his work with the Government." If, during the time he was unemployed, he could make extra money, he would have that in addition; so that the man on work relief in effect receives the same pay as the man who is working for private enterprise, but the man who is working for private enterprise is steadily employed, while the man on work relief works only sufficient time to make $50 a month from the Government.

Have I answered the Senator's question?

Mr. COUZENS. The Senator used a phrase which interests me and intrigues me. He said that the Government sent back word that they were going to maintain about the prevailing wage.

Mr. TYDINGS. That is what they stated.

Mr. COUZENS. That is intriguing, because if that is true, and they are going to pay about the prevailing wage, we may not be so much concerned.

Mr. TYDINGS. The Senator may have misunderstood me. As I understood the Government's position, it was that they would pay the man the rate per hour that was paid to other men working in private industry, but they would not employ him steadily like the man who was employed in private industry. As a matter of fact Mr. Gill, who came before the committee, told us that there were 3,000 wage boards in the United States, and that he had had these 3,000 wage boards make a survey as to the prevailing wage for ordinary labor all over the United States, as well as in other categories; and, as I recall, Mr. Gill said the average for the whole country was 45 cents an hour. If I am wrong about that I hope the Senator from Virginia will correct me. Then, we asked him, "If you are going to pay at the rate of 45 cents an hour, $50 a month will not be enough"; but he said, "We will pay only about $50 a month, because we will not work the man steadily. We will work him only sufficient time to make $50 a month, but for his work he will get substantially the prevailing wage scale in that community."

Mr. COUZENS. Then, we do not need the McCarran amendment, do we?

Mr. TYDINGS. I do not think so.

Mr. GLASS. Mr. President, I think the Senator from Maryland somewhat confused what Mr. Green, the president of the American Federation of Labor, said, and what any Government witness—if any witness may be so termed—said. Mr. Green said that if the joint resolution would textually limit the hours of labor, he would forego the textual provision for the prevailing rate of wages, because by the limitation of hours of labor the same thing would be accomplished; but so far as I can recall we have no word from any Government official of any description.

Mr. COUZENS. That was my impression. I thought the Senator from Maryland was wrong.

Mr. TYDINGS. I think I am wrong. I have just conferred with two members of the committee, and I am in error to the extent that Mr. Gill did say they would use this unemployment-relief money so far as possible, as to wages and conditions and the general set-up, as not to injure employed labor in the communities where the money would be expended; but he did say—and I think I am not wrong about this—that they would try so to arrange the plan that persons on work relief would make approximately $50 a month, which was the minimum the Government felt a man would have to have to get along in reasonable comfort. Is that correct?

Mr. BYRNES. No; the witness did not say the minimum would be $50; he said the average would be $50.

Mr. TYDINGS. Perhaps the word "average" was used; but, as I understood it——

Mr. BYRNES. Common labor would be paid less, and skilled labor more. The wage would be slightly less than the prevailing wage and more than the wage the individual is now receiving on the relief roll.

Mr. TYDINGS. But it would average about $50 a month. That is what I understood.

Mr. COUZENS. That makes it all the worse. If it is to be the average, one man might be given $25 a month, and another man $75 a month.

Mr. TYDINGS. The Senator is misinterpreting, I think, the remarks of the Senator from South Carolina [Mr. BYRNES]. What the Senator from South Carolina meant to say, I think—if I am wrong I know he will correct me—was not that one man would receive $40 a month and another $60, and that they would all make an average of $50, but that the Government had found that the average security wage was $50 a month, and they had set that arbitrary figure for all people to make—that is my understanding of it—as the income upon which a man could reasonably hope to get along.

Mr. COUZENS. May I ask the Senator from South Carolina if $50 is to be the minimum?

Mr. BYRNES. I will say to the Senator that I came into the Chamber as I understood the Senator to state——

Mr. TYDINGS. Mr. President, I do not wish to be abrupt, but I have the floor.

Mr. BYRNES. I do not care to interrupt the Senator. I will say to the Senator that the amendment will be reached in a short time, and then we can discuss it.

Mr. TYDINGS. I will answer the question of the Senator from Michigan briefly before going on by saying that there are some men who have an income of $20 a month now, but they cannot live on that. In that case they would get only $30 from the Government. Where people have a partial income, that, of course, would be subtracted from the $50 a month; but where they have no partial income and are in need, my distinct understanding is that Mr. Gill said $50 a month ought to be paid to each unemployed person.

Mr. COUZENS and Mr. BORAH addressed the Chair.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I think we are getting far off from the amendment. We are discussing the merits of the joint resolution.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield to the Senator.

Mr. COUZENS. But are we not discussing the amendment on page 3?

Mr. TYDINGS. Yes, sir.

Mr. COUZENS. The Senator said that if a man had an income of $20 a month he could get only $30 from the Government.

Mr. TYDINGS. As a general thing; yes.

Mr. COUZENS. Now, I ask the Senator if he interprets this amendment in that way?—

Provided, That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established to the satisfaction of the official charged with furnishing such relief that such unemployed person (1) is in actual need, (2) has not within 60 days resigned from or left any position the wage for which was at a rate in excess of $50 a month—

Does the Senator interpret that to mean that he can have an income of $20?

Mr. TYDINGS. No; because I have an amendment which I will offer shortly which says "$50 a month or its equivalent, or both."

Mr. COUZENS. I beg the Senator's pardon.

Mr. COSTIGAN. Mr. President——

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

Mr. TYDINGS. I will yield to the Senator, because he has asked me several times to yield, and I have not had an opportunity to do so.

Mr. COSTIGAN. I thank the Senator.

Has the Senator from Maryland considered the fact that the amendment offered by him is, in effect, the imposition of involuntary servitude by economic pressure on an individual who, however justifiably, may feel himself under compulsion to strike?

I venture to suggest to the able Senator that this is, in effect, antistrike legislation and should be recognized and openly dealt with as such. In other words, the amendment of the Senator from Maryland stigmatizes the man who feels himself called upon to strike as being less entitled to relief, however great his need, than his fellow citizens. It puts a ban upon him and upon his conduct and to that extent denies him the equal protection of the laws.

I desire to say that I am heartily in favor of the amendment of the Senator from New Mexico [Mr. CUTTING].

Mr. TYDINGS. I appreciate that the Senator from Colorado takes his position from humane reasons, and I certainly do not want to put anybody in any kind of servitude if I can possibly prevent it. I can well see where there might be an honest difference of opinion between the amendment as I have written it and the amendment as proposed by the Senator from Colorado, the Senator from New York, and others. I am not trying to put the man who is out on strike, and in need, in a house where he will starve to death. I certainly had not conceived that situation when I offered the amendment. However, I do not believe there will be a great opportunity to employ that, although it is a possibility. It might work out that way, that men on strike might be hurt by the strict language employed here; and if that happens, I certainly shall be sorry, because that is not the intention of the author. I do think, on the other hand, that where there is a large army of unemployed everybody ought to be willing to stand aside and let those who have no means of income, who have no savings, who have no work, who have no support, who have been without employment for years and years, have the first call on that fund as against every man who can go out and earn a living.

I am opposed to taking one dollar of that fund and giving it to anybody who can make a living while this country is going through a veritable Garden of Gethsemane, and nobody can see when we are going to get out of the depression.

Who knows what next year will bring forth? Who knows but that the situation may be even worse, forsooth, or may remain the same, and that it may go on in this way for 4 or 5 years? What man will stand in this body and say we can wring $20,000,000,000 or $25,000,000,000 more from the investors of this country without tearing down the very financial integrity of the Government itself, and finding it necessary to get this money only by means of the printing press?

If I knew that next year was to be a sunny and a bright and a prosperous year, then I would not be so much concerned as to who got this relief money and who did not get it. But no man is prophet enough to tell what next year will produce, and I, for one, think we have gone far enough with these large expenditures, and that the wise man will begin to make his money go as far as he can, because he is faced with the prospect that we may not have enough to carry the country through until better times are actually reached, and we can do away with appropriations of this kind.

Mr. President, I can sympathize with the amendment offered by the Senator from New Mexico. I should not want, any more than he would, to have men who are out of employment, whatever the cause may be, to be in want. But I question very seriously whether or not the amendment of the Senator from New Mexico is a wise one for our Government to embrace at a time like this.

Let us look back just a few years. In 1929 the depression started. It was followed by a national bank holiday in 1933. At that time there were about 14,000,000 people out of employment. Government revenues dropped. All sorts of novel programs were put through the Congress in an effort to improve the situation, measures for which in normal times most of the sponsors of the measures would not have voted.

I supported many of those measures, not because I liked them, but because I realized that, with all the unemployment reaching over a long period of time, the orthodox methods of government were not good enough to deal with the situation.

I have not opposed relief appropriations. I believe they are necessary. I do not see how we could have gone on without them. I may not have voted for some of the larger ones, but, in the main, I think it was the right thing to make those appropriations, and I should not be opposed to appropriating a larger sum now, if I knew that next year the depression would be over, that the army of unemployed would cease to exist, that the financial institutions would be back on a sound basis, and that trade and commerce would pick up and go on as of yore.

I do not want to be unduly pessimistic. I may be wholly wrong; but looking around at the world under dictatorships and supernationalism, looking at Russia under a dictator, Poland with Pilsudski, at least a quasi dictator; Germany under Hitler, a dictator; Italy under Mussolini, a dictator; and so on all over the whole world; with world commerce stagnated; with the inability of governments to stabilize currency or to settle their debts, both private and public; with trade absolutely being driven from the seas by the policy of national economic sufficiency, and with a country whose policies are predicated on its producing more than it consumes and selling its balance to the world, a country which formerly was a debtor nation and is now a creditor nation and in position to sell without either losing its investments, on the one hand, or taking its investments back and losing its trade, on the other—is it not time, while this readjustment is being made, that we take stock of our assets and take stock of the future and spend this money with care, so that we may make it go as far as we possibly can into the future, while we can make an orderly readjustment here of the fundamental structure of the country so that appropriations of this kind will not be necessary?

It was my purpose in offering this amendment to have this fund kept for the unemployed, not have it used for the employed. I do not know what the Senate may do. My own vote will be for the amendment, because I believe the time has come for us to make the dollar go as far as we can make it go, particularly for those out of employment first of all as against those who may be employed.

OPINIONS OF THE SUPREME COURT IN GOLD-CLAUSE CASES (S. DOC. NO. 21)

Mr. THOMAS of Oklahoma obtained the floor.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. I rose to offer for the RECORD what I think the Senator from Texas is about to present; but I yield to him.

Mr. CONNALLY. I thank the Senator. The Supreme Court of the United States, in an epochal decision, has just handed down a very interesting series of opinions in the so-called "gold-clause cases." They are quite significant, because the Court divided on all of the important aspects of the matter 5 to 4. Therefore, I think it is highly important that these opinions be printed in the CONGRESSIONAL RECORD, and as a public document, and I ask unanimous consent that they be printed as a public document, and in the RECORD.

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

The order for printing the opinions as a Senate document was reduced to writing, as follows:

Ordered, That the opinion of the Supreme Court of the United States, together with the dissenting opinions, delivered February 18, 1935, in the cases questioning the validity of the joint resolution of Congress of June 5, 1933, with respect to the "gold clauses" in obligations, be printed as a Senate document.

The opinion of the Supreme Court of the United States in the so-called "gold-clause cases" is as follows:

Supreme Court of the United States

Nos. 270, 471, and 472. October term, 1934. 270, *Norman C. Norman, petitioner*, v. *The Baltimore & Ohio Railroad Co.* On writ of certiorari to the Supreme Court of the State of New York. 471, *The United States of America, Reconstruction Finance Corporation, et al., petitioners*, v. *Bankers Trust Co. and William H. Bixby, trustees.* 472, *The United States of America, Reconstruction Finance Corporation, et al., petitioners*, v. *Bankers Trust Co. and William H. Bixby, trustees.* On writs of certiorari to the United States Circuit Court of Appeals for the Eighth Circuit

Mr. Chief Justice Hughes delivered the opinion of the Court.

These cases present the question of the validity of the joint resolution of the Congress of June 5, 1933, with respect to the "gold clauses" of private contracts for the payment of money (48 Stat. 112).

This resolution, the text of which is set forth in the margin,[1] declares that "every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby" is "against public policy." Such provisions in obligations thereafter incurred are prohibited. The resolution provides that "every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts."

In no. 270, the suit was brought upon a coupon of a bond made by the Baltimore & Ohio Railroad Co. under date of February 1, 1930, for the payment of $1,000 on February 1, 1960, and interest from date at the rate of 4½ percent per annum, payable semi-annually. The bond provided that the payment of principal and interest "will be made * * * in gold coin of the United States of America of or equal to the standard of weight and fineness existing on February 1, 1930." The coupon in suit, for $22.50, was payable on February 1, 1934. The complaint alleged that on February 1, 1930, the standard weight and fineness of a gold dollar of the United States as a unit of value "was fixed to consist of 25⅘ grains of gold 0.9 fine", pursuant to the act of Congress of March 14, 1900 (31 Stat. 45); and that by the act of Congress known as the "Gold Reserve Act of 1934" (Jan. 30, 1934, 48 Stat. 337), and by the order of the President under that act, the standard unit of value of a gold dollar of the United States "was fixed to consist of 15 5/21 grains of gold, 0.9 fine", from and after January 31, 1934. On presentation of the coupon, defendant refused to pay the amount in gold, or the equivalent of gold in legal tender of the United States which was alleged to be, on February 1, 1934, according to the standard of weight and fineness existing on February 1, 1930, the sum of $38.10, and plaintiff demanded judgment for that amount.

Defendant answered that by acts of Congress, and, in particular, by the joint resolution of June 5, 1933, defendant had been prevented from making payment in gold coin "or otherwise than dollar for dollar, in coin or currency of the United States (other than gold coin and gold certificates)" which at the time of payment constituted legal tender. Plaintiff, challenging the validity of the joint resolution under the fifth and tenth amendments, and article I, section 1, of the Constitution of the United States, moved to strike the defense. The motion was denied. Judgment was entered for plaintiff for $22.50, the face of the coupon, and was affirmed upon appeal. The court of appeals of the State considered the Federal question and decided that the joint resolution was valid (265 N. Y. 37). This court granted a writ of certiorari October 8, 1934.

In nos. 471 and 472, the question arose with respect to an issue of bonds, dated May 1, 1903, of the St. Louis, Iron Mountain & Southern Railway Co., payable May 1, 1933. The bonds severally provided for the payment of "one thousand dollars gold coin of the United States of the present standard of weight and fineness", with interest from date at the rate of 4 percent per annum, payable "in like gold coin semiannually." In 1917, Missouri Pacific Railroad Co. acquired the property of the obligor subject to the mortgage securing the bonds. In March 1933 the United States District Court, Eastern District of Missouri, approved a petition filed by the latter company under section 77 of the Bankruptcy Act. In the following December, the trustees under the mortgage asked leave to intervene, seeking to have the income of the property applied against the mortgage debt and alleging that the debt was payable "in gold coin of the United States of the standard of weight and fineness prevailing on May 1, 1903." Later, the Reconstruction Finance Corporation and the United States, as creditors of the debtor, filed a joint petition for leave to intervene, in which they denied the validity of the gold clause contained in the mortgage and bonds. Leave to intervene specially was granted to each applicant on April 5, 1934, and answers were filed. On the hearing, the district court decided that the joint resolution of June 5, 1933, was constitutional and that the trustees were entitled, in payment of the principal of each bond, to $1,000 in money, constituting legal tender. Decree was entered accordingly and the trustees (respondents here) took two appeals to the United States Circuit Court of Appeals.[2] While these appeals were pending, this court granted writs of certiorari, November 5, 1934.

The joint resolution of June 5, 1933, was one of a series of measures relating to the currency. These measures disclose not only the purposes of the Congress but also the situations which existed at the time the joint resolution was adopted and when the payments under the "gold clauses" were sought. On March 6, 1933, the President, stating that there had been "heavy and unwarranted withdrawals of gold and currency from our banking institutions for the purpose of hoarding" and "extensive speculative activity abroad in foreign exchange" which had resulted "in severe drains on the Nation's stocks of gold", and reciting the authority conferred by section 5 (b) of the act of October 6, 1917 (40 Stat. 411), declared "a bank holiday" until March 9, 1933. On the same date, the Secretary of the Treasury, with the President's approval, issued instructions to the Treasurer of the United States to make payments in gold in any form only under license issued by the Secretary.

On March 9, 1933, the Congress passed the Emergency Banking Act (48 Stat. 1). All orders issued by the President or the Secretary of the Treasury since March 4, 1933, under the authority conferred by section 5 (b) of the act of October 6, 1917, were confirmed. That section was amended so as to provide that during any period of national emergency declared by the President he might "investigate, regulate, or prohibit", by means of licenses or otherwise, "any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof." The act also amended section 11 of the Federal Reserve Act (39 Stat. 752) so as to authorize the Secretary of the Treasury to re-

---

[1] Joint resolution to assure uniform value to the coins and currencies of the United States

Whereas the holding of or dealing in gold affect the public interest, and are therefore subject to proper regulation and restriction; and

Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts: Now, therefore, be it

Resolved, etc., That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold, or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in, or made with respect to any obligation hereafter incurred. Every obligation, heretofore, or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin, or currency, which at the time of payment is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by, or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision, or authority contained in such law.

(b) As used in this resolution, the term "obligation" means an obligation (including every obligation of and to the United States, excepting currency), payable in money of the United States; and the term "coin or currency" means coin or currency of the United States, including Federal Reserve notes, and circulating notes of Federal Reserve banks and national banking associations.

SEC. 2. The last sentence of paragraph (1) of subsection (b) of section 43 of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows:

"All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore, or hereafter coined, or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight."

Approved June 5, 1933, 4:40 p. m.

[2] One appeal was allowed by the district judge and the other by the circuit court of appeals.

quire all persons to deliver to the Treasurer of the United States "any or all gold coin, gold bullion, and gold certificates" owned by them, and that the Secretary should pay therefor "an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States." By Executive order of March 10, 1933, the President authorized banks to be reopened, as stated, but prohibited the removal from the United States, or any place subject to its jurisdiction, of "any gold coin, gold bullion, or gold certificates, except in accordance with regulations prescribed by or under license issued by the Secretary of the Treasury." By further Executive order of April 5, 1933, forbidding hoarding, all persons were required to deliver, on or before May 1, 1933, to stated banks "all gold coin, gold bullion, and gold certificates", with certain exceptions, the holder to receive "an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States." Another order of April 20, 1933, contained further requirements with respect to the acquisition and export of gold and to transactions in foreign exchange.

By section 43 of the Agricultural Adjustment Act of May 12, 1933 (48 Stat. 51), it was provided that the President should have authority, upon the making of prescribed findings and in the circumstances stated, "to fix the weight of the gold dollar in grains 0.9 fine and also to fix the weight of the silver dollar in grains 0.9 fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies", and it was further provided that the "gold dollar, the weight of which is so fixed, shall be the standard unit of value", and that "all forms of money shall be maintained at a parity with this standard", but that "in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 percent."

Then followed the joint resolution of June 5, 1933. There were further Executive orders of August 28 and 29, 1933, October 25, 1933, and January 11 and 15, 1934, relating to the hoarding and export of gold coin, gold bullion, and gold certificates, to the sale and export of gold recovered from natural deposits, and to transactions in foreign exchange, and orders of the Secretary of the Treasury, approved by the President, on December 28, 1933, and January 15, 1934, for the delivery of gold coin, gold bullion, and gold certificates to the United States Treasury.

On January 30, 1934, the Congress passed the Gold Reserve Act of 1934 (48 Stat. 337), which, by section 13, ratified and confirmed all the actions, regulations, and orders taken or made by the President and the Secretary of the Treasury under the act of March 9, 1933, or under section 43 of the act of May 12, 1933, and by section 12, with respect to the authority of the President to fix the weight of the gold dollar, provided that it should not be fixed "in any event at more than 60 percent of its present weight." On January 31, 1934, the President issued his proclamation declaring that he fixed "the weight of the gold dollar to be 15 5/21 grains 0.9 fine", from and after that date.

We have not attempted to summarize all the provisions of these measures. We are not concerned with their wisdom. The question before the Court is one of power, not of policy. And that question touches the validity of these measures at but a single point, that is, in relation to the joint resolution denying effect to "gold clauses" in existing contracts. The resolution must, however, be considered in its legislative setting and in the light of other measures in pari materia.

First. The interpretation of the gold clauses in suit. In the case of the Baltimore & Ohio Railroad Co., the obligor considers the obligation to be one "for the payment of money and not for the delivery of a specified number of grains or ounces of gold"; that it is an obligation payable in money of the United States and not less so because payment is to be made "in a particular kind of money"; that it is not a "commodity contract" which could be discharged by "tender of bullion." At the same time, the obligor contends that, while the joint resolution is constitutional in either event, the clause is a "gold coin" and not a "gold value" clause; that is, it does not imply "a payment in the 'equivalent' of gold in case performance by payment in gold coin is impossible." The parties, runs the argument, intended that the instrument should be negotiable and hence it should not be regarded as one "for the payment of an indeterminate sum ascertainable only at date of payment." And in the reference to the standard of weight and fineness, the words "equal to" are said to be synonymous with "of."

In the case of the bonds of the St. Louis, Iron Mountain & Southern Railway Co. the Government urges that by providing for payment in gold coin the parties showed an intention "to protect against depreciation of one kind of money as compared with another, as, for example, paper money compared with gold, or silver compared with gold"; and, by providing that the gold coin should be of a particular standard, they attempted "to assure against payment in coin of lesser gold content." The clause, it is said, "does not reveal an intention to protect against a situation where gold coin no longer circulates and all forms of money are maintained in the United States at a parity with each other"; apparently "the parties did not anticipate the existence of conditions making it impossible and illegal to procure gold coin with which to meet the obligations." In view of that impossibility, asserted to exist both in fact and in law, the Government contends that "the present debtor would be excused, in an action on the bonds, from the obligation to pay in gold coin", but, "as only one term of the promise in the gold clause is impossible to perform and illegal", the remainder of the obligation should stand and thus the obligation "becomes one to pay the stated number of dollars."

The bondholder in the first case, and the trustees of the mortgage in the second case, oppose such an interpretation of the gold clauses as inadequate and unreasonable. Against the contention that the agreement was to pay in gold coin if that were possible, and not otherwise, they insist that it is beyond dispute that the gold clauses were used for the very purpose of guarding against a depreciated currency. It is pointed out that the words "gold coin of the present standard" show that the parties contemplated that when the time came to pay there might be gold dollars of a new standard, and if so that "gold coin of the present standard" would pass from circulation; and it is taken to be admitted, by the Government's argument, that if gold coins of a lesser standard were tendered they would not have to be accepted unless they were tendered in sufficient amount to make up the "gold value" for which, it is said, the contract called. It is insisted that the words of the gold clause clearly show an intent "to establish a measure or standard of value of the money to be paid if the particular kind of money specified in the clause should not be in circulation at the time of payment." To deny the right of the bondholders to the equivalent of the gold coin promised is said to be not a construction of the gold clause but its nullification.[3]

The decisions of this Court relating to clauses for payment in gold did not deal with situations corresponding to those now presented. *Bronson* v. *Rodes* (7 Wall. 229), *Butler* v. *Horwitz* (7 Wall. 258), *Dewing* v. *Sears* (11 Wall. 379), *Trebilcock* v. *Wilson* (12 Wall. 687), *Thompson* v. *Butler* (95 U. S. 694), *Gregory* v. *Morris* (96 U. S. 619). See, also, *The Vaughan and Telegraph* (14 Wall. 258); *The Emily Souder* (17 Wall. 666). The rulings, upholding gold clauses and determining their effect, were made when gold was still in circulation and no act of the Congress prohibiting the enforcement of such clauses had been passed. *In Bronson* v. *Rodes*, supra, page 251, the Court held that the legal tender acts of 1862 and 1863, apart from any question of their constitutionality, had not repealed or modified the laws for the coinage of gold and silver or the statutory provisions which made those coins a legal tender in all payments. It followed, said the Court, that "there were two descriptions of money in use at the time the tender under consideration was made, both authorized by law, and both made legal tender in payments. The statute denomination of both descriptions was dollars; but they were essentially unlike in nature." Accordingly, the contract of the parties for payment in one sort of dollars, which was still in lawful circulation, was sustained. The case of *Trebilcock* v. *Wilson*, supra, was decided shortly after the legal-tender acts had been held valid. The Court again concluded (pp. 695, 696) that those acts applied only to debts which were payable in money generally, and that there were "according to that decision, two kinds of money, essentially different in their nature, but equally lawful." In that view, said the Court, "contracts payable in either, or for the possession of either, must be equally lawful, and, if lawful, must be equally capable of enforcement."

With respect to the interpretation of the clauses then under consideration, the Court observed (in *Bronson* v. *Rodes*, supra, p. 250) that a contract to pay a certain number of dollars in gold or silver coins was, in legal import, nothing else than an agreement to deliver a certain weight of standard gold, to be ascertained by a count of coins, each of which is certified to contain a definite proportion of that weight." The Court thought that it was not distinguishable, in principle, "from a contract to deliver an equal weight of bullion of equal fineness." That observation was not necessary to the final conclusion. The decision went upon the assumption "that engagements to pay coined dollars may be regarded as ordinary contracts to pay money rather than as contracts to deliver certain weights of standard gold." (*Id.*, p. 251.)

In *Trebilcock* v. *Wilson*, supra, where a note was payable "in specie", the Court said (pp. 694, 695) that the provision did not "assimulate the note to an instrument in which the amount stated is payable in chattels; as, for example, to a contract to pay a specified sum in lumber, or in fruit, or grain"; that the terms "in specie" were "merely descriptive of the kind of dollars in which the note is payable, there being different kinds in circulation, recognized by law"; that they meant "that the designated number of dollars in the note shall be paid in so many gold or silver dollars of the coinage of the United States." And (in *Thompson* v. *Butler*, supra, pp. 696, 697) the Court adverted to the statement made in *Bronson* v. *Rodes*, and concluded that "notwithstanding this, it is a contract to pay money, and none the less so because it designates for payment one of the two kinds of money which the law has made a legal tender in discharge of money obligations." Compare *Gregory* v. *Morris*, supra.

---

[3] As illustrating the use of such clauses as affording a standard or measure of value, counsel refer to art. 262 of the Treaty of Versailles with respect to the monetary obligations of Germany which were made payable in gold coins of several countries, with the stated purpose that the gold coins mentioned "shall be defined as being of the weight and fineness of gold as enacted by law on Jan. 1, 1914." Reference is also made to the construction of the gold clause in the bonds before the House of Lords in *Feist, appellant, and Société Intercommunale Belge d'Electricité, respondents* (L. R. (1934) A. C. 161, 173) and to the decisions of the Permanent Court of International Justice in the cases of the Serbian and Brazilian loans (Publications of the Permanent Court of International Justice, series A, nos. 20/21) where the bonds provided for payment in gold francs.

We are of the opinion that the gold clauses now before us were not contracts for payment in gold coin as a commodity, or in bullion, but were contracts for the payment of money. The bonds were severally for the payment of $1,000. We also think that, fairly construed, these clauses were intended to afford a definite standard or measure of value, and thus to protect against a depreciation of the currency and against the discharge of the obligation by a payment of lesser value than that prescribed. When these contracts were made they were not repugnant to any action of the Congress. In order to determine whether effect may now be given to the intention of the parties in the face of the action taken by the Congress, or the contracts may be satisfied by the payment dollar for dollar, in legal tender, as the Congress has now prescribed, it is necessary to consider (1) the power of the Congress to establish a monetary system and the necessary implications of that power; (2) the power of the Congress to invalidate the provisions of existing contracts which interfere with the exercise of its constitutional authority; and (3) whether the clauses in question do constitute such an interference as to bring them within the range of that power.

Second. The power of the Congress to establish a monetary system: It is unnecessary to review the historic controversy as to the extent of this power, or again to go over the ground traversed by the Court in reaching the conclusion that the Congress may make Treasury notes legal tender in payment of debts previously contracted, as well as of those subsequently contracted, whether that authority be exercised in course of war or in time of peace. *Knox* v. *Lee* (12 Wall. 457); *Juilliard* v. *Greenman* (110 U. S. 421). We need only consider certain postulates upon which that conclusion rested.

The Constitution grants to the Congress power "to coin money, regulate the value thereof, and of foreign coin." Article I, section 8, paragraph 5. But the Court in the *Legal Tender cases* did not derive from that express grant alone the full authority of the Congress in relation to the currency. The Court found the source of that authority in all the related powers conferred upon the Congress and appropriate to achieve "the great objects for which the Government was framed",—"a national government, with sovereign powers." *McCulloch* v. *Maryland* (4 Wheat. 316, 404–407); *Knox* v. *Lee* (supra, pp. 532, 536); *Juilliard* v. *Greenman* (supra, p. 438). The broad and comprehensive national authority over the subjects of revenue, finance, and currency is derived from the aggregate of the powers granted to the Congress, embracing the powers to lay and collect taxes, to borrow money, to regulate commerce with foreign nations and among the several States, to coin money, regulate the value thereof, and of foreign coin, and to fix the standards of weights and measures, and the added express power "to make all laws which shall be necessary and proper for carrying into execution" the other enumerated powers. *Juilliard* v. *Greenman* (supra, pp. 439, 440).

The Constitution "was designed to provide the same currency, having a uniform legal value in all the States." It was for that reason that the power to regulate the value of money was conferred upon the Federal Government, while the same power, as well as the power to emit bills of credit, was withdrawn from the States. The States cannot declare what shall be money, or regulate its value. Whatever power there is over the currency is vested in the Congress. *Knox* v. *Lee* (supra, p. 545). Another postulate of the decision in that case is that the Congress has power "to enact that the Government's promises to pay money shall be, for the time being, equivalent in value to the representative of value determined by the coinage acts, or to multiples thereof." (Id., p. 553.) Or, as was stated in the *Juilliard* case (supra, p. 447), the Congress is empowered "to issue the obligations of the United States in such form, and to impress upon them such qualities as currency for the purchase of merchandise and the payment of debts, as accord with the usage of sovereign governments." The authority to impose requirements of uniformity and parity is an essential feature of this control of the currency. The Congress is authorized to provide "a sound and uniform currency for the country", and to "secure the benefit of it to the people by appropriate legislation." *Veazie Bank* v. *Fenno* (8 Wall. 533, 549).

Moreover, by virtue of this national power, there attaches to the ownership of gold and silver those limitations which public policy may require by reason of their quality as legal tender and as a medium of exchange. *Ling Su Fan* v. *United States* (218 U. S. 302, 310). Those limitations arise from the fact that the law "gives to such coinage a value which does not attach as a mere consequence of intrinsic value." Their quality as legal tender is attributed by the law, aside from their bullion value. Hence the power to coin money includes the power to forbid mutilation, melting, and exportation of gold and silver coin—"to prevent its outflow from the country of its origin." (Id., p. 311.)

Dealing with the specific question as to the effect of the legal-tender acts upon contracts made before their passage, that is, those for the payment of money generally, the Court in the *Legal Tender cases*, recognized the possible consequences of such enactments in frustrating the expected performance of contracts—in rendering them "fruitless or partially fruitless." The Court pointed out that the exercise of the powers of Congress may affect "apparent obligations" of contracts in many ways. The Congress may pass bankruptcy acts. The Congress may declare war, or, even in peace, pass nonintercourse acts, or direct an embargo, which may operate seriously upon existing contracts. And the Court reasoned that if the legal-tender acts "were justly chargeable with impairing contract obligations, they would not, for that reason, be forbidden, unless a different rule is to be applied to them from that which has hitherto prevailed in the construction of other powers granted by the fundamental law." The conclusion was that contracts must be understood as having been made in reference to the possible exercise of the rightful authority and of the Government, and that no obligation of a contract "can extend to the defeat" of that authority. *Knox* v. *Lee*, supra (pp. 549–551).

On similar grounds, the Court dismissed the contention under the fifth amendment forbidding the taking of private property for public use without just compensation or the deprivation of it without due process of law. That provision, said the Court, referred only to a direct appropriation. A new tariff, an embargo, or a war, might bring upon individuals great losses; might, indeed, render valuable property almost valueless, might destroy the worth of contracts. "But whoever supposed" asked the Court, "that, because of this, a tariff could not be changed or a nonintercourse act, or embargo be enacted, or a war be declared." The Court referred to the act of June 28, 1834, by which a new regulation of the weight and value of gold coin was adopted, and about 6 percent was taken from the weight of each dollar. The effect of the measure was that all creditors were subjected to a corresponding loss, as the debts then due "became solvable with 6 percent less gold than was required to pay them before." But it had never been imagined that there was a taking of private property without compensation or without due process of law. The harshness of such legislation, or the hardship it may cause, afforded no reason for considering it to be unconstitutional. Id., pp. 551, 552.

The question of the validity of the joint resolution of June 5, 1933, must be determined in the light of these settled principles.

Third. The power of the Congress to invalidate the provisions of existing contracts which interfere with the exercise of its constitutional authority. The instant cases involve contracts between private parties, but the question necessarily relates as well to the contracts or obligations of States and municipalities, or of their political subdivisions, that is, to such engagements as are within the reach of the applicable national power. The Government's own contracts—the obligations of the United States—are in a distinct category and demand separate consideration. See *Perry* v. *United States*, decided this day.

The contention is that the power of the Congress, broadly sustained by the decisions we have cited in relation to private contracts for the payment of money generally, does not extend to the striking down of express contracts for gold payments. The acts before the Court in the *Legal Tender cases*, as we have seen, were not deemed to go so far. Those acts left in circulation two kinds of money, both lawful and available, and contracts for payments in gold, one of these kinds, were not disturbed. The Court did not decide that the Congress did not have the constitutional power to invalidate existing contracts of that sort, if they stood in the way of the execution of the policy of the Congress in relation to the currency. Mr. Justice Bradley, in his concurring opinion, expressed the view that the Congress had that power and had exercised it. *Knox* v. *Lee* (supra, pp. 566, 567). And upon that ground he dissented from the opinion of the Court in *Trebilcock* v. *Wilson* (supra, p. 699), as to the validity of contracts for payment "in specie."[4] It is significant that Mr. Justice Bradley, referring to this difference of opinion in the *Legal Tender cases*, remarked (in his concurring opinion) that "of course" the difference arose "from the different construction given to the legal-tender acts." "I do not understand", he said, "the majority of the Court to decide that an act so drawn as to embrace, in terms, contracts payable in specie, would not be constitutional. Such a decision would completely nullify the power claimed for the Government. For it would be very easy, by the use of one or two additional words, to make all contracts payable in specie."

Here, the Congress has enacted an express interdiction. The argument against it does not rest upon the mere fact that the legislation may cause hardship or loss. Creditors who have not stipulated for gold payments may suffer equal hardship or loss with creditors who have so stipulated. The former, admittedly, have no constitutional grievance. And, while the latter may not suffer more, the point is pressed that their express stipulations for gold payments constitute property, and that creditors who have not such stipulations are without that property right. And the contestants urge that the Congress is seeking not to regulate the currency, but to regulate contracts, and thus has stepped beyond the power conferred.

This argument is in the teeth of another established principle. Contracts, however express, cannot fetter the constitutional authority of the Congress. Contracts may create rights of property, but when contracts deal with a subject matter which lies within the control of the Congress, they have a congenital infirmity. Parties cannot remove their transactions from the reach of dominant constitutional power by making contracts about them. See *Hudson Water Co.* v. *McCarter* (209 U. S. 349, 357).

This principle has familiar illustration in the exercise of the power to regulate commerce. If shippers and carriers stipulate

---

[4] Mr. Justice Miller also dissented in *Trebilcock* v. *Wilson* (12 Wall., pp. 699, 700), upon the ground "that a contract for gold dollars, in terms, was in no respect different, in legal effect, from a contract for dollars without the qualifying words, 'specie' or 'gold', and that the legal-tender statutes had, therefore, the same effect in both cases."

for specified rates, although the rates may be lawful when the contracts are made, if Congress through the Interstate Commerce Commission exercises its authority and prescribes different rates, the latter control and override inconsistent stipulations in contracts previously made. This is so, even if the contract be a charter granted by a State and limiting rates, or a contract between municipalities and carriers. (*New York* v. *United States*, 257 U. S. 591, 600, 601; *United States* v. *Village of Hubbard*, 266 U. S. 474, 477, note. See, also, *Armour Packing Co.* v. *United States*, 209 U. S. 56, 80–82; *Union Dry Goods Co.* v. *Georgia Public Service Corporation*, 248 U. S. 372, 375.)

In *Addyston Pipe & Steel Co.* v. *United States* (175 U. S. 211, 229, 230) the Court raised the pertinent question, If certain kinds of private contracts directly limit or restrain, and hence regulate interstate commerce, why should not the power of Congress reach such contracts equally with legislation of a State to the same effect? "What sound reason", said the Court, "can be given why Congress should have the power to interfere in the case of the State, and yet have none in the case of the individual? Commerce is the important subject of consideration, and anything which directly obstructs and thus regulates that commerce which is carried on among the States, whether it is State legislation or private contracts between individuals or corporations, should be subject to the power of Congress in the regulation of that commerce."

Applying that principle, the Court held that a contract, valid when made (in 1871), for the giving of a free pass by an interstate carrier, in consideration of a release of a claim for damages, could not be enforced after the Congress had passed the act of June 29, 1906 (38 Stat. 584) (*Louisville & Nashville Railroad Co.* v. *Mottley*, 219 U. S. 467[5]). Quoting the statement of the general principle in the *Legal Tender cases*, the Court decided that the agreement must necessarily be regarded as having been made subject to the possibility that at some future time the Congress "might so exert its whole constitutional power in regulating interstate commerce as to render that agreement unenforceable or to impair its value." The Court considered it inconceivable that the exercise of such power "may be hampered or restricted to any extent by contracts previously made between individuals or corporations." "The framers of the Constitution never intended any such state of things to exist" (id., p. 482). Accordingly, it has been "authoritatively settled" by decisions of this Court that no previous contracts or combinations can prevent the application of the antitrust acts to compel the discontinuance of combinations declared to be illegal. (*Addyston Pipe & Steel Co.* v. *United States*, supra; *United States* v. *Southern Pacific Co.*, 259 U. S. 214, 234, 235. See also *Calhoun* v. *Massie*, 253 U. S. 170, 176; *Omnia Commercial Co.* v. *United States*, 261 U. S. 502, 509; *Stephenson* v. *Binford*, 287 U. S. 251. 276.)

The principle is not limited to the incidental effect of the exercise by the Congress of its constitutional authority. There is no constitutional ground for denying to the Congress the power expressly to prohibit and invalidate contracts although previously made, and valid when made, when they interfere with the carrying out of the policy it is free to adopt. The exercise of this power is illustrated by the provision of section 5 of the Employers Liability Act of 1908 (35 Stat. 65, 66), relating to any contract the purpose of which was to enable a common carrier to exempt itself from the liability which the act created. Such a stipulation the act explicitly declared to be void. In the *Second Employers' Liability Cases* (223 U. S. 1, 52), the Court decided that the Congress possessed the power to impose the liability, it also possessed the power "to insure its efficacy by prohibiting any contract, rule, regulation, or device in evasion of it." And this prohibition the Court has held to be applicable to contracts made before the act was passed. *Philadelphia, Baltimore & Washington R. R. Co.* v. *Schubert* (224 U. S. 603). In that case, the employee, suing under the act, was a member of the "relief fund" of the railroad company under a contract of membership, made in 1905, for the purpose of securing certain benefits. The contract provided that an acceptance of those benefits should operate as a release of claims, and the company pleaded that acceptance as a bar to the action. The Court held that the Employers' Liability Act supplied the governing rule and that the defense could not be sustained. The power of the Congress in regulating interstate commerce was not fettered by the necessity of maintaining existing arrangements and stipulations which would conflict with the execution of its policy. The reason is manifest. To subordinate the exercise of the Federal authority to the continuing operation of previous contracts would be to place to this extent the regulation of interstate commerce in the hands of private individuals and to withdraw from the control of the Congress so much of the field as they might choose by "prophetic discernment" to bring within the range of their agreements. The Constitution recognizes no such limitation. *Id.*, pp. 613, 614. See, also, *United States* v. *Southern Pacific Co.*, supra; *Sproles* v. *Binford* (286 U. S. 374, 390, 391); *Radio Commission* v. *Nelson Brothers Co.* (289 U. S. 266, 282).

The same reasoning applies to the constitutional authority of the Congress to regulate the currency and to establish the monetary system of the country. If the gold clauses now before us interfere with the policy of the Congress in the exercise of that authority, they cannot stand.

Fourth. The effect of the gold clauses in suit in relation to the monetary policy adopted by the Congress: Despite the wide range of the discussion at the bar and the earnestness with which the arguments against the validity of the joint resolution have been pressed, these contentions necessarily are brought, under the dominant principles to which we have referred, to a single and narrow point. That point is whether the gold clauses do constitute an actual interference with the monetary policy of the Congress in the light of its broad power to determine that policy. Whether they may be deemed to be such an interference depends upon an appraisement of economic conditions and upon determinations of questions of fact. With respect to those conditions and determinations, the Congress is entitled to its own judgment. We may inquire whether its action is arbitrary or capricious; that is, whether it has reasonable relation to a legitimate end. If it is an appropriate means to such an end, the decisions of the Congress as to the degree of the necessity for the adoption of that means, is final. (*McCulloch* v. *Maryland*, supra, pp. 421, 423; *Juilliard* v. *Greenman*, supra, p. 450; *Stafford* v. *Wallace*, 258 U. S. 495, 521; *Everard's Breweries* v. *Day*, 265 U. S. 545, 559, 562.)

The Committee on Banking and Currency of the House of Representatives stated in its report recommending favorable action upon the joint resolution (H. Rept. No. 169, 73d Cong., 1st sess.):

"The occasion for the declaration in the resolution that the gold clauses are contrary to public policy arises out of the experiences of the present emergency. These gold clauses render ineffective the power of the Government to create a currency and determine the value thereof. If the gold clause applied to a very limited number of contracts and security issues, it would be a matter of no particular consequence, but in this country virtually all obligations, almost as a matter of routine, contain the gold clause. In the light of this situation two phenomena which have developed during the present emergency make the enforcement of the gold clauses incompatible with the public interest. The first is the tendency which has developed internally to hoard gold; the second is the tendency for capital to leave the country. Under these circumstances no currency system, whether based upon gold or upon any other foundation, can meet the requirements of a situation in which many billions of dollars of securities are expressed in a particular form of the circulating medium, particularly when it is the medium upon which the entire credit and currency structure rests."

And the joint resolution itself recites the determination of the Congress in these words.[6]

"Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts."

Can we say that this determination is so destitute of basis that the interdiction of the gold clauses must be deemed to be without any reasonable relation to the monetary policy adopted by the Congress?

The Congress in the exercise of its discretion was entitled to consider the volume of obligations with gold clauses, as that fact, as the report of the House committee observed, obviously had a bearing upon the question whether their existence constituted a substantial obstruction to the congressional policy. The estimates submitted at the bar indicate that when the joint resolution was adopted there were outstanding $75,000,000,000 or more of such obligations, the annual interest charges on which probably amounted to between three and four billion dollars. It is apparent that if these promises were to be taken literally, as calling for actual payment in gold coin, they would be directly opposed to the policy of Congress, as they would be calculated to increase the demand for gold, to encourage hoarding, and to stimulate attempts at exportation of gold coin. If there were no outstanding obligations with gold clauses, we suppose that no one would question the power of the Congress, in its control of the monetary system, to endeavor to conserve the gold resources of the Treasury, to insure its command of gold in order to protect and increase its reserves, and to prohibit the exportation of gold coin or its use for any purpose inconsistent with the needs of the Treasury. See *Ling Su Fan* v. *United States, supra*. And if the Congress would have that power in the absence of gold clauses, principles beyond dispute compel the conclusion that private parties or States or municipalities, by making such contracts could not prevent or embarrass its exercise. In that view of the import of the gold clauses, their obstructive character is clear.

But if the clauses are treated as "gold value" clauses, that is, as intended to set up a measure or standard of value if gold coin is not available, we think they are still hostile to the policy of the Congress and hence subject to prohibition. It is true that when the joint resolution was adopted on June 5, 1933, while gold coin had largely been withdrawn from circulation and the Treasury had declared that "gold is not now paid, nor is it available for payment upon public or private debts",[7] the dollar had not yet been devalued. But devaluation was in prospect, and a uniform cur-

[5] Compare *New York Central & Hudson R. R. Co.* v. *Gray* (239 U. S. 583; *Calhoun* v. *Massie* (253 U. S. 170, 176).

[6] See note 1.

[7] Treasury Statement of May 26, 1933.

rency was intended.[8] Section 43 of the act of May 12, 1933 (48 Stat. 51), provided that the President should have authority, on certain conditions, to fix the weight of the gold dollar as stated, and that its weight as so fixed should be "the standard unit of value" with which all forms of money should be maintained "at a parity." The weight of the gold dollar was not to be reduced by more than 50 percent. The Gold Reserve Act of 1934 (Jan. 30, 1934, 48 Stat. 337) provided that the President should not fix the weight of the gold dollar at more than 60 percent of its present weight. The order of the President of January 31, 1934, fixed the weight of the gold dollar at 15 5/21 grains 0.9 fine as against the former standard of 25 8/10 grains 0.9 fine. If the gold clauses interfered with the congressional policy and hence could be invalidated, there appears to be no constitutional objection to that action by the Congress in anticipation of the determination of the value of the currency. And the questions now before us must be determined in the light of that action.

The devaluation of the dollar placed the domestic economy upon a new basis. In the currency as thus provided, States and municipalities must receive their taxes; railroads, their rates and fares; public utilities, their charges for services. The income out of which they must meet their obligations is determined by the new standard. Yet, according to the contentions before us, while that income is thus controlled by law, their indebtedness on their "gold bonds" must be met by an amount of currency determined by the former gold standard. Their receipts, in this view, would be fixed on one basis; their interest charges, and the principal of their obligations, on another. It is common knowledge that the bonds issued by these obligors have generally contained gold clauses, and presumably they account for a large part of the outstanding obligations of that sort. It is also common knowledge that a similar situation exists with respect to numerous industrial corporations that have issued their "gold bonds" and must now receive payments for their products in the existing currency. It requires no acute analysis or profound economic inquiry to disclose the dislocation of the domestic economy which would be caused by such a disparity of conditions in which, it is insisted, those debtors under gold clauses should be required to pay $1.69 in currency while respectively receiving their taxes, rates, charges, and prices on the basis of $1 of that currency.

We are not concerned with consequences, in the sense that consequences, however serious, may excuse an invasion of constitutional right. We are concerned with the constitutional power of the Congress over the monetary system of the country and its attempted frustration. Exercising that power, the Congress has undertaken to establish a uniform currency, and parity between kinds of currency, and to make that currency, dollar for dollar, legal tender for the payment of debts. In the light of abundant experience, the Congress was entitled to choose such a uniform monetary system, and to reject a dual system, with respect to all obligations within the range of the exercise of its constitutional authority. The contention that these gold clauses are valid contracts and cannot be struck down proceeds upon the assumption that private parties, and States and municipalities, may make and enforce contracts which may limit that authority. Dismissing that untenable assumption, the facts must be faced. We think that it is clearly shown that these clauses interfere with the exertion of the power granted to the Congress and certainly it is not established that the Congress arbitrarily or capriciously decided that such an interference existed.

The judgment and decree, severally under review, are affirmed.

No. 270. Judgment affirmed.

Nos. 471 and 472. Decree affirmed.

Supreme Court of the United States

No. 531. October term, 1934. *F. Eugene Nortz* v. *The United States*. On certificate from the Court of Claims

Mr. Chief Justice Hughes delivered the opinion of the Court:

The facts certified by the Court of Claims may be thus summarized: Plaintiff brought suit as owner of gold certificates of the Treasury of the United States of the nominal amount of $106,300. He alleged that defendant, by these gold certificates and under the applicable acts of Congress, had certified that there had been deposited in the Treasury of the United States $106,300 in gold coin which would be paid to the claimant, as holder, upon demand; that at the time of the issue of these certificates, and to and including January 17, 1934, a dollar in gold consisted of 25.8 grains of gold, 0.9 fine; that claimant was entitled to receive from defendant 1 ounce of gold for each $20.67 of the gold certificates; that on January 17, 1934, he duly presented the certificates and demanded their redemption by the payment of gold coin to the extent above mentioned; that on that date, and for some time prior and subsequent thereto, an ounce of gold was of the value of at least $33.43, and that claimant was accordingly entitled to receive in redemption 5104.22 ounces of gold of the value of $170,634.70; that the demand was refused; that in view of the penalties imposed under the order of the Secretary of the Treasury, approved by the President, on January 15, 1934, supplementing the order of December 28, 1933, and the laws and regulations under which those orders were issued, which the claimant alleged were unconstitutional as constituting a deprivation of property without due process of law, claimant delivered the gold certificates to defendant under protest and received in exchange currency of the United States in the sum of $106,300 which was not redeemable in gold; and that in consequence claimant was damaged in the sum of $64,334.07, for which, with interest, judgment was demanded.

Defendant demurred to the petition upon the ground that it did not state a cause of action against the United States.

The questions certified by the Court are as follows:

"1. Is an owner of gold certificates of the United States, series of 1928, not holding a Federal license to acquire or hold gold coins or gold certificates, who, on January 17, 1934, had surrendered his certificates to the Secretary of the Treasury of the United States under protest and had received therefor legal-tender currency of equivalent face amount, entitled to receive from the United States a further sum, inasmuch as the weight of a gold dollar was 25.8 grains, 0.9 fine, and the market price thereof on January 17, 1934, was in excess of the currency so received?

"2. Is a gold certificate, series of 1928, under the facts stated in question 1 an express contract of the United States in its corporate or proprietary capacity which will enable its owner and holder to bring suit thereon in the Court of Claims?

"3. Do the provisions of the Emergency Banking Act of March 9, 1933, and the order of the Secretary of the Treasury dated December 28, 1933, requiring the plaintiff, as owner of gold certificates as stated in question 1, to deliver the same to the Treasury of the United States in exchange for currency of an equivalent amount not redeemable in gold, amount to a taking of property within the meaning of the fifth amendment to the Constitution of the United States?"

Defendant's demurrer, which admitted the facts well pleaded in the petition, did not admit allegations which amounted to conclusions of law in relation to the nature of the gold certificates or the legal effect of the legislation under which they were issued, held, or to be redeemed. *Dillon* v. *Barnard* (21 Wall. 430, 437); *United States* v. *Ames* (99 U. S. 35, 45); *Interstate Land Co.* v. *Maxwell Land Co.* (139 U. S. 569, 577, 578); *Equitable Life Assurance Society* v. *Brown* (213 U. S. 25, 43).

Gold certificates were authorized by section 5 of the act of March 3, 1863 (12 Stat. 709, 711), which provided that the Secretary of the Treasury might receive "deposits of gold coin and bullion" and issue certificates therefor "in denominations of not less than $20 each, corresponding with the denominations of the United States notes." The coin and bullion so deposited were to be retained in the Treasury for the payment of the certificates on demand. It was further provided that "certificates representing coin in the Treasury may be issued in payment of interest on the public debt, which certificates, together with those issued for coin and bullion deposited, shall not at any time exceed 20 percent beyond the amount of coin and bullion in the Treasury." (See R. S., sec. 254; 31 U. S. C. 428.) Section 12 of the act of July 12, 1882 (22 Stat. 165) contained a further provision authorizing the Secretary of the Treasury "to receive deposits of gold coin" and to issue certificates therefor, also in denominations of dollars as stated. The act of March 14, 1900 (31 Stat. 45), prescribed that the dollar "consisting of 25.8 grains of gold 0.9 fine, * * * shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity." Section 6 of that act also authorized the Secretary of the Treasury to receive deposits of gold coin and to issue gold certificates therefor, and provided that the coin so deposited should be held by the Treasury for the payment of such certificates on demand and should be "used for no other purpose." And the latter clause appears in the amending acts of March 4, 1907 (34 Stat. 1289), and of March 2, 1911 (36 Stat. 965). (See 31 U. S. C. 429.)

The act of December 24, 1919 (41 Stat. 370), made gold certificates payable to bearer on demand "legal tender in payment of all debts and dues, public and private." And section 2 of the joint resolution of June 5, 1933 (48 Stat. 113), amending the act of May 12, 1933 (48 Stat. 52), provided that "all coins and currencies of the United States * * * heretofore or hereafter coined or issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues."

Gold certificates under this legislation were required to be issued in denominations of dollars and called for the payment of dollars.[9] These gold certificates were currency. They were not less so because the specified number of dollars were payable in gold coin of

[8] The Senate Committee on Banking and Currency, in its report of May 27, 1933, stated: "By the Emergency Banking Act and the existing Executive orders gold is not now paid, or obtainable for payment, on obligations public or private. By the Thomas amendment currency was intended to be made legal tender for all debts. However, due to the language used doubt has arisen whether it has been made legal tender for payments on gold-clause obligations, public and private. This doubt should be removed. These gold clauses interfere with the power of Congress to regulate the value of the money of the United States and the enforcement of them would be inconsistent with existing legislative policy." (S. Rept. No. 99, 73d Cong., 1st sess.)

[9] The form of gold certificates here in question is stated to be as follows:

"This certifies that there have been deposited in the Treasury of the United States of America $1,000 in gold coin payable to the bearer on demand.

"This certificate is a legal tender in the amount thereof in payment of all debts and dues, public and private."

On the reverse side appear the following words: "The United States of America, one thousand dollars."

the coinage of the United States. Being currency and constituting legal tender, it is entirely inadmissible to regard the gold certificates as warehouse receipts.[10] They were not contracts for a certain quantity of gold as a commodity. They called for dollars, not bullion.

We may lay on one side the question whether the issue of currency of this description created an express contract upon which the United States has consented to be sued under the provisions of section 145 of the Judicial Code, 28 U. S. C. 250. Compare *Horowitz* v. *United States*, 267 U. S. 458, 461.[11] We may assume that plaintiff's petition permits an alternative view. Plaintiff urges as the gist of his contention that, by the acts of Congress, and the orders thereunder, requiring the delivery of his gold certificates to the Treasury in exchange for currency not redeemable in gold, he has been deprived of his property, and that he is entitled to maintain this action to recover the just compensation secured to him by the fifth amendment. But, even in that view, the Court of Claims has no authority to entertain the action, if the claim is at best one for nominal damages. The Court of Claims "was not instituted to try such a case." *Grant* v. *United States* (7 Wall. 331, 338); *Marion & Rye Railway Co.* v. *United States* (270 U. S. 280, 282). Accordingly, we inquire whether the case which the plaintiff presents is one which would justify the recovery of actual damages.

By section 3 of the Emergency Banking Act of March 9, 1933 (48 Stat. 2), amending section 11 of the Federal Reserve Act (39 Stat. 752), the Secretary of the Treasury was authorized, whenever in this judgment it was necessary "to protect the currency system of the United States", to require all persons "to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates" owned by them. Upon such delivery, the Secretary was to pay therefor "an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States." Under that statute, orders requiring such delivery, except as otherwise expressly provided, were issued by the Secretary on December 28, 1933, and January 15, 1934. By the latter, gold coin, gold bullion, and gold certificates were required to be delivered to the Treasurer of the United States on or before January 17, 1934. It was on that date that plaintiff made his demand for gold coin in redemption of his certificates and delivered the certificates under protest. That compulsory delivery, he insists, constituted the "taking of the contract" for which he demands compensation.

Plaintiff explicitly states his concurrence in the Government's contention that the Congress has complete authority to regulate the currency system of the country. He does not deny that, in exercising that authority, the Congress had power "to appropriate unto the Government outstanding gold bullion, gold coin, and gold certificates." Nor does he deny that the Congress had authority "to compel all residents of this country to deliver unto the Government all gold bullion, gold coins, and gold certificates in their possession." These powers could not be successfully challenged. *Knox* v. *Lee* (12 Wall. 457); *Juilliard* v. *Greenman* (110 U. S. 421); *Ling Su Fan* v. *United States* (218 U. S. 302); *Norman* v. *Baltimore & Ohio R. R. Co.*, decided this day. The question plaintiff presents is thus simply one of "just compensation."

The asserted basis of plaintiff's claim for actual damages is that, by the terms of the gold certificates, he was entitled, on January 17, 1934, to receive gold coin. It is plain that he cannot claim any better position than that in which he would have been placed had the gold coin then been paid to him. But, in that event, he would have been required, under the applicable legislation and orders, forthwith to deliver the gold coin to the Treasury. Plaintiff does not bring himself within any of the stated exceptions. He did not allege in his petition that he held a Federal license to hold gold coin, and the first question submitted to us by the Court of Claims negatives the assumption of such a license. Had plaintiff received gold coin for his certificates, he would not have been able, in view of the legislative inhibition, to export it or deal in it. Moreover, it is sufficient in the instant case to point out that on January 17, 1934, the dollar had not been devalued. Or, as plaintiff puts it, "at the time of the presentation of the certificates by petitioner, the gold content of the United States dollar had not been deflated" and the provision of the act of March 14, 1900, supra, fixing that content at 25.8 grains, nine-tenths fine, as the standard unit of money with which "all forms of money issued or coined by the United States" were to be maintained at a parity, was "still in effect." The currency paid to the plaintiff for his gold certificates was then on a parity with that standard of value. It cannot be said that, in receiving the currency on that basis, he sustained any actual loss.

To support his claim, plaintiff says that on January 17, 1934, "an ounce of gold was of the value at least of $33.43." His petition so alleged and he contends that the allegation was admitted by the demurrer. By the assertion of that value of gold in relation to gold coin in this country, in view of the applicable legislative requirements, necessarily involved a conclusion of law. Under those requirements there was not on January 17, 1934, a free market for gold in the United States or any market available to the plaintiff for the gold coin to which he claims to have been entitled. Plaintiff insists that gold had an intrinsic value and was bought and sold in the world markets. But plaintiff had no right to resort to such markets. By reason of the quality of gold coin, "as a legal tender and as a medium of exchange", limitations attached to its ownership, and the Congress could prohibit its exportation and regulate its use. *Ling Su Fan* v. *United States*, supra.

The first question submitted by the Court of Claims is answered in the negative. It is unnecessary to answer the second question. And in the circumstances shown, the third question is academic and also need not be answered.

Question no. 1 is answered "no."

Supreme Court of the United States

No. 532. October term, 1934. *John M. Perry* v. *The United States.* On certificate from the Court of Claims

Mr. Chief Justice Hughes delivered the opinion of the Court:

The certificate from the Court of Claims shows the following facts:

Plaintiff brought suit as the owner of an obligation of the United States for $10,000 known as "Fourth Liberty Loan 4¼-percent gold bond of 1933–38." This bond was issued pursuant to the act of September 24, 1917 (40 Stat. 288), as amended, and Treasury Department Circular No. 121, dated September 28, 1918. The bond provided: "The principal and interest hereof are payable in United States gold coin of the present standard of value."

Plaintiff alleged in his petition that "at the time the bond was issued, and when he acquired it, a dollar in gold consisted of 25.8 grains of gold 0.9 fine"; that the bond was called for redemption on April 15, 1934, and on May 24, 1934, was presented for payment; that plaintiff demanded its redemption "by the payment of 10,000 gold dollars each containing 25.8 grains of gold 0.9 fine"; that defendant refused to comply with that demand, and that plaintiff then demanded "258,000 grains of gold 0.9 fine, or gold of equivalent value of any fineness, or 16,931.25 gold dollars each containing 15 5/21 grains of gold 0.9 fine, or $16,931.25 in legal-tender currency"; that defendant refused to redeem the bond "except by the payment of $10,000 in legal-tender currency"; that these refusals were based on the joint resolution of the Congress of June 5, 1933 (48 Stat. 113), but that this enactment was unconstitutional as it operated to deprive plaintiff of his property without due process of law; and that by this action of defendant he was damaged "in the sum of $16,931.25, the value of defendant's obligation", for which, with interest, plaintiff demanded judgment.

Defendant demurred upon the ground that the petition did not state a cause of action against the United States.

The court of claims has certified the following questions:

"1. Is the claimant, being the holder and owner of a Fourth Liberty Loan 4¼-percent bond of the United States, of the principal amount of $10,000, issued in 1918, which was payable on and after April 15, 1934, and which bond contained a clause that the principal is 'payable in United States gold coin of the present standard of value', entitled to receive from the United States an amount in legal-tender currency in excess of the face amount of the bond?

"2. Is the United States, as obligor in a Fourth Liberty Loan 4¼-percent gold bond, Series of 1933–38, as stated in question 1, liable to respond in damages in a suit in the Court of Claims on such bond as an express contract, by reason of the change in or impossibility of performance in accordance with the tenor thereof, due to the provisions of Public Resolution No. 10, Seventy-third Congress, abrogating the gold clause in all obligations?"

First. The import of the obligation: The bond in suit differs from an obligation of private parties, or of States or municipalities, whose contracts are necessarily made in subjection to the dominant power of the Congress. *Norman* v. *Baltimore & Ohio R. R. Co.*, decided this day. The bond now before us is an obligation of the United States. The terms of the bond are explicit. They were not only expressed in the bond itself, but they were definitely prescribed by the Congress. The act of September 24, 1917, both in its original and amended form, authorized the moneys to be borrowed, and the bonds to be issued, "on the credit of the United States" in order to meet expenditures needed "for the national security and defense and other public purposes authorized by law." (40 Stat. 288, 503.) The circular of the Treasury Department of September 28, 1918, to which the bond refers "for a statement of the further rights of the holders of bonds of said series" also provided that the principal and interest "are payable in United States gold coin of the present standard of value."

This obligation must be fairly construed. The "present standard of value" stood in contradistinction to a lower standard of value. The promise obviously was intended to afford protection against loss. That protection was sought to be secured by setting up a standard or measure of the Government's obligation. We think that the reasonable import of the promise is that it was intended to assure one who lent his money to the Government and took its bond that he would not suffer loss through depreciation in the medium of payment.

The Government states in its brief that the total unmatured interest-bearing obligations of the United States outstanding on

---

[10] The description of gold certificates in the reports of the Secretary of the Treasury, to which allusion was made in the argument at bar, could in no way alter their true legal characteristics. (Reports for 1926, p. 80; 1930, pp. 29, 604, 607; 1933, p. 375.)

[11] The point was not determined in *United States* v. *State Bank*, 96 U. S. 30, upon which plaintiff relies. The Court there decided that "where the money or property of an innocent person has gone into the coffers of the Nation by means of a fraud to which its agent was a party, such money or property cannot be held by the United States against the claim of the wronged and injured party." The Court said that the basis of the liability was "an implied contract" by which the United States might well become bound in virtue of its corporate character. Its sovereignty was "in no wise involved."

May 31, 1933 (which it is understood contained a "gold clause" substantially the same as that of the bond in suit), amounted to about $21,000,000,000. From statements at the bar, it appears that this amount has been reduced to approximately twelve billions at the present time, and that during the intervening period the public debt of the United States has risen some seven billions (making a total of approximately twenty-eight billions five hundred millions) by the issue of some $16,500,000,000 of "non-gold-clause obligations."

Second. The binding quality of the obligation: The question is necessarily presented whether the joint resolution of June 5, 1933 (48 Stat. 113), is a valid enactment so far as it applies to the obligations of the United States. The resolution declared that provisions requiring "payment in gold or a particular kind of coin or currency" were "against public policy" and provided that "every obligation heretofore or hereafter incurred, whether or not any such provision is contained therein", shall be discharged "upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts." This enactment was expressly extended to obligations of the United States and provisions for payment in gold, "contained in any law authorizing obligations to be issued by or under authority of the United States", were repealed.[12]

There is no question as to the power of the Congress to regulate the value of money; that is, to establish a monetary system and thus to determine the currency of the country. The question is whether the Congress can use that power so as to invalidate the terms of the obligations which the Government has theretofore issued in the exercise of the power to borrow money on the credit of the United States. In attempted justification of the joint resolution in relation to the outstanding bonds of the United States the Government argues that "earlier Congresses could not validly restrict the Seventy-third Congress from exercising its constitutional powers to regulate the value of money, borrow money, or regulate foreign and interstate commerce"; and, from this premise, the Government seems to deduce the proposition that when, with adequate authority, the Government borrows money and pledges the credit of the United States, it is free to ignore that pledge and alter the terms of its obligations in case a later Congress finds their fulfillment inconvenient. The Government's contention thus raises a question of far greater importance than the particular claim of the plaintiff. On that reasoning, if the terms of the Government's bond as to the standard of payment can be repudiated, it inevitably follows that the obligation as to the amount to be paid may also be repudiated. The contention necessarily imports that the Congress can disregard the obligations of the Government at its discretion and that when the Government borrows money the credit of the United States is an illusory pledge.

We do not so read the Constitution. There is a clear distinction between the power of the Congress to control or interdict the contracts of private parties when they interfere with the exercise of its constitutional authority, and the power of the Congress to alter or repudiate the substance of its own engagements when it has borrowed money under the authority which the Constitution confers. In authorizing the Congress to borrow money the Constitution empowers the Congress to fix the amount to be borrowed and the terms of payment. By virtue of the power to borrow money "on the credit of the United States", the Congress is authorized to pledge that credit as an assurance of payment as stipulated—as the highest assurance the Government can give, its plighted faith. To say that the Congress may withdraw or ignore that pledge is to assume that the Constitution contemplates a vain promise, a pledge having no other sanction than the pleasure and convenience of the pledgor. This Court has given no sanction to such a conception of the obligations of our Government.

The binding quality of the obligations of the Government was considered in the *Sinking-Fund cases* (99 U. S. 700, 718, 719). The question before the Court in those cases was whether certain action was warranted by a reservation to the Congress of the right to amend the charter of a railroad company. While the particular action was sustained under this right of amendment, the Court took occasion to state emphatically the obligatory character of the contracts of the United States. The Court said: "The United States are as much bound by their contracts as are individuals. If they repudiate their obligations, it is as much repudiation, with all the wrong and reproach that term implies, as it would be if the repudiator had been a State or a municipality or a citizen.[13]

When the United States, with constitutional authority, makes contracts, it has rights and incurs responsibilities similar to those of individuals who are parties to such instruments. There is no difference, said the Court in *United States* v. *Bank of Metropolis* (15 Pet. 377, 392), except that the United States cannot be sued without its consent. See also *The Floyd Acceptance* (7 Wall. 666, 675), *Cooke* v. *United States* (91 U. S. 389, 396). In *Lynch* v. *United States* (292 U. S. 571, 580), with respect to an attempted abrogation by the act of March 20, 1893 (48 Stat. 8, 11), of certain outstanding war-risk insurance policies, which were contracts of the United States, the Court quoted with approval the statement in the Sinking-Fund cases (supra), and said: "Punctilious fulfillment of contractual obligations is essential to the maintenance of the credit of public as well as private debtors. No doubt there was in March 1933 great need of economy. In the administration of all Government business economy had become urgent because of lessened revenues and the heavy obligations to be issued in the hope of relieving wide-spread distress. Congress was free to reduce gratuities deemed excessive. But Congress was without power to reduce expenditures by abrogating contractual obligations of the United States. To abrogate contracts in the attempt to lessen Government expenditure would be not the practice of economy but an act of repudiation."

The argument in favor of the joint resolution, as applied to Government bonds, is in substance that the Government cannot by contract restrict the exercise of a sovereign power. But the right to make binding obligations is a competence attaching to sovereignty.[14] In the United States, sovereignty resides in the people who act through the organs established by the Constitution. *Chisholm* v. *Georgia* (2 Dall. 419, 471); *Penhallow* v. *Doane's Administrators* (3 Dall. 54, 93); *McCulloch* v. *Maryland* (4 Wheat. 316, 404, 405); *Yick Wo* v. *Hopkins* (118 U. S. 356, 370). The Congress as the instrumentality of sovereignty is endowed with certain powers to be exerted on behalf of the people in the manner and with the effect the Constitution ordains. The Congress cannot invoke the sovereign power of the people to override their will as thus declared. The powers conferred upon the Congress are harmonious. The Constitution gives to the Congress the power to borrow money on the credit of the United States, an unqualified power, a power vital to the Government—upon which in an extremity its very life may depend. The binding quality of the promise of the United States is of the essence of the credit which is so pledged. Having this power to authorize the issue of definite obligations for the payment of money borrowed, the Congress has not been vested with authority to alter or destroy those obligations. The fact that the United States may not be sued without its consent is a matter of procedure which does not affect the legal and binding character of its contracts. While the Congress is under no duty to provide remedies through the courts, the contractual obligation still exists, and despite infirmities of procedure, remains binding upon the conscience of the sovereign. *Lynch* v. *United States*, supra (pp. 580, 582).

The fourteenth amendment, in its fourth section, explicitly declares: "The validity of the public debt of the United States, authorized by law * * * shall not be questioned." While this provision was undoubtedly inspired by the desire to put beyond question the obligations of the Government issued during the Civil War, its language indicates a broader connotation. We regard it as confirmatory of a fundamental principle which applies as well to the Government bonds in question, and to others duly authorized by the Congress, as to those issued before the amendment was adopted. Nor can we perceive any reason for not considering the expression "the validity of the public debt" as embracing whatever concerns the integrity of the public obligations.

We conclude that the joint resolution of June 5, 1933, insofar as it attempted to override the obligation created by the bond in suit, went beyond the congressional power.

Third. The question of damages: In this view of the binding quality of the Government's obligations, we come to the question as to the plaintiff's right to recover damages. That is a distinct question. Because the Government is not at liberty to alter or repudiate its obligations, it does not follow that the claim advanced by the plaintiff should be sustained. The action is for breach of contract. As a remedy for breach, plaintiff can recover no more than the loss he has suffered and of which he may rightfully complain. He is not entitled to be enriched. Plaintiff seeks

---

[12] And subdivision (b) of sec. 1 of the joint resolution of June 5, 1933, provided: "As used in this resolution, the term 'obligation' means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term 'coin or currency' means coin or currency of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations."

[13] Mr. Justice Strong, who had written the opinion of the majority of the Court in the *Legal Tender cases* (*Knox* v. *Lee*, 12 Wall. 457), dissented in the *Sinking-Fund cases* (99 U. S. p. 731), because he thought that the action of the Congress was not consistent with the Government's engagement and hence was a transgression of legislative power. And with respect to the sanctity of the contracts of the Government, he quoted, with approval, the opinion of Mr. Hamilton in his communication to the Senate of January 20, 1795 (citing 3 Hamilton's Works, 518, 519), that "when a government enters into a contract with an individual, it deposes, as to the matter of the contract, its constitutional authority, and exchanges the character of legislator for that of a moral agent, with the same rights and obligations as an individual. Its promises may be justly considered as excepted out of its power to legislate unless in aid of them. It is in theory impossible to reconcile the idea of a promise which obliges, with the power to make a law which can vary the effect of it."

[14] Oppenheim, International Law, 4th ed., vol. 1, secs. 493, 494. This is recognized in the field of international engagements. Although there may be no judicial procedure by which such contracts may be enforced in the absence of the consent of the sovereign to be sued, the engagement validly made by a sovereign state is not without legal force, as readily appears if the jurisdiction to entertain a controversy with respect to the performance of the engagement is conferred upon an international tribunal. Hall, International Law, 8th ed., sec. 107; Oppenheim, loc. cit.; Hyde, International Law, vol. 2, sec. 489.

judgment for $16,931.25, in present legal-tender currency, on his bond for $10,000. The question is whether he has shown damage to that extent, or any actual damage, as the Court of Claims has no authority to entertain an action for nominal damages. *Grant* v. *United States* (7 Wall. 331, 338); *Marion & Rye Railway Co.* v. *United States* (270 U. S. 280, 282); *Nortz* v. *United States*, decided this day.

Plaintiff computes his claim for $16,931.25 by taking the weight of the gold dollar as fixed by the President's proclamation of January 31, 1934, under the act of May 12, 1933 (48 Stat. 52, 53), as amended by act of January 30, 1934 (48 Stat. 342), that is, at 15 5/21 grains 0.9 fine, as compared with the weight fixed by the act of March 14, 1900 (31 Stat. 45), or 25.8 grains 0.9 fine. But the change in the weight of the gold dollar did not necessarily cause loss to the plaintiff of the amount claimed. The question of actual loss cannot fairly be determined without considering the economic situation at the time the Government offered to pay him the $10,000, the face of his bond, in legal-tender currency. The case is not the same as if gold coin had remained in circulation. That was the situation at the time of the decisions under the Legal Tender Acts of 1862 and 1863 (*Bronson* v. *Rodes*, 7 Wall. 229, 251; *Trebilcock* v. *Wilson*, 12 Wall. 687, 695; *Thompson* v. *Butler*, 95 U. S. 694, 696, 697). Before the change in the weight of the gold dollar in 1934, gold coin had been withdrawn from circulation.[15] The Congress had authorized the prohibition of the exportation of gold coin and the placing of restrictions upon transactions in foreign exchange (acts of Mar. 9, 1933, 48 Stat. 1; Jan. 30, 1934, 48 Stat. 337). Such dealings could be had only for limited purposes and under license (Executive orders of Apr. 20, 1933, Aug. 28, 1933, and Jan. 15, 1934; Regulations of the Secretary of the Treasury, Jan. 30 and 31, 1934). That action the Congress was entitled to take by virtue of its authority to deal with gold coin as a medium of exchange. And the restraint thus imposed upon holders of gold coin was incident to the limitations which inhered in their ownership of that coin and gave them no right of action (*Ling Su Fan* v. *United States*, 218 U. S. 302, 310, 311). The Court said in that case: "Conceding the title of the owner of such coins, yet there is attached to such ownership those limitations which public policy may require by reason of their quality as a legal tender and as a medium of exchange. These limitations are due to the fact that public law gives to such coinage a value which does not attach as a mere consequence of intrinsic value. Their quality as a legal tender is an attribute of law aside from their bullion value. They bear, therefore, the impress of sovereign power which fixes value and authorizes their use and exchange. * * * However unwise a law may be, aimed at the exportation of such coins, in the face of the axioms against obstructing the free flow of commerce, there can be no serious doubt that the power to coin money includes the power to prevent its outflow from the country of its origin." The same reasoning is applicable to the imposition of restraints upon transactions in foreign exchange. We cannot say, in view of the conditions that existed, that the Congress having this power exercised it arbitrarily or capriciously. And the holder of an obligation, or bond, of the United States, payable in gold coin of the former standard, so far as the restraint upon the right to export gold coin or to engage in transactions in foreign exchange is concerned, was in no better case than the holder of gold coin itself.

In considering what damages, if any, the plaintiff has sustained by the alleged breach of his bond, it is hence inadmissible to assume that he was entitled to obtain gold coin for recourse to foreign markets or for dealings in foreign exchange or for other purposes contrary to the control over gold coin which the Congress had the power to exert, and had exerted, in its monetary regulation. Plaintiff's damages could not be assessed without regard to the internal economy of the country at the time the alleged breach occurred. The discontinuance of gold payments and the establishment of legal tender currency on a standard unit of value with which "all forms of money" of the United States were to be "maintained at a parity" had a controlling influence upon the domestic economy. It was adjusted to the new basis. A free domestic market for gold was nonexistent.

Plaintiff demands the "equivalent" in currency of the gold coin promised. But "equivalent" cannot mean more than the amount of money which the promised gold coin would be worth to the bondholder for the purposes for which it could legally be used. That equivalence or worth could not properly be ascertained save in the light of the domestic and restricted market which the Congress had lawfully established. In the domestic transactions to which the plaintiff was limited, in the absence of special license, determination of the value of the gold coin would necessarily have regard to its use as legal tender and as a medium of exchange under a single monetary system with an established parity of all currency and coins. And, in view of the control of export and foreign exchange, and the restricted domestic use, the question of value, in relation to transactions legally available to the plaintiff, would require a consideration of the purchasing power of the dollars which the plaintiff could have received. Plaintiff has not shown, or attempted to show, that in relation to buying power he has sustained any loss whatever. On the contrary, in view of the adjustment of the internal economy to the single measure of value as established by the legislation of the Congress, and the universal availability and use throughout the country of the legal-tender currency in meeting all engagements, the payment to the plaintiff of the amount which he demands would appear to constitute not a recoupment of loss in any proper sense but an unjustified enrichment.

Plaintiff seeks to make his case solely upon the theory that by reason of the change in the weight of the dollar he is entitled to $1.69 in the present currency for every dollar promised by the bond, regardless of any actual loss he has suffered with respect to any transaction in which his dollars may be used. We think that position is untenable.

In the view that the facts alleged by the petition fail to show a cause of action for actual damages, the first question submitted by the Court of Claims is answered in the negative. It is not necessary to answer the second question.

Question no. 1 is answered "no."

Supreme Court of the United States

No. 532. October term, 1934. *John M. Perry* v. *The United States*. On certificate from the Court of Claims (Feb. 18, 1935)

Mr. Justice Stone:

I agree that the answer to the first question is "No", but I think our opinion should be confined to answering that question and that it should essay an answer to no other.

I do not doubt that the gold clause in the Government bonds, like that in the private contracts just considered, calls for the payment of value in money, measured by a stated number of gold dollars of the standard defined in the clause. *Feist* v. *Société Intercommunale Belge d'Electricité* [1934] (A. C. 161, 170–173), *Serbian and Brazilian Bond Cases* (P. C. I. J., series A, nos. 20–21, pp. 32–34, 109–119). In the absence of any further exertion of governmental power, that obligation plainly could not be satisfied by payment of the same number of dollars, either specie or paper, measured by a gold dollar of lesser weight.

I do not understand the Government to contend that it is any the less bound by the obligation than a private individual would be, or that it is free to disregard it except in the exercise of the constitutional power "to coin money" and "regulate the value thereof." In any case, there is before us no question of default apart from the regulation by Congress of the use of gold as currency.

While the Government's refusal to make the stipulated payment is a measure taken in the exercise of that power, this does not disguise the fact that its action is to that extent a repudiation of its undertaking. As much as I deplore this refusal to fulfill the solemn promise of bonds of the United States, I cannot escape the conclusion, announced for the Court, that in the situation now presented, the Government, through the exercise of its sovereign power to regulate the value of money, has rendered itself immune from liability for its action. To that extent it has relieved itself of the obligation of its domestic bonds, precisely as it has relieved the obligors of private bonds in no. 270, *Norman* v. *Baltimore & Ohio R. R. Co.*, decided this day.

In this posture of the case it is unnecessary, and I think undesirable, for the Court to undertake to say that the obligation of the gold clause in Government bonds is greater than in the bonds of private individuals, or that in some situation not described, and in some manner and in some measure undefined, it has imposed restrictions upon the future exercise of the power to regulate the currency. I am not persuaded that we should needlessly intimate any opinion which implies that the obligation may so operate, for example, as to interpose a serious obstacle to the adoption of measures for stabilization of the dollar, should Congress think it wise to accomplish that purpose by resumption of gold payments, in dollars of the present or any other gold content less than that specified in the gold clause, and by the reestablishment of a free market for gold and its free exportation.

There is no occasion now to resolve doubts, which I entertain, with respect to these questions. At present they are academic. Concededly they may be transferred wholly to the realm of speculation by the exercise of the undoubted power of the Government to withdraw the privilege of suit upon its gold-clause obligations. We have just held that the Court of Claims was without power to entertain the suit in no. 531, *Nortz* v. *United States*, because, regardless of the nature of the obligations of the gold certificates, there was no damage. Here it is declared that there is no damage because Congress, by the exercise of its power to regulate the currency, has made it impossible for the plaintiff to enjoy the benefits of gold payments promised by the Government. It would seem that this would suffice to dispose of the present case, without attempting to prejudge the rights of other bondholders and of the Government under other conditions which may never occur. It will not benefit this plaintiff, to whom we deny any remedy, to be assured that he has an inviolable right to performance of the gold clause.

Moreover, if the gold clause be viewed as a gold-value contract, as it is in *Norman* v. *Baltimore & Ohio R. R. Co.*, supra, it is to be noted that the Government has not prohibited the free use by the bondholder of the paper money equivalent of the gold-clause obligation; it is the prohibition, by the joint resolution of Congress, of payment of the increased number of depreciated dollars required to make up the full equivalent, which alone bars recovery. In that case it would seem to be implicit in our decision that the prohibition, at least in the present situation, is itself a constitutional exercise of the power to regulate the value of money.

[15] In its report of May 27, 1933, it was stated by the Senate Committee on Banking and Currency: "By the Emergency Banking Act and the existing Executive orders gold is not now paid, or obtainable for payment, on obligations, public or private" (S. Rept. No. 99, 73d Cong., 1st sess.).

I therefore do not join in so much of the opinion as may be taken to suggest that the exercise of the sovereign power to borrow money on credit, which does not override the sovereign immunity from suit, may nevertheless preclude or impede the exercise of another sovereign power, to regulate the value of money; or to suggest that although there is and can be no present cause of action upon the repudiated gold clause, its obligation is nevertheless, in some manner and to some extent, not stated, superior to the power to regulate the currency which we now hold to be superior to the obligation of the bonds.

Supreme Court of the United States

Nos. 270, 471, 472, 531, and 532—October term, 1934. 270, Norman C. Norman, petitioner, *v.* The Baltimore & Ohio Railroad Co.; on writ of certiorari to the Supreme Court of the State of New York. 471, The United States of America, Reconstruction Finance Corporation, et al., petitioners, *v.* Bankers Trust Co. and William H. Bixby, trustees; and 472, The United States of America, Reconstruction Finance Corporation, et al., petitioners, *v.* Bankers Trust Co. and William H. Bixby, trustees; on writs of certiorari to the United States Circuit Court of Appeals for the Eighth Circuit. 531, F. Eugene Nortz *v.* The United States; on certificate from the Court of Claims. 532, John M. Perry *v.* The United States; on certificate from the Court of Claims.

[Feb. 18, 1935]

Mr. Justice McReynolds, dissenting.

Mr. Justice Van Devanter, Mr. Justice Sutherland, Mr. Justice Butler, and I conclude that, if given effect, the enactments here challenged will bring about confiscation of property rights and reputation of national obligations. Acquiescence in the decisions just announced is impossible; the circumstances demand statement of our views. "To let one's self slide down the easy slope offered by the course of events and to dull one's mind against the extent of the danger, * * * that is precisely to fail in one's obligation of responsibility."

Just men regard repudiation and spoliation of citizens by their sovereign with abhorrence; but we are asked to affirm that the Constitution has granted power to accomplish both. No definite delegation of such a power exists; and we cannot believe the far-seeing framers, who labored with hope of establishing justice and securing the blessings of liberty, intended that the expected government should have authority to annihilate its own obligations and destroy the very rights which they were endeavoring to protect. Not only is there no permission for such actions; they are inhibited. And no plenitude of words can conform them to our charter.

The Federal Government is one of delegated and limited powers which derive from the Constitution. "It can exercise only the powers granted to it." Powers claimed must be denied unless granted; and, as with other writings, the whole of the Constitution is for consideration when one seeks to ascertain the meaning of any part.

By the so-called gold clause—promise to pay in "United States gold coin of the present standard of value", or "of or equal to the present standard of weight and fineness"—found in very many private and public obligations, the creditor agrees to accept and the debtor undertakes to return the thing loaned or its equivalent. Thereby each secures protection, one against decrease in value of the currency, the other against an increase.

The clause is not new or obscure or discolored by any sinister purpose. For more than 100 years our citizens have employed a like agreement. During the War between the States, its equivalent "payable in coin" aided in surmounting financial difficulties. From the housetop men proclaimed its merits while bonds for billions were sold to support the World War. The Treaty of Versailles recognized it as appropriate and just. It appears in the obligations which have rendered possible our great undertakings—public works, railroads, buildings.

Under the interpretation accepted here for many years, this clause expresses a definite enforceable contract. Both by statute and long use the United States have approved it. Over and over again they have enjoyed the added value which it gave to their obligations. So late as May 2, 1933, they issued to the public more than $550,000,000 of their notes each of which carried a solemn promise to pay in standard gold coin. (Before that day this coin had in fact been withdrawn from circulation, but statutory measure of value remained the gold dollar of 25.8 grains.)

The Permanent Court of International Justice interpreted the clause as this Court had done and upheld it. Cases of Serbian and Brazilian Loans, Publications P. C. I. J., series A, nos. 20–21 (1929). It was there declared: "The gold clause merely prevents the borrower from availing itself of a possibility of discharge of the debt in depreciated currency", and "The treatment of the gold clause as indicating a mere modality of payment, without reference to a gold standard of value, would be, not to construe but to destroy it."

In *Feist* v. *Société Intercommunale Belge d'Electricité* (1934), A. C. 161, the House of Lords expressed like views.

Gregory v. *Morris* (1878), 96 U. S. 619, 624, 625—last of similar causes—construed and sanctioned this stipulation. In behalf of all Chief Justice Waite there said:

"The obligation secured by the mortgage, or lien under which Morris held was for the payment of gold coin", or, as was said in *Bronson* v. *Rodes*, 7 Wall. (1869) 229, "an agreement to deliver a certain weight of standard gold, to be ascertained by a count of coins, each of which is certified to contain a definite proportion of that weight" and is not distinguishable "from a contract to deliver an equal weight of bullion of equal fineness." . . . We think it clear that, under such circumstances, it was within the power of the Court, so far as Gregory was concerned, to treat the contract as one for the delivery of so much gold bullion; and, if Morris was willing to accept a judgment which might be discharged in currency, to have his damages estimated according to the currency value of bullion."

Earlier cases—*Bronson* v. *Rodes*, 7 Wall. 229; *Butler* v. *Horwitz*, 7 Wall. 258; *Dewing* v. *Sears*, 11 Wall. 379; *Trebilcock* v. *Wilson*, 12 Wall. 687; *Thompson* v. *Butler*, 95 U. S. 694—while important, need not be dissected. *Gregory* v. *Morris* is in harmony with them and the opinion there definitely and finally stated the doctrine which we should apply.

It is true to say that the gold clauses "were intended to afford a definite standard or measure of value, and thus to protect against a depreciation of the currency and against the discharge of the obligation by payment of less than that prescribed." Furthermore, they furnish means for computing the sum payable in currency, if gold should become unobtainable. The borrower agrees to repay in gold coin containing 25.8 grains to the dollar; and, if this cannot be secured, the promise is to discharge the obligation by paying for each dollar loaned the currency value of that number of grains. Thus the purpose of the parties will be carried out. Irrespective of any change in currency, the thing loaned or an equivalent will be returned—nothing more, nothing less. The present currency consists of promises to pay dollars of $15\frac{5}{21}$ grains; the Government procures gold bullion on that basis. The calculation to determine the damages for failure to pay in gold would not be difficult. *Gregory* v. *Morris* points the way.

Under appropriate statutes the United States for many years issued gold certificates in the following form: "This certifies that there have been deposited in the Treasury of the United States of America $1,000 in gold coin payable to the bearer on demand. This certificate is a legal tender in the amount thereof in payment of all debts and dues, public and private."

The certificates here involved—series 1928—were issued under section 6, act March 14, 1900 (31 Stat. 47), as amended. (See U. S. C. A., title 31, sec. 429.)[16]

In view of the statutory direction that gold coin for which certificates are issued shall be held for their payment on demand "and used for no other purpose", it seems idle to argue (as counsel for the United States did) that other uses is permissible under the ancient act of March 3, 1863.

By various orders of the President and the Treasury from April 5 to December 28, 1933, persons holding gold certificates were required to deliver them and accept "an equivalent amount of any form of coin or currency coined or issued under the laws of the United States designated by the Secretary of the Treasury." Heavy penalties were provided for failure to comply.

That the holder of one of these certificates was owner of an express promise by the United States to deliver gold coin of the weight and fineness established by statute when the certificate issued, or if such demand was not honored to pay the holder the value in the currency then in use, seems clear enough. This was the obvious design of the contract.

The act of March 14, 1900 (31 Stat., c. 41, 45, 47), as amended, in effect until January 31, 1934, provided: "That the dollar consisting of 25.8 grains of gold nine-tenths fine, * * * shall be the standard unit of value and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard", and also "the Secretary of the Treasury is authorized and directed to receive deposits of gold coin with the Treasurer * * * in sums of not less than $20, and to issue gold certificates therefor in denominations of not less than $10, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand and used for no other purpose." See U. S. C. A., title 31, section 34, 429.

The act of February 4, 1910 (36 Stat., c. 25, p. 192), directed "that any bonds and certificates of indebtedness of the United States hereafter issued shall be payable, principal and interest, in United States gold coin of the present standard of value."

By Executive orders, April 5 and April 20, 1933, the President undertook to require owners of gold coin, gold bullion, and gold certificates, to deliver them on or before May 1 to a Federal Reserve bank, and to prohibit the exportation of gold coin, gold bullion, or gold certificates. As a consequence the United States were off the gold standard, and their paper money began a rapid decline in the markets of the world. Gold coin, gold certificates, and gold bullion were no longer obtainable. "Gold is not now paid nor is it available for payment upon public or private debts", was declared in Treasury statement of May 27, 1933; and this is still true. All gold coins have been melted into bars.

---

[16] In his annual report, 1926, 80, 81, the Secretary of the Treasury said: "Gold and silver certificates are, in fact, mere 'warehouse receipts' issued by the Government in exchange for gold coin or bullion deposited in the one case, or standard silver dollars deposited in the other case, or against gold or standard silver dollars, respectively, withdrawn from the general fund of the Treasury. * * * Gold certificates, United States notes, Treasury notes of 1890, and Federal Reserve notes are directly redeemable in gold." In his letter with the annual report for 1933, 375, he showed that on June 30, 1933, $1,230,717,109 was held in trust against gold certificates and Treasury notes of 1890. The Treasury notes of 1890 then outstanding did not exceed about $1,350,000. (Tr. Rept., 1926, 80.)

The Agricultural Adjustment Act of May 12, 1933 (48 Stat., c. 25, pp. 31, 52, 53), entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", by section 43 provides that "Such notes [United States notes] and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts, public and private." Also, that the President by proclamation may "fix the weight of the gold dollar * * * as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies." And further, "such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 percent."

The Gold Reserve Act of January 30, 1934 (48 Stat., c. 6, pp. 337, 342), undertook to ratify preceding Presidential orders and proclamations requiring surrender of gold but prohibited him from establishing the weight of the gold dollar "at more than 60 percent of its present weight." By proclamation, January 31, 1934, he directed that thereafter the standard should contain $15^{5}/_{21}$ grains of gold, nine-tenths fine. (The weight had been 25.8 grains since 1837.) No such dollar has been coined at any time.

On June 5, 1933, Congress passed a "joint resolution to assure uniform value to the coins and currencies of the United States" (48 Stat., c. 48, p. 112). This recited that holding and dealing in gold affects the public interest and are therefore subject to regulation; that the provisions of obligations which purport to give the obligee the right to require payment in gold coin or in any amount of money of the United States measured thereby obstruct the power of Congress to regulate the value of money and are inconsistent with the policy to maintain the equal value of every dollar coined or issued. It then declared that every provision in any obligation purporting to give the obligee a right to require payment in gold is against public policy and directed that "every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts."

Four causes are here for decision. Two of them arise out of corporate obligations containing gold clauses—railroad bonds. One is based on a United States Fourth Liberty Loan bond of 1918, called for payment April 15, 1934, containing a promise to pay "in United States gold coin of the present standard of value" with interest in like gold coin. Another involves gold certificates, series 1928, amounting to $106,300.

As to the corporate bonds the defense is that the gold clause was destroyed by the resolution of June 5, 1933; and this view is sustained by the majority of the court.

It is insisted that the agreement, in the Liberty bond, to pay in gold also was destroyed by the act of June 5, 1933. This view is rejected by the majority; but they seem to conclude that because of the action of Congress in declaring the holding of gold unlawful, no appreciable damage resulted when payment therein or the equivalent was denied.

Concerning the gold certificates it is ruled that if upon presentation for redemption gold coin had been paid to the holder, as promised, he would have been required to return this to the Treasury. He could not have exported it or dealt with it. Consequently he sustained no actual damage.

There is no challenge here of the power of Congress to adopt such proper monetary policy as it may deem necessary in order to provide for national obligations and furnish an adequate medium of exchange for public use. The plan under review in the *Legal Tender* cases was declared within the limits of the Constitution, but not without a strong dissent. The conclusions there announced are not now questioned; and any abstract discussion of congressional power over money would only tend to befog the real issue.

The fundamental problem now presented is whether recent statutes passed by Congress in respect of money and credits were designed to attain a legitimate end. Or whether, under the guise of pursuing a monetary policy, Congress really has inaugurated a plan primarily designed to destroy private obligations, repudiate national debts, and drive into the Treasury all gold within the country in exchange for inconvertible promises to pay, of much less value.

Considering all the circumstances, we must conclude they show that the plan disclosed is of the latter description and its enforcement would deprive the parties before us of their rights under the Constitution. Consequently the Court should do what it can to afford adequate relief.

What has been already said will suffice to indicate the nature of these causes and something of our general views concerning the intricate problems presented. A detailed consideration of them would require much time and elaboration; would greatly extend this opinion. Considering also the importance of the result to legitimate commerce, it seems desirable that the Court's decision should be announced at this time. Accordingly, we will only undertake in what follows to outline with brevity our replies to the conclusions reached by the majority and to suggest some of the reasons which lend support to our position.

The authority exercised by the President and the Treasury in demanding all gold coin, bullion, and certificates is not now challenged; neither is the right of the former to prescribe weight for the standard dollar. These things we have not considered. Plainly, however, to coin money and regulate the value thereof calls for legislative action.

Intelligent discussion respecting dollars requires recognition of the fact that the word may refer to very different things. Formerly the standard gold dollar weighed 25.8 grains; the weight now prescribed as 15 5/21 grains. Evidently promises to pay one or the other of these differ greatly in value, and this must be kept in mind.

From 1792 to 1873 both the gold and silver dollar were standard and legal tender, coinage was free and unlimited. Persistent efforts were made to keep both in circulation. Because the prescribed relation between them got out of harmony with exchange values, the gold coin disappeared and did not in fact freely circulate in this country for 30 years prior to 1834. During that time business transactions were based on silver. In 1834, desiring to restore parity and bring gold back into circulation, Congress reduced somewhat (6 percent) the weight of the gold coin and thus equalized the coinage and the exchange values. The silver dollar was not changed. The purpose was to restore the use of gold as currency—not to force up prices or destroy obligations. There was no apparent profit for the books of the Treasury. No injury was done to creditors; none was intended. The legislation is without special significance here. (See Hepburn on Currency.)

The money under consideration in the *Legal Tender cases*, decided May 1, 1871 (12 Wall. 457, and 110 U. S. 421), were promises to pay dollars, "bills of credit." They were "a pledge of the national credit", promises "by the Government to pay dollars" "the standard of value is not changed." The expectation, ultimately realized, was that in due time they would be redeemed in standard coin. The Court was careful to show that they were issued to meet a great emergency in time of war, when the overthrow of the Government was threatened and specie payments had been suspended. Both the end in view and the means employed, the Court held, were lawful. The thing actually done was the issuance of bills endowed with the quality of legal tender in order to carry on until the United States could find it possible to meet their obligations in standard coin. This they accomplished in 1879. The purpose was to meet honorable obligations—not to repudiate them.

The opinion there rendered declares—"The legal tender acts do not attempt to make a paper a standard of value. We do not rest their validity upon the assertion that their emission is coinage, or any regulation of the value of money; nor do we assert that Congress may make anything which has no value money. What we do assert is that Congress has power to enact that the Government's promises to pay money shall be, for the time being, equivalent in value to the representative of value determined by the coinage acts or to multiples thereof." What was said in those causes, of course, must be read in the light of all the circumstances. The opinion gives no support to what has been attempted here.

This Court has not heretofore ruled that Congress may require the holder of an obligation to accept payment in subsequently devalued coins, or promises by the Government to pay in such coins. The legislation before us attempts this very thing. If this is permissible, then a gold dollar containing 1 grain of gold may become the standard, all contract rights fall, and huge profits appear on the Treasury books. Instead of $2,800,000,000 as recently reported, perhaps $20,000,000,000, maybe, enough to cancel the public debt, maybe more!

The power to issue bills and "regulate values" of coin cannot be so enlarged as to authorize arbitrary action, whose immediate purpose and necessary effect is destruction of individual rights.[17] As this Court has said, "a power to regulate is not a power to destroy" (154 U. S. 362, 398). The fifth amendment limits all governmental powers. We are dealing here with a debased standard, adopted with the definite purpose to destroy obligations. Such arbitrary and oppressive action is not within any congressional power heretofore recognized.

The authority of Congress to create legal-tender obligations in times of peace is derived from the power to borrow money; this cannot be extended to embrace the destruction of all credits.

There was no coin—specie—in general circulation in the United States between 1862 and 1879. Both gold and silver were treated in business as commodities. The *Legal Tender cases* arose during that period.

CORPORATE BONDS

The gold clauses in these bonds were valid and in entire harmony with public policy when executed. They are property (*Lynch* v. *United States*, 292 U. S. 571, 579). To destroy a validly acquired right is the taking of property (*Osborn* v. *Nicholson*, 13 Wall. 646, 662). They established a measure of value and supply a basis for recovery if broken. Their policy and purpose were stamped with affirmative approval by the Government when inserted in its bonds.

[17] "It may well be doubted whether the nature of society and of government does not prescribe some limits to the legislative power; and if any be prescribed where are they to be found if the property of an individual fairly and honestly acquired may be seized without compensation." Chief Justice Marshall in *Fletcher* v. *Peck* (6 Cr. 87, 135).

The clear intent of the parties was that in case the standard of 1900 should be withdrawn, and a new and less valuable one set up, the debtor could be required to pay the value of the contents of the old standard in terms of the new currency, whether coin or paper. If gold measured by prevailing currency had declined the debtor would have received the benefit. The Agricultural Adjustment Act of May 12 discloses a fixed purpose to raise the nominal value of farm products by depleting the standard dollar. It authorized the President to reduce the gold in the standard, and further provided that all forms of currency shall be legal tender. The result expected to follow was increase in nominal values of commodities and depreciation of contractual obligations. The purpose of section 43 incorporated by the Senate as an amendment to the House bill was clearly stated by the Senator who presented it.[18] It was the destruction of lawfully acquired rights.

In the circumstances existing just after the act of May 12, depreciation of the standard dollar by the Presidential proclamation would not have decreased the amount required to meet obligations containing gold clauses. As to them the depreciation of the standard would have caused an increase in the number of dollars of depreciated currency. General reduction of all debts could only be secured by first destroying the contracts evidenced by the gold clauses; and this the resolution of June 5 undertook to accomplish. It was aimed directly at those contracts and had no definite relation to the power to issue bills or to coin or regulate the value of money.

To carry out the plan indicated as above shown in the Senate, the Gold Reserve Act followed—January 30, 1934. This inhibited the President from fixing the weight of the standard gold dollar above 60 percent of its then existing weight. (Authority had been given for 50-percent reduction by the act of May 12.) On January 31 he directed that the standard should contain $15^5/_{21}$ grains of gold. If this reduction of 40 percent of all debts was within the power of Congress, and if, as a necessary means to accomplish that end, Congress had power by resolution to destroy the gold clauses, the holders of these corporate bonds are without remedy. But we must not forget that if this power exists Congress may readily destroy other obligations which present obstruction to the desired effect of further depletion. The destruction of all obligations by reducing the standard gold dollar to 1 grain of gold, or brass or nickel or copper or lead, will become an easy possibility. Thus we reach the fundamental question which must control the result of the controversy in respect of corporate bonds. Apparently in the opinion of the majority the gold clause in the Liberty bond withstood the June 5 resolution notwithstanding the definite purpose to destroy them. We think that in the circumstances Congress had no power to destroy the obligations of the gold clauses in private obligations. The attempt to do this was plain usurpation, arbitrary, and oppressive.

The oft-repeated rule by which the validity of statutes must be tested is this: "Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate which are plainly adapted to that end which are not prohibited but consistent with the letter and spirit of the Constitution are constitutional."

The end or objective of the joint resolution was not "legitimate." The real purpose was not "to assure uniform value to the coins and currencies of the United States", but to destroy certain valuable contract rights. The recitals do not harmonize with circumstances then existing. The act of 1900, which prescribed a standard dollar of 25.8 grains, remained in force; but its command that "all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard" was not being obeyed. Our currency was passing at a material discount; all gold had been sequestrated; none was attainable. The resolution made no provision for restoring parity with the old standard; it established no new one.

This resolution was not appropriate for carrying into effect any power intrusted to Congress. The gold clauses in no substantial way interfered with the power of coining money or regulating its value or providing a uniform currency. Their existence, as with many other circumstances, might have circumscribed the effect of the intended depreciation and disclosed the unwisdom of it. But they did not prevent the exercise of any granted power. They were not inconsistent with any policy theretofore declared. To assert the contrary is not enough. The Court must be able to see the appropriateness of the thing done before it can be permitted to destroy lawful agreements. The purpose of a statute is not determined by mere recitals—certainly they are not conclusive evidence of the facts stated.

Again, if effective, the direct, primary, and intended result of the resolution will be the destruction of valid rights lawfully acquired. There is no question here of the indirect effect of lawful exercise of power. And citations of opinions which upheld such indirect effects are beside the mark. This statute does not "work harm and loss to individuals indirectly", it destroys directly. Such interference violates the fifth amendment; there is no provision for compensation. If the destruction is said to be for the public benefit proper compensation is essential; if for private benefit the due process clause bars the way.

Congress has power to coin money but this cannot be exercised without the possession of metal. Can Congress authorize appropriation without compensation of the necessary gold? Congress has power to regulate commerce, to establish post roads, etc. Some approved plan may involve the use or destruction of A's land or a private way. May Congress authorize the appropriation or destruction of these things without adequate payment? Of course not. The limitations prescribed by the Constitution restrict the exercise of all power.

Ling Su Fan v. *United States* (218 U. S. 302) supports the power of the legislature to prevent exportation of coins without compensation. But this is far from saying that the legislature might have ordered destruction of the coins without compensating the owners or that they could have been required to deliver them up and accept whatever was offered. In *United States* v. *Lynah* (188 U. S. 445, 471) this Court said: "If any one proposition can be considered as settled by the decisions of this Court it is that although in the discharge of its duties the Government may appropriate property, it cannot do so without being liable to the obligation cast by the fifth amendment of paying just compensation."

GOVERNMENT BONDS

Congress may coin money; also it may borrow money. Neither power may be exercised so as to destroy the other; the two clauses must be so construed as to give effect to each. Valid contracts to repay money borrowed cannot be destroyed by exercising power under the coinage provision. The majority seem to hold that the resolution of June 5 did not affect the gold clauses in bonds of the United States. Nevertheless we are told that no damage resulted to the holder now before us through the refusal to pay one of them in gold coin of the kind designated or its equivalent. This amounts to a declaration that the Government may give with one hand and take away with the other. Default is thus made both easy and safe.

Congress brought about the conditions in respect of gold which existed when the obligation matured. Having made payment in this metal impossible, the Government cannot defend by saying that if the obligation had been met, the creditor could not have retained the gold; consequently he suffered no damage because of the nondelivery. Obligations cannot be legally avoided by prohibiting the creditor from receiving the thing promised. The promise was to pay in gold, standard of 1900, otherwise to discharge the debt by paying the value of the thing promised in currency. One of these things was not prohibited. The Government may not escape the obligation of making good the loss incident to repudiation by prohibiting the holding of gold. Payment by fiat of any kind is beyond its recognized power. There would be no serious difficulty in estimating the value of 25.8 grains of gold in the currency now in circulation.

These bonds are held by men and women in many parts of the world; they have relied upon our honor. Thousands of our own citizens of every degree, not doubting the good faith of their sovereign, have purchased them. It will not be easy for this multitude to appraise the form of words which establishes that they have suffered no appreciable damage; but perhaps no more difficult for them than for us. And their difficulty will not be assuaged when they reflect that ready calculation of the exact loss suffered by the Philippine government moved Congress to satisfy it by appropriating, in June 1934, $23,862,750.78 to be paid out of the Treasury of the United States.[19] And see act May 30, 1934 (48 Stat. 817), appropriating $7,438,000 to meet losses sustained by officers and employees in foreign countries due to appreciation of foreign currencies in their relation to the American dollar.

GOLD CERTIFICATES

These were contracts to return gold left on deposit; otherwise to pay its value in the currency. Here the gold was not returned; there arose the obligation of the Government to pay its value. The Court of Claims has jurisdiction over such contracts. Congress made it impossible for the holder to receive and retain the gold promised him; the statute prohibited delivery to him. The contract being broken, the obligation was to pay in currency the value

[18] He said: "This amendment has for its purpose the bringing down or cheapening of the dollar, that being necessary in order to raise agricultural and commodity prices. * * * The first part of the amendment has to do with conditions precedent to action being taken later.

"It will be my task to show that if the amendment shall prevail it has potentialities as follows: It may transfer from one class to another class in these United States value to the extent of almost $200,000,000,000. This value will be transferred; first, from those who own the bank deposits; secondly, this value will be transferred from those who own bonds and fixed investments" (CONGRESSIONAL RECORD, April 1933, pp. 2004, 2216, 2217, 2219).

[19] An act relating to Philippine currency reserves on deposit in the United States

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the Treasury of the Philippine Islands for $23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on Jan. 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold-standard fund and its treasury-certificate fund less the interest received by it on such balances.

SEC. 2. There is hereby authorized to be appropriated, out of the receipts covered into the Treasury under sec. 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on Jan. 31, 1934, the amount necessary to establish the credit provided for in sec. 1 of this act. Approved June 19, 1934.

of 25.8 grains of gold for each dollar called for by the certificate. For the Government to say we have violated our contract, but have escaped the consequences through our own statute, would be monstrous. In matters of contractual obligation the Government cannot legislate so as to excuse itself.

These words of Alexander Hamilton ought not to be forgotten—

"When a government enters into a contract with an individual, it deposes, as to the matter of the contract, its constitutional authority, and exchanges the character of legislator for that of a moral agent, with the same rights and obligations as an individual. Its promises may be justly considered as excepted out of its power to legislate, unless in aid of them. It is in theory impossible to reconcile the idea of a promise which obliges, with a power to make a law which can vary the effect of it" (3 Hamilton's Works, 518, 519).

These views have not heretofore been questioned here. In the *Sinking Fund cases* (99 U. S. 700, 719) Chief Justice Waite, speaking for the majority, declared: "The United States are as much bound by their contracts as are individuals. If they repudiate their obligations, it is as much repudiation, with all the wrong and reproach that term implies, as it would be if the repudiator had been a State or a municipality or a citizen. No change can be made in the title created by the grant of the lands, or in the contract for the subsidy bonds, without the consent of the corporation. All this is indisputable."

And in the same cause (731, 732), Mr. Justice Strong, speaking for himself, affirmed: "It is as much beyond the power of a legislature, under any pretense, to alter a contract into which the Government has entered with a private individual, as it is for any other party to a contract to change its terms without the consent of the person contracting with him. As to its contract the Government in all its departments has laid aside its sovereignty, and it stands on the same footing with private contractors."

Can the Government, obliged as though a private person to observe the terms of its contracts, destroy them by legislative changes in the currency and by statutes forbidding one to hold the thing which it has agreed to deliver? If an individual should undertake to annul or lessen his obligation by secreting or manipulating his assets with the intent to place them beyond the reach of creditors, the attempt would be denounced as fraudulent, wholly ineffective.

Counsel for the Government and railway companies asserted with emphasis that incalculable financial disaster would follow refusal to uphold, as authorized by the Constitution, impairment and repudiation of private obligations and public debts. Their forecast is discredited by manifest exaggeration. But, whatever may be the situation now confronting us, it is the outcome of attempts to destroy lawful undertakings by legislative action; and this we think the Court should disapprove in no uncertain terms.

Under the challenged statutes it is said the United States have realized profits amounting to $2,800,000,000.[20] But this assumes that gain may be generated by legislative fiat. To such counterfeit profits there would be no limit; with each new debasement of the dollar they would expand. Two billions might be ballooned indefinitely—to twenty, thirty, or what you will.

Loss of reputation for honorable dealing will bring us unending humiliation; the impending legal and moral chaos is appalling.

Mr. THOMAS of Oklahoma. Mr. President, I rose to make the request just preferred, but the distinguished Senator from Texas has done so much better than I could have done that I have been glad to yield to him for this purpose.

Mr. President, I understand that under the order, the opinions of the Supreme Court will be made a part of the CONGRESSIONAL RECORD. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. THOMAS of Oklahoma. Mr. President, in the decisions the Supreme Court sustained the position of the Government 100 percent. There were three important cases decided; that is, the cases were placed in three different divisions. One of these decisions decided two or three cases, known as the "private gold bond cases", and the Supreme Court held that a gold clause in a private bond is against public policy, and therefore cannot be sustained.

The second case was a case where an individual had apparently deposited some gold in the Treasury and received gold certificates for it. When this individual was required to surrender his gold certificates, he demanded either gold for those certificates or currency in what he termed the "depreciated dollar", which under his calculation would have entitled him to receive $169 for each $100 certificate surrendered.

The Supreme Court held that such gold certificates were not warehouse receipts and denied the plaintiff the right to receive either gold or more dollars than a hundred dollars for a hundred dollars of certificates. So his contention was entirely denied.

In the third group were cases where the United States Government itself had authorized the issuance of gold bonds. In these particular cases the Supreme Court held that, if the Government authorized the issuance of bonds and placed in the bonds a gold clause, the gold clause was valid per se, but that the Government, in making it unlawful for the individual to have gold, made it impossible for the holder of Government bonds to receive gold.

The Court held, second, that the holder of a Government bond, being unable to get gold, before he could demand currency in a greater amount than dollar for dollar, would have to show that he had been damaged in value, and they held that no such showing had been made.

Therefore the holders of Government bonds, as a practical proposition, have been denied by this decision the right to receive more than $1 in legal-tender currency for every dollar of bonds. I think I have stated accurately, though very briefly, the three holdings. The opinions are very comprehensive; they cover the history of money from the beginning of the Government until the present; they contain a complete review of all of the monetary legislation that has been enacted during the past 2 years; and I think that in the future we will not have any further trouble, so far as constitutionality is concerned, in the enactment of monetary legislation.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The question is on the amendment offered by the Senator from New Mexico to the committee amendment.

Mr. CUTTING. Mr. President, it has been quite clear from the discussion exactly what the committee amendment means so far as its effect is concerned. There is no difference of opinion about that. It will effectively prevent any kind of an industrial strike, no matter how laudable the purpose of the strikers may be.

As the Senator from Washington said, any company which cares to reduce the wages of its men to $51 per month provides them with the alternative of accepting the reduction, or having their families starve.

I cannot conceive that a proposition of this kind can come under the heading of humanity, as the Senator from Maryland has attempted to prove. I do not believe that a wage scale of $50 a month is a humane proposition in the first place. When the proper time comes I intend to vote for the amendment of the amendment of the Senator from Nevada [Mr. MCCARRAN].

In the meanwhile, however, if we adopt the committee amendment, whether or not we adopt the prevailing wage scale proposed by the Senator from Nevada, we are still holding this club over the heads of all the workers in the country. And, of course, Mr. President, it does not merely apply to strikers. It applies to every man who for some good reason may be unable to continue in his occupation. He may have the most honorable reason in the world for getting out, but under this provision he cannot avail himself of the benefit of this act.

---

[20] In radio address concerning the plans of the Treasury, Aug. 28, 1934, the Secretary of Treasury, as reported by the Commercial and Financial Chronicle of Sept. 1, 1934, stated:

"But we have another cash drawer in the Treasury, in addition to the drawer which carries our working balance. This second drawer I will call the 'gold' drawer. In it is the very large sum of $2,800,000,000, representing 'profit' resulting from the change in the gold content of the dollar. Practically all of this 'profit' the Treasury holds in the form of gold and silver. The rest is in other assets.

"I do not propose here to subtract this $2,800,000,000 from the net increase of $4,400,000,000 in the national debt—thereby reducing the figure to $1,600,000,000. And the reason why I do not subtract it is this: For the present this $2,800,000,000 is under lock and key. Most of it, by authority of Congress, is segregated in the so-called 'stabilization fund', and for the present we propose to keep it there. But I call your attention to the fact that ultimately we expect this 'profit' to flow back into the stream of our other revenues and thereby reduce the national debt."

Mr. President, I do not believe there has ever been a piece of legislation proposed in which we placed so few limits on the power of the Executive. Throughout the bill from beginning to end there is practically no check on what he can do. Here, for practically the only time, we tell him "Here is something you cannot do. You cannot under any circumstances take care of men who are on strike, no matter how justifiable the strike may be. You cannot use your own discretion in that matter. Those men have got to be off the relief rolls."

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

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

Mr. WAGNER. Will it not also include a case where a worker is surrounded by very insanitary, very unhealthful conditions, which make it impossible for him to continue? If he is getting $50 a month, nevertheless, and he leaves that employment because his health is threatened, he will not be able to secure any kind of relief under this proposed amendment?

Mr. CUTTING. Of course; the Senator from New York is entirely correct.

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

Mr. CUTTING. I yield.

Mr. WHITE. What will be the status of a man under clause (2) who had to leave a job because of illness? Would he be eligible in those circumstances to the same pay, or would he not?

Mr. CUTTING. I should think not. I cannot see any way that he could, under this provision, be placed on the rolls. It seems to me that if we are going to have any confidence in the President at all—and obviously if we pass this bill we have an almost unlimited confidence in him—then he can be trusted through his agencies to see that money is not spent in the kind of unjustifiable way which the committee no doubt had in mind when they placed this limitation on his power. And I do not think he ought to be limited to the extent of saying that in no case of this kind can a man get any relief.

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

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

Mr. KING. Is not the Senator in sympathy with the thought, which I understand has animated some who are back of this bill, that we ought to get away from the theory of relief and furnish work, and with the thought of furnishing work to so many of unemployed we could not pay as high wages as we would desire to pay, and therefore it would be better, to illustrate the point, to furnish work to 3,000,000 men at rather reduced wages than to furnish work to 1,000,000 or 1,500,000 at higher wages? In other words is not the Senator in sympathy with the thought, which I think is behind this legislation, that we ought to spread the work to as many persons who are in distress as possible, so as to take them off the relief rolls?

Mr. CUTTING. If I accepted the Senator's premises, Mr. President, I might perhaps accept his conclusion. But what is the situation? This is not a poverty-stricken country; this is a country wealthier in all that constitutes real wealth than any country that ever existed in the world. We have the men, we have the resources, we have the raw materials, we have the factories, just as we have always had them. We have so many men that we are obliged to keep a great many of them out of employment. We have so large a plant that a very small proportion of it is able to be kept in operation. We have so much raw material that we have to destroy it—plow it under or throw it over cliffs into the Pacific Ocean.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me for a short observation?

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

Mr. SHIPSTEAD. If it is desirable to spread work by reducing the wages, it might be under the same logic desirable to spread business by reducing profits. If you are going to reduce wages in order to spread labor, why not reduce profits in order to increase business?

Mr. CUTTING. The Senator knows that probably no such provision as he is proposing would have any chance of passage, whether attached to this legislation or any other. The only kind of limitation we are ever asked to pass is a limitation of the particular character suggested in the committee amendment. That is what seems to me preposterous.

You may say that four and one-half billion dollars is a large sum of money. Of course it is if you look at it in the abstract. But I am interested in seeing that the actual wealth of the country, the potential wealth which this country can have, be distributed as far as possible to take care of those who are in need. And whether you talk of four and one-half billion dollars or $10,000,000,000 or any other sum, money does not constitute the real wealth of the country. It is that real wealth that we are trying to distribute in a more equitable manner.

To my mind—and perhaps I am getting a little off the subject, but I am trying to answer the suggestion made by the Senator from Utah [Mr. KING]—to my mind, the greatest asset that this country has had throughout its history has been its high standard of living. And if we have got to reduce that standard in order to save expenditures which the country is perfectly able to make, then I think we are defeating the ends which the administration has set before it—of improving the condition of the common man in the United States.

I believe that any such provision as the committee now proposes is in contradiction to the fundamental reasons for passing legislation of this kind at all. And I think that the Senate understands exactly the issue involved in this particular amendment.

Mr. NORRIS. Mr. President, it seems to me that this discussion—which I think has been very enlightening—illustrates what I believe is one of the fundamentals involved in legislation of this kind. I find myself unable to disagree with the Senator from Maryland [Mr. TYDINGS] in much that he has said, and yet I think it my duty to vote—and I believe the Senate ought to vote—for the amendment of the Senator from New Mexico [Mr. CUTTING]. It illustrates, it seems to me, what is necessary in this kind of legislation, that, whether we like it or not, we must trust somebody with almost unlimited discretion.

Probably some things would be performed under the provisions of this joint resolution in a better way if the amendment of the Senator from New Mexico were defeated and the amendment of the Senator from Maryland left intact; but I think I can see how, if that were done, we would get into other difficulties without any possibility of avoiding them.

If the amendment offered by the Senator from New Mexico shall be agreed to, it will widen the discretion of the President, or whoever is to enforce this proposed law. The amendment of the Senator from Maryland, which the pending amendment seeks to change, will narrow the discretion of the President. It says, "Here are some things you cannot do." The amendment of the Senator from New Mexico undertakes to remove that obstruction. If we said nothing about it, the President would have discretion, in the enforcement of this measure, to use his judgment in case of a strike.

It may be that a person who has resigned a position, for instance, where he was getting $50 a month, ought not to be employed by the Government under the contemplated program. The President would not have to employ him if the amendment of the Senator from Maryland should be stricken out of the bill; he would have a discretion. Suppose, for instance, that a man who is an engineer, capable of having charge of one of the great projects the Government, under this bill, may engage upon, is getting $60 a month. He may be working for $60 a month as a janitor or at some other kind of labor because his family is starving. There are many men so situated. The Government may want his services in connection with some particular project; it may have an exact place for him. The ordinary salary of an engineer of such standing would be much above $50 a month, that is conceded by all, and the Government wants to employ him. It could not do so; it could not take him on. He was working at $60 a month, we will say, or

$51 a month, in order to prevent hunger and starvation. He would not dare resign that position, and the Government would be prohibited from employing him at once in the other place. Suppose, as the Senator from Maine said a while ago, a man resigned a position on account of illness.

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

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

Mr. NORRIS. I yield.

Mr. CONNALLY. In answer to the Senator's suggestion that the Government could not employ such a man, is it not true that the committee amendment is really a limitation on the individual and not on the Government, because it reads:

Provided, That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established—

And so forth.

Mr. NORRIS. Very well. Let us see what clause (2) which the Senator from New Mexico seeks to strike out, does. It reads, "has not within 60 days resigned from or left any position the wage of which was at a rate in excess of $50 a month."

Does not that strike at the man I have been talking about?

Mr. CONNALLY. I do not agree with the Senator. I think if the Government ever employed a man because it needed him and wanted him, there would be no inhibition; but if it simply employed him for the sake of giving him a job, then the inhibition would apply.

Mr. NORRIS. The Government would not have any right to give him a job if any of these conditions applied.

Mr. CONNALLY. If he was a skilled worker and the Government was employing him because of that fact, the inhibition would not apply.

Mr. NORRIS. If the Senator has even a doubt about it, why not strike clause (2) out? What use is it? That is what the amendment seeks to strike out.

Mr. GORE. Mr. President——

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

Mr. NORRIS. I yield.

Mr. GORE. I was wondering if the Senator would not insert the word "voluntarily" before the word "resigned"? That would take care of those who surrender their jobs on account of sickness.

Mr. NORRIS. Very well; whenever by this kind of legislation we undertake to limit the discretion that is necessary properly to carry it out, we get into difficulties somewhere. We have to make the correction to suit this case; and we will have to make another correction to suit another case. Why have the clause there at all? The President, under the proposed law, if the amendment of the Senator from Maryland should be left out entirely, would have authority to give employment. If a body of men had struck he might find, on investigation, that the strike was unjustified. He might find, on the other hand, that it was a question almost of life and death, and was justified, as the reports of the committee here are full of accounts of men being compelled to work even against their own will. I think there is something in the suggestion of the Senator from Colorado [Mr. COSTIGAN] that it might even mean servitude, against which we would all protest.

Let me take up the suggestion made by the Senator from Maine [Mr. WHITE]. Suppose a man had a position and resigned it on account of some disease he had; perhaps asthma. The work is in a locality where a man suffering with asthma perhaps cannot live.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. NORRIS. Yes; I yield.

Mr. STEIWER. Not only would the Senator's suggestion apply if the employee resigned but also, under the language of the provision, if he had left a position.

Mr. NORRIS. Yes.

Mr. STEIWER. So he would not need to resign.

Mr. NORRIS. No; just so he had given up the job or in some way had been separated from it. Suppose he had some disease that required him to live in a high altitude and he is employed on the seashore; he has taken a job at $60 a month, or $51 a month perhaps, in order to save his family from starvation, in the effort to try to do something to keep soul and body together and to support his wife and children, but it is dangerous to his life every day he stays there. Suppose the Government has a project in New Mexico or Arizona where such a man ought to live, where the altitude is high; he could not go there and take a Government job; the Government could not give it to him. Why put anything in this measure that in any way would interfere with the discretion that is going to be necessary?

I have only made suggestions which happen to occur to me, but there will be thousands of others which will occur to all of us. If we shall pass this measure, even after it becomes a law, we shall then be called upon to amend it, probably, or it will not work at some place as it ought to work.

If we do not have confidence in the President, then we ought not to pass this measure under any circumstances. It is because we have confidence in him that we are yielding to his discretion, and here comes a case where it seems almost necessary to do so. It is impossible for us to foresee what difficulties may be presented in a thousand and one cases in carrying out this joint resolution when it shall become a law.

Therefore it seems to me we ought to agree to the amendment proposed by the Senator from New Mexico—to strike out a part of the amendment of the Senator from Maryland. We will not be reposing any greater confidence in the President in this particular matter than we will repose in him in a great many others under the joint resolution, and, to my mind, unless we give the President that discretion we are going, to a greater or less extent, to handicap him when he comes to carry out this proposed legislation.

Mr. GLASS. Mr. President, as I have previously stated, this particular amendment to the joint resolution is not a child of mine, and no question arose in the committee as to giving or restricting the discretion of the President in this particular point. The whole thing arose out of the enumeration by the Senator from Maryland and other Senators of cases of gross fraud and abuse upon the agents of the Government in their administration of the relief funds, and the whole purpose of the committee was to have the $4,880,000,000, in the discretion of the President, disbursed in a way that would afford work relief to a greater number of people now on the dole roll.

The Senator from Maryland [Mr. TYDINGS] is now present and can speak for himself.

However, no question arose in the committee about taking care of people on strike. I do not think it entered the mind of any Senator in the remotest sense that that was involved in this proposed amendment. When the Senator from New Mexico asked me on Friday, or Saturday, last, whether I did not think it was possible that persons on strike might be denied relief, I said, yes; I thought it was possible; and I do think it is possible; but I do not think it is within the range of probability. In one sense, I think those who have raised the question, without so intending, have done a distinct disservice to working people who may hereafter desire to go on strike or who may be compelled to go on strike.

I said to the minority leader on the other side of the aisle that I did not think this particular amendment was controversial. I want to admit now that I did not know what I was talking about. It seems so far to have been the most controversial provision in the joint resolution, but all the controversy is based, in my considered judgment, upon mere suppositions that have no foundation in fact beyond the fears and imaginations of gentlemen who have raised the issue in perfect good faith and with a good purpose in view.

While it is for the Senator from Maryland to determine whether or not he would be willing to accept the amendment proposed by the Senator from New Mexico, I still

adhere to the belief that if the amendment proposed by the Senator from New Mexico is adopted, it would be well to strike out the whole provision.

Mr. LA FOLLETTE. Mr. President, I do not like to disagree with the interpretation of the language just given it by the distinguished chairman of the committee. It seems perfectly clear, however, that clause 2 of the amendment which reads "has not within 60 days resigned from or left any position, the wage for which was at a rate in excess of $50 a month", would prevent any administrative official under the joint resolution from giving relief either in the form of direct relief or in the form of work relief to any person, regardless of the cause for his severing his connection with his employment within 60 days. Even though a person left his job because of bad working conditions, or because of a strike called by his fellow members of a union, or because of illness on the part of the individual, or for other reasons beyond his control he would be prevented from enjoying any benefits under the resolution.

In other words, unless the amendment offered by the Senator from New Mexico prevails, I am convinced that any person, after the joint resolution becomes law, who for any reason leaves any position where he is getting more than $50 a month, whether it be an economic reason, whether it be a personal reason, whether it be a physical reason, is barred from receiving any relief if he is destitute. I certainly hope that at this late stage of the economic crisis we will not be compelled to fight this issue all over again.

I also desire to call attention to clause (3), "has bona fide endeavored to obtain employment and has been unable to do so." Just what does that mean? What evidence must be shown by the person who makes application for work in order to convince the official in charge that he has made an effort to find employment? Must he bring affidavits from the personnel department of 15 or 20 plants, or all the plants in the city where he lives, to show he has actually made a bona fide effort to obtain employment? Can he offer in evidence his worn shoes as an indication he has pounded the pavement and worn them out in an effort to obtain employment? He cannot, as the Senator from Maine [Mr. WHITE] just suggested sotto voce, either prove it or rebut the decision of the relief official.

I feel certain that Senators who are familiar with the relief situation do not want to make it impossible for persons to obtain relief who I am certain all of us will grant are entitled to it. Yet, unless the amendment offered by the Senator from New Mexico prevails, there may be many cases which would come within either the second or third clause of the amendment which would bar them from receiving relief.

Mr. BYRNES. Mr. President——

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

Mr. LA FOLLETTE. I yield.

Mr. BYRNES. Does the Senator construe clause (3) to mean that he would still have to show he was unable to secure employment even as a common laborer before he would be entitled to relief, or would it be construed that he should show that he endeavored to secure employment in the craft in which he usually worked?

Mr. LA FOLLETTE. The Senator's question cannot be answered from the language of the joint resolution. It would depend upon the discretion of the person who was administering it. It is a very good question the Senator has raised.

Here is a man who is a skilled worker. He has been trying to obtain employment in his craft. He has devoted his attention and efforts to getting work in his craft. On the other hand, it might be interpreted that unless he had been to every employment agency in the community and listed himself for common labor and had called on the foremen on every job going on in his community, he had not really made a bona fide effort to get employment.

There are thousands of people on the relief rolls who are protesting that this constant necessity of satisfying investigators is a great hardship, and in many instances they are prevented from getting relief which ought to be extended to them because the judgment of the person who has made the examination does not agree with that of some other person who has examined and investigated. They are being investigated and are only being given relief if they are in actual need. Senators do not need to worry about that. So far as it is possible for any administrative agency to make investigations, it is being done, insofar as it can be done, in dealing with 20,000,000 men, women, and children who are now on relief.

So far as the objective which the amendment seeks to obtain, I do not think its adoption will take care of the cases which Senators had in mind who framed it. On the other hand, it is perfectly clear that grave injustices will flow from the last two phrases.

Mr. BYRNES. I ask the Senator's judgment on the first portion of the amendment, "that no person shall be eligible to receive any money from the appropriation made herein as relief." As the purpose of the bill is to turn relief back to the States, this would be a restraint only upon his receiving money for relief but not upon his receiving money for employment. Is not that true?

Mr. LA FOLLETTE. "Relief on account of unemployment."

Mr. BYRNES. On account of unemployment the man could not receive any money for relief, but he could be given a job notwithstanding. It occurred to me it is an additional reason why this should be left to the discretion of the administrative officials.

Mr. LA FOLLETTE. The word "relief" is used here in its general sense. In the debate the work program is constantly referred to as the "work-relief program." Left unqualified, the word has a comprehensive meaning and might easily be interpreted to include not only so-called "direct relief" but also the work relief which is constantly referred to in the debate on the joint resolution.

Mr. O'MAHONEY. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I invite the attention of the Senator from Wisconsin to the fact that the program calls for the expenditure of certain sums for direct relief until the work-relief program is adopted. I am inclined to believe that the suggestion of the Senator from South Carolina is correct, and that the amendment as it stands is merely a limitation upon the expenditure of funds for direct relief, and not for work relief.

Mr. WAGNER. Mr. President——

Mr. LA FOLLETTE. I think that it really does not make much difference as to the individual about whom I am concerned in this case, because he is going to be just as hungry whether we deny him work relief or whether we deny him grocery orders.

Mr. BYRNES. The point I made to the Senator from Wisconsin was that the amendment does not accomplish the purpose Senators had in mind, in my opinion.

Mr. WAGNER. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from New York.

Mr. WAGNER. I am sure those who had to do with the drafting of this amendment did not intend to go as far as the third provision does. It requires establishment by evidence that an applicant for work relief has made a bona fide endeavor to obtain employment. It does not state what kind of employment. It might be employment far below any standard that he had heretofore known. All the foreign unemployment-insurance laws I have examined, while they require an unemployed person to endeavor to get other employment before he can secure a benefit, never require him to search below the standard of the employment he has left.

Mr. LA FOLLETTE. I am glad to have the Senator's suggestion. It is my general information that nearly all the unemployment-insurance or reserve laws also provide a saving clause so far as the individual who is out on strike for economic reasons is concerned.

Mr. WAGNER. And the so-called "security legislation", which is pending before the Finance Committee, has just such a saving clause in it.

Mr. LA FOLLETTE. Yes; but I referred to the other laws which have been mentioned.

Mr. WAGNER. Yes; every one of the laws has such a clause.

Mr. LA FOLLETTE. It is my observation that nearly every one of them contains it.

Mr. WAGNER. Yes.

Mr. LA FOLLETTE. Mr. President, I have concluded what I desire to say about this amendment, but I hope we may have a record vote upon it.

Mr. GLASS. I do not see that we need a record vote. If we may have a vote, I think the matter may be settled in 2 seconds.

Mr. LA FOLLETTE. Very well; I withdraw the suggestion.

Mr. GORE. Mr. President, I desire to offer an amendment, to insert the word "voluntarily" before the word "left" in line 10, page 3, and the word "direct" before the word "relief" in line 9. It seems to me that would certainly obviate the objection raised by the Senator from Maine that a person who had given up a job on account of illness would be disqualified to receive the benefits of this measure.

I will offer that amendment if the Senator will yield for that purpose.

Mr. NORRIS. Mr. President, that would be an amendment in the third degree.

Mr. LA FOLLETTE. Mr. President, is there not one amendment now pending?

The VICE PRESIDENT. There is one amendment now pending to the committee amendment. No other amendment is in order at the present time.

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

Mr. GORE. Yes.

Mr. TYDINGS. If the amendment offered by the Senator from New Mexico [Mr. CUTTING] should prevail, of course there would not be anything to amend. If, however, it should not prevail, there are several of us over here, including the Senator from Oklahoma, who desire to add other amendments to it which will clarify the language as it is now written. I therefore submit that until the amendment which was offered by the Senator from New Mexico is disposed of we cannot take up these other matters.

Mr. GORE. I entered the Chamber while the Senator from New Mexico was on his feet. I did not hear his amendment; and I withhold mine for the moment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING] to the amendment of the committee.

Mr. GORE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GORE. I am not familiar with the parliamentary status. Would it be in order to perfect the committee amendment before the vote is taken on the amendment of the Senator from New Mexico?

The VICE PRESIDENT. The parliamentary situation is this: By unanimous consent, the committee amendments are first to be considered by the Senate. The Senator from New Mexico moves that the committee amendment be amended by striking out what are known as sections (2) and (3) of the committee amendment.

Mr. GORE. Would it be in order for me to move to amend the committee amendment and perfect it before the motion to strike out is submitted?

The VICE PRESIDENT. A motion to perfect the part proposed to be stricken out probably would be in order under rule XVIII, so the parliamentary clerk advises the Chair.

Mr. GORE. Then, I renew the motion to insert the word "voluntarily" before the word "left."

The VICE PRESIDENT. The amendment will be stated. [A pause.] The clerk informs the Chair that he cannot locate the amendment.

Mr. GORE. It is on line 10, as I understand.

Mr. TYDINGS. On line 9, before the word "resigned", it is proposed to add the word "voluntarily." I think that is what the Senator from Oklahoma means.

Mr. GORE. No; I did not want the word "voluntarily" to qualify "resigned."

The VICE PRESIDENT. Does the Senator propose to insert, after the word "days" and before the word "resigned", the word "voluntarily"?

Mr. GORE. No; the word "resigned" implies voluntary action. Read on. It is in line 10, before the first word in line 10, if I have the right print.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. It is proposed to amend the committee amendment by inserting the word "voluntarily" before the word "left", in line 10, page 3, so that when amended it will read:

has not within 60 days resigned from or voluntarily left any position—

And so forth.

Mr. WHEELER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHEELER. I submit that while there is an amendment pending to strike out the whole committee amendment another amendment cannot be offered.

Mr. GORE. I will say to the Senator from Montana that I have just obtained a ruling from the Chair on that point, and the Chair ruled that the amendment could be submitted and would be in order. It perfects the committee amendment before putting the question on the motion to strike it out.

The VICE PRESIDENT. The Chair will state to the Senator from Montana that the theory of the rule is that a motion to strike out and insert takes precedence over a motion to strike out, so as to perfect the matter proposed to be stricken out before the other motion is acted upon. The only question is whether this is an amendment in the third degree, there already having been a committee amendment proposed, and an amendment to that amendment. The philosophy of the rule seems to be to perfect whatever the Senate has to vote on before the Senate votes on it; so the Chair will hold the amendment in order.

The question is on the amendment offered by the Senator from Oklahoma to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. GORE. Now, in line 8, before the word "relief", I move to insert the word "direct"; and I do that in order that the RECORD may show the purpose of the amendment. The Senator from Wisconsin raised the point that the word "relief" was used here in a generic sense, and might cover relief not only in case of necessity——

The VICE PRESIDENT. Let the Chair state to the Senator from Oklahoma that that is not in what is known as the "Cutting amendment", and therefore his amendment is not in order at this time.

Mr. GORE. Very well.

The VICE PRESIDENT. The question now is on agreeing to what is known as the "Cutting amendment" to the amendment of the committee.

Mr. GORE. Mr. President, I have here a letter which I wish to have read into the RECORD at this point. It sheds some light on the philosophy of this amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the letter will be read.

The legislative clerk read as follows:

THE AMERICAN INSURANCE CO.,
WESTERN DEPARTMENT,
Grove, Okla., February 8, 1935.

United States Senator T. P. GORE,
Washington, D. C.

DEAR SENATOR: I inclose a clipping from Daily Oklahoman of Senator Halbrook as it so thoroughly meets my views. I just had to contragulate Senator Halbrook.

I am counting on you now, as I always have, to do your utmost to save our liberty and homes.

When our homes are destroyed by the tax route and so much surplus government in business, we feel so incompetent to run our

business that we have worked so many years for we feel like quitting and depend on the dole.

I think it is un-American and it may be honest, to take people's hard-earned money and reward the idle.

I farm and can hardly get help to run my farm, as so many think that if they go to work, that they will take them off the relief rolls. I notice big husky fellows around the hand-out joint with good blue suits of clothes, carry out a few cans and set in a good-looking car and drive off.

If this injustice runs on, to my notion the Government will crumble and fall.

Yours truly,

O. W. SMITHPETER.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING] to the amendment of the committee. [Putting the question.] The Chair is in doubt.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AUSTIN. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

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

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

Mr. LEWIS. I announce the absence of the junior Senator from Louisiana [Mr. OVERTON] on account of illness.

I also wish to announce the absence of the Senator from New York [Mr. COPELAND] on account of illness in his family, and the absence of the senior Senator from Louisiana [Mr. LONG] and the junior Senator from Connecticut [Mr. MALONEY] on official business.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that the order entered for the yeas and nays on the pending amendment be vacated.

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

Mr. GLASS. Mr. President, I hope the Senate will reject the committee amendment, as amended.

The VICE PRESIDENT. Without objection, the question will be taken on agreeing to the amendment reported by the committee, as amended.

The amendment, as amended, was rejected.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The CHIEF CLERK. The next amendment of the Committee on Appropriations is, on page 3, line 12, to strike out the words "The specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section."

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The CHIEF CLERK. The next amendment of the Committee on Appropriations is on page 3, after line 15, to insert a new paragraph, as follows:

Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be repaid in equal annual installments, or in such other manner as the President may determine.

Mr. KING. Mr. President, I inquire of the Chairman of the Committee on Appropriations, and also the Chairman of the Committee on Banking and Currency, whether the existing laws dealing with farm credit, and the authority which has been given to organizations formed under the farm credit laws, do not confer substantially the same authority as that which is attempted to be conferred by the amendment just read?

Mr. GLASS. The Chairman of the Committee on Banking and Currency so stated on the floor of the Senate on Friday, I believe.

Mr. KING. That was my understanding, and that being the case, what is the necessity for this provision?

Mr. GLASS. The Senator from Georgia [Mr. RUSSELL] is the author of this proposed amendment, and he may answer the Senator.

Mr. RUSSELL. Mr. President, I did not understand clearly all of the question of the Senator from Utah.

Mr. KING. Mr. President, if I may be pardoned for repeating the interrogatory I propounded to the two Senators, the Chairman of the Committee on Banking and Currency and the Chairman of the Committee on Appropriations, I asked whether the amendment which we are now considering is not covered by existing laws, which have come from the Committee on Banking and Currency dealing with farm credits through the organizations which have been set up under the numerous acts passed during the past 10 or 15 years.

Mr. RUSSELL. Mr. President, I should not like to dispute any statement made by the distinguished Chairman of the Committee on Banking and Currency, but, so far as I am advised, the powers delegated and conveyed by the pending amendment are not contained in any provision which has been adopted heretofore. It is true that liberalizing legislation has been enacted by the Senate at this session relating to farm loans, but it is my impression, though it stands subject to correction by the chairman of the committee, that those loans are limited to 60 percent of the value of the land.

Mr. KING. Mr. President, may I inquire of the Senator, in view of the fact that the crops of many acres of farm lands are being plowed under, and in view of the fact that thousands of acres of farm lands are being abandoned, in part due to legislation which has heretofore been enacted, what justification is there for dipping into the Treasury for large sums of money to authorize the purchase of additional farm lands?

Mr. RUSSELL. Mr. President, the argument presented by the distinguished Senator from Utah, carried to its natural and logical conclusion, would estop the Government from making any loans on any farm property anywhere. Under it we would adopt the theory of the survival of the fittest in dealing with our farmers, and would not take into consideration the fact that unfavorable seasons and unusual circumstances are likely to destroy the best farmers of the country, and render them homeless. If we were to leave it to nature and circumstances to eliminate farmers and thereby reduce production, the farmers in the drought-stricken sections could not obtain any money to produce crops on their farms.

Mr. FLETCHER. Mr. President, I wish to say, perhaps in some elaboration of the statement I made the other day, that we recently passed a bill which liberalized to a considerable extent the present provisions of the law and would enable tenants to buy farms. It provides that money may be advanced for that purpose, for the purchase of farms. But that bill, while it passed the Senate, has not yet passed the House, and I do not know whether it will pass in that form or not. It is being considered in the House now. I do not think there will be any conflict, and this appropriation is in the discretion of the President where they can finance a corporation like that. I am in favor of this provision in spite of what we have done or attempted to a large extent, to open the way whereby a tenant could purchase a farm. This goes

somewhat further than that, in providing for financing the operations and, as the Senator from Georgia has said, a limitation on the bill we passed, or as he has mentioned it. This does not put that limitation on. It broadens it further, and I am in favor of the provision as it is, as he has amended it.

Mr. RUSSELL. Mr. President, I desire to explain some of the reasons for the amendment.

The argument presented in the Committee on Appropriations made it clearly manifest that it was the purpose of the joint resolution to find profitable employment for the 3,500,000 employables who are now on the relief rolls of the country. The President likewise made it clear in his message, as was pointed out by the Senator from South Carolina [Mr. BYRNES] today, that the purpose of the proposed legislation is to abolish what is commonly known as the "dole."

The hearings before the Committee on Appropriations developed the fact that at the present time those who are on relief, as it is operated at the present time, are receiving an average of $25 a month. The security-wage argument as advanced to the committee goes on the theory that these three and a half million employables would be paid a wage approximating $50 a month.

It has been commonly reported in the press, and it seems to have been in the minds of some Senators, that a flat wage of $50 a month was to be paid to every person employed out of the funds appropriated in the pending measure. I did not so understand the hearings. To my mind it was made clear that that was to be an average wage. In certain sections of the country, where work requires only manual labor, less than that would be paid. Necessarily to skilled artisans and in some supervisory capacities it would be essential to pay more than $50 a month.

Those explaining the bill in behalf of the administration stated to the committee that in addition to the average security wage of $50 a month, or $600 a year, it would also be necessary to buy materials approximating $600, to carry on the works program and therefore it would cost in the neighborhood of $1,200 per year for each and every one of the three and a half million people who are now on the relief rolls of the country to carry out the purposes of this resolution through a program of public works.

A brief study of the question will disclose that there are thousands of persons who have heretofore been engaged in agriculture, living in remote and sparsely settled sections, who are now on relief. It will be necessary to take these people into consideration in perfecting plans to effect the transfer of those three and a half million people from relief rolls to gainful employment. The report of the Federal reemployment agency shows that an investigation in the employment service, which has just been concluded, shows that the largest industrial group represented, of the twelve and a half million people who filed their names in the various reemployment offices looking for work, were 3,000,000 who had been engaged in agriculture.

The relief administration estimates that of the three and a half million people who are employable and receive relief at the present time, 1,550,000 are agricultural workers; that 800,000 of them are landowners and croppers or tenants, and that 750,000 are farm laborers. Therefore, this presents a very difficult proposition in the administration of this fund, unless it is proposed to move these people from the farms as has been demonstrated to be the idea of some Senators who have discussed this bill, to the centers of population, where they would be left, after the funds had been spent, in competition with the industrial workers who are already in those centers of population and many of whom are already unemployed.

Therefore, it occurred to me, Mr. President, that it would be much better and much more economical in the long run to finance the purchase of farms for farm laborers, farm croppers, and farm tenants who are now drawing relief than it would be to employ these people on a basis of expense to the Government of the United States of approximately $1,200 per person in a Public Works program. Why, Mr. President, in the Southeast we have great areas of land today, fine and fertile farming lands, where a farm can be purchased and outfitted for less than $1,200 a year, which would support a farmer and his family, and thereby permanently settle the problem and effect a cure by taking him off the relief roll.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. BYRD in the chair). Does the Senator from Georgia yield to the Senator from Colorado?

Mr. RUSSELL. I yield.

Mr. COSTIGAN. The country has been hearing, by indirection, at least, many tales about the plight of the sharecroppers in certain Southern States. Is the Senator's amendment designed in part to meet their difficulties?

Mr. RUSSELL. I was coming to that question in just a moment. The farm laborers, farm tenants, and farm croppers in certain sections of the country—and I do not think it is confined to the Southeast, but is true of the entire agricultural section of the United States—have been affected by the policy of restriction and reduction in farm products. The tenant system, as we know it in the Southern States, in the entire southern farm belt, has undergone a transformation from a year-around tenant system to a seasonal employment of farm laborers, and it would be necessary for that problem to be faced in the country in the future.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Florida?

Mr. RUSSELL. I yield.

Mr. FLETCHER. I should like to add, with reference to what I said before with respect to the bill recently passed, that, when providing a way whereby a tenant might purchase a farm, we did not provide in that bill anything with reference to necessary equipment. This provision takes care of that.

Mr. RUSSELL. I thank the Senator from Florida for his contribution. If I understood the Senator correctly, it would also be restricted to 60 percent of the value of the farm.

Mr. BAILEY. Mr. President——

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

Mr. RUSSELL. I yield.

Mr. BAILEY. Having provided means whereby the share croppers and tenants may purchase lands, what does the Senator propose shall be done by way of enabling them to purchase crops under the existing legislation?

Mr. RUSSELL. Mr. President, that is a matter which we have to face eternally. As I suggested to the Senator from Utah [Mr. KING] in answer to a question, if we are to take the position here that only those farmers who live in sections favored by nature and by the seasons and by fertility of the soil are to be permitted to produce, we would destroy the entire agricultural system of the country. I would prefer, may I state to the Senator from North Carolina, not to become involved in a discussion as to the effect of the entire program of the Agricultural Adjustment Administration in reducing crops. I still think it would be better to afford relief to our farm population on the farm, rather than to concentrate them into one area, because in the first case you are affording permanent relief, whereas in the other you have this question constantly recurring from year to year, with the necessity of continuing the appropriation of funds to provide for them.

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

Mr. RUSSELL. I yield.

Mr. BAILEY. I fully understand the Senator's difficulties and decline to provide any further difficulties.

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

Mr. RUSSELL. I yield.

Mr. LOGAN. I ask the Senator if it is his idea that the President shall allocate funds to the Farm Credit Administration for seed loans to the different banks under that Administration?

Mr. RUSSELL. Mr. President, this amendment leaves it solely to the discretion of the President. If after an inves-

tigation shall have been conducted by him he should conceive that the most feasible and practical way to lend the funds would be through the Farm Credit Administration, doubtless the President would so do.

Mr. LOGAN. Does not the Senator think it would be better to loan these funds, if they are loaned, through the existing agencies?

Mr. RUSSELL. I think that existing agencies of the Government should be utilized as far as possible, and I doubt not that the President of the United States will so regard the matter.

Mr. LOGAN. We understand, I think, he will utilize an agency of the Government, but I think it should be done through the Farm Credit Administration.

Mr. RUSSELL. I have no doubt that the President will be of the same opinion and that, if it is practicable, he will use the machinery of the Farm Credit Administration.

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

Mr. RUSSELL. I yield.

Mr. BYRNES. Would the Senator from Georgia object to striking out the words "farm tenants, croppers, or farm laborers"?

Mr. RUSSELL. I should prefer that the words be not stricken, Mr. President, because it is my purpose in offering this amendment to enable these benefits to be secured, so far as possible, solely by those who are farm croppers and farm tenants and farm laborers, and unless the President should embark into a very ambitious scheme of financing the purchase of farm land, there are more farm tenants, farm croppers, and farm laborers on relief—a million and a half of them—than can obtain benefits under this amendment.

Mr. BYRNES. The Senator would not want to substitute the word "farmers"?

Mr. RUSSELL. I would not object to inserting the word "farmers", because I think that would contemplate croppers, laborers, and tenants.

Mr. BYRNES. I think it would.

Mr. RUSSELL. I will accept that amendment.

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

Mr. RUSSELL. I yield.

Mr. GORE. I hope the Senate will not agree to that amendment. We have a number of establishments in this country which provide credit facilities for farmers, farmers who own land. Many measures have been enacted for their accommodation. I do not believe that they can complain that credit is restricted. Now the Senator from Georgia is trying to provide credit facilities for the man who finds it most difficult to obtain credit at any institution in this country. He is trying to provide credit facilities for the tenant farmer—the man who needs it most and obtains it with the greatest difficulty—the man who obtains it with the greatest difficulty no matter how good his character. He has no available assets or resources to pledge in order to secure a loan on land. Many times the tenant farmer is as deserving as the farmer who owns his land. In many cases the tenant farmer is as deserving of credit as the landowner. I repeat it is harder for us to help the tenant farmer than any other class of our farmers. He needs help as much as any other in the country.

I believe in a country of home owners, and any policy which enables tenant farmers to become farm owners has at least one strong argument in its favor, and if it succeeds it will have one great advantage to its credit. I had intended to discuss this subject at greater length, but will defer that to some future occasion.

If we undertake to extend this to every class of our farmers it renders the whole matter largely nugatory and vain, because if the President undertakes to buy farms for farmers out of this $4,000,000,000 it will not serve the other purposes which he has in mind and which the Congress has in mind in the enactment of this legislation. If you include too many you cannot serve any substantial number of tenant farmers.

Now, Mr. President, I do not have as much faith as many Senators in this lending and spending program. I do not believe that we can spend ourselves out of this trouble. Not only that, I think that the relationship of creditor and debtor, between a sovereign government and a private citizen, is fraught with doubt, if not with danger. There is a Pandora's box of evils at the foot of that rainbow. But if we intend to persist in this policy, if we intend to pursue this path, if we intend to follow up the rainbow, then I hope that provision may be made for the tenant farmer, the man who needs relief the most and who obtains it with the most difficulty.

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

Mr. RUSSELL. I yield.

Mr. WHEELER. Permit me to say to the Senator from Oklahoma that he is looking at this entirely from the standpoint of the southern farmer. There are some farmers in the drought-stricken area, in the Northwest, who are upon a piece of land at the present time; they are not tenant farmers, but they are on relief. The Government has been trying to take those people off those dry-land farms and to put them down onto some irrigated lands which are now under the Reclamation Service. There are not a great many of them, but there are quite a few of them. If we just limit it to tenant farmers we are limiting it to such an extent that that operation cannot be taken care of.

Permit me to say to the Senator not only is the Government doing it, but the railroads of the Northwest are cooperating with the Government and the Reclamation Service in these projects. One of the things which has held them back is to put them on these pieces of land and then to give them some kind of a start. The Government has to do one of two things. It has either got to feed these people or it has got to try to get them on some of the irrigated lands, where they can make a living. And so I hope that the language will be broadened, not for the general purpose of helping farmers in general, but for the purpose of helping this specific kind of farmer who now has been on the dole by reason of the drought that has struck him for 4 or 5 years, and helping him to take him off of that piece of land and put him on some irrigated lands, where he can make a living for his wife and family.

Mr. RUSSELL. Mr. President, the purpose of the amendment as originally offered was to provide specifically for farm tenants and share croppers. I can conceive, however, that in drawing the amendment I was dealing with this problem as it appeared to me in my own State and from the circumstances and conditions I knew to prevail in my State. In view of the statement which has been made to me by the Senator from Montana and others, it appears to be advisable to modify the amendment to make it apply to farmers generally, and I am therefore willing to accept that modification. I am perfectly confident that in the southeast, where the farm laborers, farm croppers, and farm tenants are the class who are on relief rolls, the President will see that they derive the benefit from the operations of this amendment.

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

Mr. RUSSELL. I yield.

Mr. STEIWER. I am in sympathy with the object which the Senator seeks to attain, and I shall vote for the amendment; but I am wondering if the Senator had convinced himself whether this proposal is necessary in view of the very general power conferred upon the President in section 1 of the joint resolution.

Mr. RUSSELL. Well, of course, if the President already has the power the amendment cannot hurt anything, and merely would be surplusage; but I will state to the Senator from Oregon that I did not decide to offer this amendment until after the committee had adopted the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] confining the expenditure of these funds to types of projects which are already authorized by Federal statute.

I know of no Federal statute that, by terms expressly stated, would authorize the financing of farm loans and farm equipment in whole or in part.

Mr. STEIWER. Mr. President——

Mr. RUSSELL. I think, Mr. President, if I may be permitted to continue, that this should be brought to the Pres-

ident's attention as a feasible way of dealing with the relief problem in the rural areas. We hear a great deal about relief in the cities. On the industrial workers this depression has laid a heavy hand; but there are cases by the thousands in the agricultural sections of the country where untold distress has been visited upon a people who cannot make their plight known because they are so scattered and are far removed from the centers of population. I now yield further to the Senator from Oregon.

Mr. STEIWER. I suggest that the Senator has now placed his hand upon what seems to be the justification. If there is justification or necessity for the amendment, it is because section 1, as originally presented, undoubtedly delegated the President ample power to deal with the situation.

Mr. RUSSELL. Unquestionably.

Mr. STEIWER. But the amendment which the Senate agreed to this morning under the sponsorship of the Senator from Wyoming [Mr. O'MAHONEY] makes this proposal now necessary.

Mr. RUSSELL. In my judgment, it is necessary, and if it is not necessary, it is certainly harmless. If the President has this power under any existing law, I am not familiar with it.

Mr. STEIWER. I was suggesting, in the interest of clarity and assurance, that we place the amendment in the bill.

Mr. RUSSELL. I found nothing in the National Recovery Act or in legislation that came within my knowledge relating to the Farm Credit Administration that would take care of the class of cases I had in mind. I point out that this proposal will necessarily result in saving money to the Government, because the Government, at least, will stand a chance to get the money back. If it shall not do so, it will have a lien on the land, and people, who in many cases, represent six or seven generations of farmers, will be enabled to stay on their land, till the soil, and rear their families in the manner in which they have always been accustomed.

Mr. President, this amendment provides a practicable and economical method of relief which is certainly in accord with any sound idea of social justice and security. For many years I have lived among and dealt with farmers, many of whom were tenants and share croppers. They have as high a sense of honor and are as upright in their dealings as any man. They are not afraid to work and if given the additional incentive of an opportunity to own their own home there is no way to calculate the net beneficial result to the country. Many of them are victims of circumstances which were wholly beyond their control, and in this great expenditure of Federal funds, they should not be overlooked. There is no better way to combat the forces of radicalism which seek to undermine our Government than to endeavor to find means to enable America to become the greatest home-owning nation on earth. Few men who own their homes and have the feeling that the government protects them in the possession thereof will ever seek to overthrow that government.

In my opinion, the adoption of the pending amendment will result in more substantial and lasting benefits to the Nation than the expenditure of any like amount of money for any other governmental purpose.

Mr. GEORGE. Mr. President, I wish I were in a position to discuss adequately this amendment, because it is the most substantial effort to relieve the unemployment situation contained in the joint resolution. Everything else is purely temporary and will pass away and out of the picture with the spending of the money so far as affording a means of livelihood and a means of subsistence to the people for whom we are endeavoring to care is concerned. Senators will recall, as they readily can recall, that our problems in the past have been largely solved because we had an enormous area of free land on which we could absorb our constantly multiplying population; and when the industrial centers grew larger and larger and we were threatened with unemployment in those centers, we had our frontiers to which we might go for the solution of our problems. I have not the slightest doubt that if unemployment shall again be reabsorbed in this country and we shall be enabled to put our people back to work or to give them an opportunity to work in a decent way, one that will make for their self-respect, and for their independence, one that will make for the right kind of citizenship, we shall find the way for a million or two million of them back upon the small farms.

The idea is not altogether new, but my colleague [Mr. RUSSELL] has made a valuable contribution by proposing to include in this particular relief measure the suggestion that the farm laborer, the tenant, the cropper, who is a laborer, might have an opportunity to acquire land.

In the first public-works bill, and as a result of continued and persistent efforts of the distinguished junior Senator from Alabama [Mr. BANKHEAD] in order to put over the subsistence-homestead theory to the Congress and to the country, we retained an appropriation of $25,000,000 to be used for the purpose of founding subsistence homes. It was my pleasure, with the assistance of the Chairman of the Finance Committee [Mr. HARRISON], to hold that appropriation in that bill.

I did not do it as a sop to the farmer or as a bid for popularity with that particular group, but I undertook to do it because I believed that it was an honest effort to afford genuine relief to people who were in need of permanent means of livelihood. The subsistence-homestead theory, however, was restricted somewhat beyond the desires, wishes, and purposes of the distinguished Senator from Alabama, and beyond the desires of those who were laboring with him, in that the homesteads were to be selected, for the most part—we did finally succeed in getting a different interpretation of the act—adjacent to an industrial plant or center.

However, in the second place—and that idea still prevails in the law—the subsistence homestead was simply an additional means of support to an industrial worker; in other words, the subsistence homestead is not, strictly speaking, as provided in the first public-works law, a means of livelihood, except as the products off the homestead might be used for that purpose; in other words, the commercial use of the tract of land, small though it was, was excluded from the idea as we incorporated it in that particular law.

Mr. President, this is an effort to relieve unemployment. If it be desired to relieve unemployment in this country, it will be necessary to find some way of doing it that will last beyond the time during which we shall be spending public money to accomplish it. I know what theories we have worked on here, but, in my opinion, in a country so large as ours, with such a wide expanse of territory, the one way, in my opinion, by which we may profitably—and I use the word "profitably" in every sense and every implication of the term—by which we may profitably employ from one to two million of our people is by the Government coming in and finding another frontier of free land and selling it back to our farmers, to men who have had agricultural experience, and letting those men go back upon small tracts of land and make a living. Thomas Jefferson visualized the small farmer as the moral balance wheel of this Republic.

Our free lands have enabled us to postpone and to solve many of our acute industrial problems through the last half and three-quarters of a century. They are now gone. The Government could properly with any relief funds return men to farms who could not otherwise return there. Do not think that would be a waste of money. I would say that it would be the one constructive object to which most of this money could be devoted.

Then there is another reason, Mr. President, why this amendment should prevail. We have a large number of agricultural States in this country. Many of those States labor under constitutional restrictions so far as public works are concerned; there may not be an expenditure on public works of any of this $4,880,000,000 in many of our agricultural States unless the President shall select only Federal projects, and even they may be found difficult to find in many of the States that labor under constitutional or legal restrictions so far as contracting to pay for public works is concerned. The best opportunity for spending this relief fund in many

of our agricultural States, aside from the inherent essential merit of the investment and of the project itself to which I have adverted, is to use it for these purposes in those States that otherwise would not be able to present projects for the consideration of the President that would perhaps command favorable action.

It is not contemplated here, of course, that a large number of farmers, of men who live upon the farms, tenants, laborers, former owners, perhaps, would be able to be returned to the farms as landowners, but it certainly is contemplated that in those States without many Federal projects and without the capacity under their constitutions and laws to present State projects for public works, would be able to make a beginning.

In this closing sentence I want to reaffirm what I have said, that it is only a beginning. The only way to keep the industrial centers from being overcrowded in the days to come, with improved machinery and yet improving machinery, with technological unemployment—the only way to do it in America in an American way is for the Government to be willing to finance small areas of land to enable many of our fellow citizens to go back to those areas and become self-supporting and self-sustaining citizens.

Mr. SMITH. Mr. President, I have listened with interest to what the Senator from Georgia [Mr. GEORGE] has said. I notice that the joint resolution provides "for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farm tenants, croppers, or farm laborers." Why not insert a provision to refinance and reinstate the thousands of farmers in the Senator's State and in my State who, in spite of every effort they could put forth, lost their lands, in spite of the land banks, in spite of the intermediate credit banks, and in spite of the fact that they had economized to the point where the situation was desperate, then lost their farms? They could not even pay the taxes.

Mr. GEORGE. My colleague is to offer an amendment relating to the point which the Senator from South Carolina has raised.

Mr. RUSSELL. I have an amendment to offer, which proposes to strike out the words "farm tenants, croppers, or farm laborers" and insert in lieu thereof the word "farmers."

Mr. SMITH. Mr. President, I should like to make a suggestion which I believe both the Senators from Georgia and all those who are familiar with the section of the country from which we come will endorse, namely: That the tenants, the share croppers, and the laborers have been far better off than the landowners. It was impossible for the landowners to pay the taxes, pay the wages of the laborers, and pay the repairs and upkeep of their plantations. Therefore, in thousands of cases they themselves in turn became tenants or share croppers or hunted a job elsewhere. This proposal seems to be predicated upon the idea that we could buy these lands and reinstate these people and finance them when those who once owned the lands and had them equipped could not make enough to make ends meet, and consequently lost their land.

Let us exercise some common sense in these matters. Shall we guarantee the tenants who are to be converted into landowners and equip them and give them sufficient money with which to pay taxes and to keep up the plantation and buy their fertilizer and pay back to the Government when the original owners, having nothing to do but meet overhead and pay taxes, lost their farms?

The only point I am making is that these things will rectify themselves when we have gotten sufficient markets for farm products to guarantee a decent return to those who supply the prime necessities of life. Whenever we get to that point, I believe such an amendment as this will be unnecessary.

The fact is that we are now, through the Agricultural Department, begging the farmers and, under certain acts of Congress, coercing the farmers to reduce their acreage, to throw out their marginal lands, to restrict their farming operations, in order to curtail and practically destroy the market.

I do not know that I am going to oppose the amendment. I shall oppose it as incorporated in the joint resolution, unless it is provided that the original owners who have lost their lands may be reinstated, because all around me there are hundreds of them, all around the Senators from Georgia there are hundreds and thousands who have lost their lands in spite of their rigid and horrible living conditions. They simply could not make ends meet.

Let me take one farm as an example. In 1914 the taxes on that farm were about $385. In 1926 the taxes were $1,000. I mean only the local taxes, the school taxes, county taxes, State taxes, and other indirect taxes. There were about 500 acres under cultivation. In the whole tract there were 1,100 acres.

There are certain practical provisions on which we perhaps might legislate for the relief of these people without adding fuel to the flame. We have one department of our Government curtailing farming operations, and now we have this measure to encourage a host of others to go into the same business. It seems to me to be a contradiction in terms. We are to buy the equipment for them, we are to buy the land and give it to them, in effect, when those who have owned the land and owned the equipment could not make enough to pay taxes and live decently, but have even had to go and mortgage their places.

The fact is we established the Federal land bank for the purpose of trying to take over the mortgages and put them where, over a period of 25 or 30 years, the landowners might, by strict economy, amortize their indebtedness, pay a very low rate of interest and a very small amount on the principal, and in the course of time redeem their properties. Even in spite of that, the history of the land banks has been that there is still a disastrous number of foreclosures, in spite of the low rate of interest and the long-time small payments. We are going at this matter from the wrong end.

Mr. CONNALLY. Mr. President, does not the fact that the farmer gets low interest and a long time for payment raise the value of the farm land? That is why farmers cannot pay the loans. The man who buys a farm will pay more for it if he can get a lower rate of interest for a long time than he otherwise would pay; and that continues the difficulty of payment.

Mr. SMITH. I know of at least one farm that was appraised by the land-bank appraisers at $100,000, and the owner borrowed $20,000 on it. He could not sell it today for $20,000. Values of this kind fluctuate with conditions over which neither we nor anybody else will ever have any control, so far as the fluctuations are concerned, until we get at the matter in some other way than by offering cheap money and long-time payment.

I have called attention to this matter, Mr. President, because it seems to me rather a contradiction in terms that the Government is buying up marginal lands and converting them into parks and recreation grounds and insisting that we reduce our production, and then in the next breath and with another bill, is offering inducements for thousands to go into the production business. Whenever we make farming profitable we shall not have to induce anybody to go back on the farm. The reason why people are leaving the farm is because staying there means starvation and practical peasantry. That is where we have been, almost from time immemorial. Until we recognize agriculture as an integral part and a worthy part of our economic system and until we make provision in the financial world—in the market—for getting some means by which the farmer, in his disorganized way, can have a say in the price of what he has to sell, it is idle for us to stand here and talk about injecting artificial methods for his benefit.

I desire to call attention to just one other thing, and then I shall have finished.

Senators talk about our commercial banking system. Every man here knows that agricultural paper, no matter how gilt-edged it may be, in terms of agricultural banking

is frozen paper. It is not created to meet the difference between natural production and artificial production. All our industrial products are made under man-made law, controlled and governed by the industrialist both as to quantity and quality and adequately financed by him. The farmer, on the other hand, produces under conditions over which he has no control either as to quantity or as to quality, and when he comes to sell he takes what is offered, and when he comes to buy he pays the price set by the other man. That fundamental, radical difference spells the difference between the returns from the farm and the returns from industry.

In my opinion, if we were to address ourselves to formulating a banking system adapted to the farmer, to the radical difference between artificial and natural production, we would come nearer solving the problem than we would by offering him, under the terms of commercial banking, cheap money and cheap long-term loans. What he needs is a system of banking adapted to his peculiar and radical situation as compared to the industrialist. Give the farmer collectively, by the very logic of the financial system under which he works, an opportunity to name the price of the things he sells in accordance with the price of the things he has to buy, and we shall have taken the right step in solving the age-old and vexed problem of agriculture.

Mr. President, before this amendment shall be agreed to I hope we will extend, as the Senator from Georgia says he proposes to do, the same terms to those who have lost their farms, or are in process of losing them—and their name is legion—as we extend to the laborer and the tenant and the cropper in order to enable them to buy land.

Mr. GLASS. Mr. President, I hope we may have a vote on the amendment.

Mr. RUSSELL. Mr. President, I move to amend the amendment by inserting the word "farmers" after the word "by", on line 19, page 3.

The PRESIDING OFFICER (Mr. BYRD in the chair). The amendment to the amendment will be stated.

The CHIEF CLERK. Before the word "farm" in line 19, page 3, it is proposed to insert the word "farmers", so that it will read:

By farmers, farm tenants, croppers—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The CHIEF CLERK. On page 3, line 25, after the word "use", it is proposed to insert "only"; and on page 4, line 1, it is proposed to strike out the words "possessions, including the Philippine Islands" and insert "possessions", so as to read:

SEC. 2. The appropriation made herein shall be available for use only in the United States and its Territories and possessions—

And so forth.

Mr. GLASS. Mr. President, this amendment confines the use of the money to the United States and its Territories and possessions.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 4, line 18, after the word "shall", to strike out "not"; and in line 20, after the word "is", to strike out "less" and insert "more", so as to read:

The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall apply to any purchase made or service procured in carrying out the provisions of this joint resolution when the aggregate amount involved is more than $300.

The amendment was agreed to.

The next amendment was, in section 3, page 5, line 14, after the word "tenure", to strike out "and, without regard to the Classification Act of 1923, as amended" and insert "and", so as to make the section read:

SEC. 3. In carrying out the provisions of this joint resolution the President may (a) authorize expenditures for contract stenographic reporting services; supplies and equipment; purchase and exchange of law books, books of reference, directories, periodicals, newspapers, and press clippings; travel expenses, including the expense of attendance at meetings when specifically authorized; rental at the seat of government and elsewhere; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles; printing and binding; and such other expenses as he may determine necessary to the accomplishment of the objectives of this joint resolution; and (b) accept and utilize such voluntary and uncompensated services, appoint, without regard to the provisions of the civil-service laws, such officers and employees, and utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, as may be necessary, prescribe their authorities, duties, responsibilities, and tenure, and fix the compensation of any officers and employees so appointed.

The amendment was agreed to.

The next amendment was, on page 5, to strike out lines 18 to 24, inclusive, and all of page 6, in the following words:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized, to such extent and in such manner as he finds and prescribes as necessary to the efficient and coordinated administration of the powers exercisable under this joint resolution, to

(a) Establish and prescribe the duties and functions of governmental agencies (including corporations with corporate authority only as approved by the President and within the scope of this joint resolution);

(b) Utilize and prescribe the duties and functions of any governmental agency (including a corporation);

(c) Consolidate, redistribute, abolish, or transfer the functions and/or duties of, and transfer the property and/or personnel of, any emergency governmental agency (including a corporation); and upon the transfer to another agency and/or the abolition of all the functions and duties of any agency, such agency shall cease to exist; and

(d) Delegate the powers conferred on him under this joint resolution to any governmental agency (including a corporation).

SEC. 5. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in section 1)—

(a) To guarantee loans to, or payments of, needy individuals;

(b) To make grants and/or loans and/or contracts; and

(c) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, maintain, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

And to insert in lieu thereof the following:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in sec. 1) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

Mr. McNARY. Mr. President, would the Senator from Virginia be willing to move a recess at this time, as the next provision is section 6, which is very controversial?

Mr. GLASS. Unless the Senator from Arkansas [Mr. ROBINSON] desires an executive session, I shall be glad now to move a recess. I have sent word to him to that effect. If there is to be no discussion of this particular amendment, however, it seems to me it might be disposed of.

Mr. McNARY. If the Senator will bear with me, I should prefer to take it up the first thing in the morning, as I think there are one or two Senators who would like to consider the matter before taking a vote on it.

Mr. GLASS. I am informed that the Senator from Arkansas desires an executive session.

Mr. McNARY. Very well.

Mr. BORAH. Mr. President, what point have we reached in the bill?

Mr. GLASS. The top of page 7, section 4.

I did not quite catch what the Senator from Oregon said.

Mr. McNARY. I was suggesting, following a conference with the Senator from Virginia, that it was agreed that we would not take up section 6 this evening.

Mr. GLASS. No.

Mr. McNARY. I appreciate that section 4 has been read, but I think there are a few Members who possibly would like to be here when that section comes up; so I suggest that the

Senate now take a recess, or go into executive session, and take up section 4 the first thing in the morning.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter which I have received, under date of February 16, 1935, from Paul V. Betters, executive director of the United States Conference of Mayors, and the enclosed memorandum on the relief and public-works program, signed by Daniel W. Hoan, mayor of Milwaukee, president of the conference, and Paul V. Betters, executive director of the conference.

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

UNITED STATES CONFERENCE OF MAYORS,
Chicago, February 16, 1935.

The Honorable ROBERT M. LA FOLLETTE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR LA FOLLETTE: As you no doubt know, no opportunity was accorded the public officials of the cities and States to present testimony before the Senate Appropriations Committee when the $4,000,000,000 relief and Public Works measure was under consideration. In view of this fact, and on behalf of the United States Conference of Mayors, I am asking that you insert the attached brief memorandum on certain phases of the bill and program in the CONGRESSIONAL RECORD so that it is available to Members of the Senate. I am,

Faithfully yours,

PAUL V. BETTERS,
Executive Director.

MEMORANDUM ON RELIEF AND PUBLIC WORKS PROGRAM PREPARED BY THE UNITED STATES CONFERENCE OF MAYORS

THE EXISTING RELIEF SITUATION

It is the conclusion of the United States Conference of Mayors, after comparing conditions in the various cities and studying all available data, that the country is reaching a new normal level. Granted an improvement in conditions of today, the present number of unemployed cannot possibly be entirely taken care of by industry, agriculture, and business for some years to come. It therefore becomes necessary to think in terms of a long-time program which will meet what is called "the unemployment problem."

For the past several years the relief load has been steadily increasing in spite of national efforts to provide employment. Its present extent and seriousness is indicated by the following table, giving the number of families and single resident persons on relief last month (January 1935) in the 10 major cities of the country:

Number of families and single resident persons

New York City	327,186
Chicago	165,919
Philadelphia	98,224
Detroit	50,668
Los Angeles	133,642
Cleveland	73,040
St. Louis	42,381

Number of families and single resident persons—Continued

Baltimore	31,243
Boston	43,364
Pittsburgh	89,849

In the 142 urban areas representing 36 percent of the total population, and 65 percent of the urban population of the continental United States, there were last month (January 1935) 2,212,087 families and single resident persons on relief.

It is pertinent to point out that for 1933 and the first 9 months of 1934, relief costs in only the 37 largest cities amounted to $709,245,051.71.

THE PROGRAM

In September 1934, the executive committee of the conference presented to the President of the United States a general relief and work program based on certain principles. The foundation of this program was stated in the following words:

"The unemployed may well be divided, for the purpose of fixing the responsibility of their care, into two classes: Those people able to work, but unable to find employment; and those mentally, physically, or otherwise unfit for regular gainful employment. The latter eventually again must become the charges of the State and local communities (except men disabled in the military, or naval service, who always have been a Federal responsibility). The permanently involuntary unemployed, by reason of changed conditions, must be cared for in an established system, supervised by the Federal Government. It is recognized that owing to the great number of workers who cannot be absorbed employment must be created and found for them.

"We recognize that work relief must be given immediately to all unemployed."

Because the message of the President to this Congress and this bill are based on similar principles, we urge its immediate passage, realizing, however, that the $4,000,000,000 will hardly be adequate to carry the program to its intended goal; namely, the providing of work and wages to the employable group now on relief.

But this point must be made clear: Work on socially useful public projects is the only salvation. We do not feel the American people will tolerate the dole much longer, and as chief executives of the major urban centers of the Nation we must carry this warning to the National Government.

We have from the outset of this depression held and still do hold steadfastly to the belief that the best stimulus to recovery is a Federal public-works program promoted on such a scale as to make an impact upon private industry. Such a program not only lessens the burden of relief, but provides the method by which the cities and States of the Nation can be greatly benefited by permanent public works, creates employment, directly benefits industry and also agriculture by the increased purchasing power. There is a severe shortage in housing which is being augmented very rapidly by the stoppage of building operations in this field. There is not only need of a general demolition and rebuilding of our slum areas where they exist, but we must also provide for housing to help those not otherwise able to either acquire or live in suitable dwellings in accordance with American standards. Many of the nations of Europe have been compelled to attack this problem as a necessary social undertaking. We suggest enlarging the present program of the Federal Government as offering one of the best means of employing labor and stimulating business.

Second in importance is a provision for the financing of self-liquidating public works.

Next in order in the general field of public construction are those public facilities such as schools, public buildings, and so forth, from which the locality derives no direct revenue. Finally, we suggest that many localities are prepared to promote in a major way the abolition of present street crossings, grade crossings over railroads and interurban lines at grade.

FINANCIAL ARRANGEMENTS

In connection with the $4,000,000,000 relief and work program, we conceive it to be our duty to inform the Congress and the Federal Government that in the main, the scheme of loaning Federal funds to cities at 4-percent interest is no longer applicable to the present situation. This must be a federally financed program. The existing municipal-debt situation is at such a level as to make impossible additional financial obligations by the vast majority of American cities. We suggest, however, on the basis of recent studies made that some loans can be absorbed by a few selected cities if the interest charge is nominal. But the program is bound to fail if reliance is placed upon loans to cities.

Finally, we urge upon the Federal Government the necessity of lodging responsibility for administering the program in some one agency, and that any rules and regulations be flexible enough to permit adaptations to local conditions.

DANIEL W. HOAN,
Mayor of Milwaukee,
President United States Conference of Mayors.
PAUL V. BETTERS,
Executive Director United States Conference of Mayors.

R. F. C. AN AID IN RECOVERY—ADDRESS BY JESSE H. JONES

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have inserted in the RECORD an address by Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, delivered before the Saturday Afternoon Forum of the National Democratic Club, in New York City, on February 9, 1935, on the subject "R. F. C. an Aid in Recovery."

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

Mr. Chairman, members of the National Democratic Club, and friends: Being fully aware that many distinguished men and noted orators have been your guest speakers over this Nation-wide forum, I can only hope to interest you in a short account of my observations of the affairs of our country, through my participation in the efforts of Government to bring about a correction of our many difficulties.

While appreciating the honor of being invited to address you, I was reluctant to accept, because of the great demand upon us at this particular time. But when the Postmaster General, Hon. James A. Farley—your own "Jim"—invited me, he would not take "no" for an answer.

And so I am here, asking your kind indulgence for 20 minutes—remembering the deacon's advice to the new preacher, that, while there was no time limit on sermons in that particular church, as a rule no souls were saved after the first 20 minutes.

Before going into the subject assigned to me by your committee—the R. F. C. Progress and Prospect—I should like to direct your attention to President Roosevelt and the great responsibility which is his.

The R. F. C. is but one of many Government agencies whose purpose is to bring relief to distressed people and to impoverished business of every character throughout the country. If you look about you, wherever situated, you will find some Government agency taking an important part in the affairs of your locality.

Those in charge of each of these agencies, as well as every member of the President's Cabinet, look to the President, and expect him to understand their problems and to give them advice and counsel. As I sit in the Executive council meetings, which include the President's Cabinet, and the heads of these various agencies, and see the grasp which the President has upon the operations and purposes of each, I am little short of amazed.

But while he has a clear understanding of their purposes and the necessity for them, he must rely upon the heads of departments for their administration, as well as for suggestions as to

how they can be made more effective. Their success will be measured by the capacity and fidelity of the men he appoints to direct them.

Recognizing the wide range of human nature in point of capacity, initiative, and fidelity, we must appreciate that the President cannot be held to account for inevitable mistakes in administration.

The success of the program as a whole is the thing to be judged.

If we stop to consider the state of affairs that existed when President Roosevelt took office, and contemplate that we had practically reached a state of economic chaos, and compare that situation with the relatively comfortable conditions now existing, we must acknowledge that in the short period of less than 2 years a very great deal has been accomplished. I ask the most severe critic if he would like to go back to March 1933?

There are many honest differences of opinion as to the best methods for bringing about recovery, but we all acknowledge that difficult problems are never solved by ignoring them.

Some believe that a policy of Government lending and spending for construction projects is a palliative and not a cure. Admitted—but certainly many useful things can be built with public funds that will not interfere with private operations and that private funds could never build.

Lending to deserving citizens to repair their shattered and weakened business structures makes it possible for them to resume operations and go on in a normal way.

There seems no sound argument against such Government activities as these, if done intelligently. Both will stimulate business and provide employment.

But private initiative and private business must do the principal job.

Giving money away is the most dangerous of all forms of relief—particularly when we give as much as people can earn by working. This method of relief, while in a measure necessary, if continued too long, will spell ruin.

No one must be allowed to suffer for lack of life's necessities, but self-reliance must be encouraged and thrift rewarded. Money must be valuable enough to work for, but not so valuable that people cannot earn a living working for it.

And speaking of thrift, every citizen should strive to own his own home and should take a greater interest in it than he does in his automobile.

There is no royal road down which a privileged few may travel or that the underprivileged may march to affluence without effort. Neither predatory paradises nor economic fairylands have any place in a democracy. We must strike a balance and not try to uproot or overturn the precepts and principles of our Government.

As I see it, that is the course our President is taking, and I would remind you that there is as much danger on one side of the road as there is on the other. So think it over, those who are not satisfied with the methods that are being employed and progress that is being made.

It has been my privilege to be a part of the R. F. C. since the date of its organization in February 1932, and to have been given much greater responsibilities by President Roosevelt. The R. F. C., since his administration, has been greatly expanded in keeping with his broad program of recovery, and has been of very real service in that program. Our operations have extended into all fields, and have reached practically every citizen of the United States in one way or another.

During the first year of our existence we were occupied night and day in the struggle against the general break-down which reached its culmination in March 1933. The effort to support and bolster the banking structure of the country was so tremendous that there was little time for anything else.

After the inevitable bank holiday our problems increased, and the task was one of salvage and rehabilitation—reconstruction. Depositors in banks which could not be reopened clamored for their deposits. Many banks that were reopened had to have more capital. Farm credits were necessary. Building-and-loan associations and mortgage loan companies needed to be propped up. Livestock was at its lowest ebb. Corn was selling at 10 cents a bushel, wheat at 30 cents, cotton at 6 cents a pound, with little or no market for tobacco, and so on. Federal and joint-stock land banks were having their difficulties. Altogether it was a hectic period—the latter part of 1932, all of 1933, and a part of 1934.

The offices of the R. F. C. were like a great hospital behind the battle lines, with the wounded and maimed coming in from every front; strong men beaten down to the point of despair; institutions of long standing going on the rocks; and credit literally dried up. The days and nights were not long enough to wait upon those who came for assistance. Such days we should like to forget, but never can.

Seeing people in trouble makes better and more considerate men of all of us, and I hope the world benefits from the terrible experience through which we have just passed.

And while those dark days are behind us, let's not forget that there are boiling beneath the surface today forces as dangerous to our welfare as those which came into eruption 3 years ago.

These include some who are crying to be let alone, insisting that we are no longer ill, and that no further curative treatment is necessary. Such persons do not understand mass psychology.

Others seek to capitalize this unrest by holding out false hopes through demagoguery of one kind or another.

What we need most is a better understanding between those inclined to the right and those wanting to go to the left. The President has the common understanding, and the great emergency program which he is carrying through is a testimonial to his vision and determination to bring about recovery.

He has made use of and expanded the emergency agencies which he found when he came into office—the R. F. C. and the home-loan banks. To these he has added the Home Owners' Loan Corporation, Public Works, the Farm Credit Administration, Federal Housing Administration, Deposit Insurance Corporation, the Civilian Conservation Corps, Tennessee Valley Authority, the Federal Emergency Relief Administration, the National Industrial Recovery Administration, the Commodity Credit Corporation, and many others.

R. F. C. operations prior to March 1933 totaled approximately $2,000,000,000. Since that time seven billions has been added, including $1,300,000,000 used for direct relief and $700,000,000 to other Government agenchies.

One billion two hundred million dollars has been put into bank capital in almost 7,000 banks. More than a billion dollars has been loaned to bank receivers for distribution to depositors in closed banks.

More than a billion and a half dollars of R. F. C. money has been made available to farmers through the Farm Credit Administration and for commodity loans.

Through these operations, cotton, corn, wheat, tobacco, and many other farm products are now selling at living prices.

All together, $9,000,000,000 has been authorized through the R. F. C., and except for the funds used in direct relief, and allocations to other Government agencies, it is being handled in a businesslike way, and there will be little ultimate loss to the taxpayer.

Our repayments have already exceeded two and a half billion dollars.

Congress has just extended the active life of the Corporation for 2 years, subject to termination at an earlier date by Executive order of the President. It gave us some added authority pertaining to industrial loans, real-estate loans, and loans to railroads.

Loans to industry have been difficult to make because of the badly depleted state of many offering to borrow, together with poor prospects of their being able to repay the loans. But it is the purpose of our directors to try all the harder to make these loans where possible under the law, especially where employment can be maintained or increased. In fact we can only make such loans under these circumstances.

We are authorized to make loans for as long as 10 years, not only to industry but also to others. We requested this added authority largely in the interest of the depositors in closed banks, the assets of which will yield more if liquidated over a longer period, and to help real-estate debtors. We should like to help people save their properties where possible, and we want to encourage and assist the organization of mortgage companies throughout the country. The Congress gave us this authority.

We do not want the Government to do all the lending, but the Government wants to assist in starting mortgage companies that will be operated on a sound basis, and that will lend on real estate at fair rates, both to meet present indebtedness and for new construction where the new construction is justified.

We are given some added authority in loans to railroads, largely for the purpose of assisting in reorganization. To what extent we can make use of this added authority is yet to be determined. We did not ask Congress for any additional funds, believing that we had all that we could safely use for the year 1935, approximately a billion dollars; and if our operations are serving a good purpose and more will be needed a year from now, Congress will be in session and can make provision. We do not want to continue the R. F. C. 1 day longer than it can be useful as an emergency organization.

In conclusion, I should like to observe, and with great emphasis, that there are increasing indications at every hand that conditions are improving. There is no longer fear in the hearts of people, only concern for the unemployed and anxiety about that phase of our situation. Great progress has been made and we have simply got to continue pounding away until the job is finished.

This we will do, as intelligent American citizens, under the leadership of Franklin Roosevelt.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Leo J. Keena, of Michigan, now a Foreign Service officer of class 1 and a consul general, to be Envoy Extraordinary and Minister Plenipotentiary to Honduras.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of John G. Utterback, of Maine, to be United States marshal for the district of Maine, to succeed Burton Smith, appointed by court.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Maj. Gen. (temporary)

John H. Russell to be a major general in the Marine Corps from the 1st day of September 1933.

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

The PRESIDING OFFICER (Mr. BYRD in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order. The clerk will state the first nomination.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations for promotions and for an appointment in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, February 19, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 18 (legislative day of Feb. 15), 1935

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Capt. Charles August Hoss to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Edward Eugene McCammon, Infantry.
Albert Thurston Rich, Quartermaster Corps.
Charles Bean Amory, Jr., Cavalry.

TO BE LIEUTENANT COLONELS

Harvey Henry Fletcher, Infantry.
John Frederick Landis, Infantry.
Joseph Stephens Leonard, Infantry.

TO BE MAJORS

Guy Douglas Thompson, Cavalry.
Marlin Clark Martin, Infantry.
David Lee Hooper, Corps of Engineers.

TO BE CAPTAINS

David Adams Taylor, Cavalry.
Edward Ward Smith, Ordnance Department.
Ronald Austin Hicks, Air Corps.
John Hadley Fonvielle, Coast Artillery Corps.
John Bartlett Sherman, Infantry.
Elmer Vaughan Stansbury, Cavalry.
Joe David Moss, Coast Artillery Corps.

TO BE FIRST LIEUTENANTS

Stanley Walker Jones, Infantry.
Francis Hobdy Lynch, Infantry.
Ronald John Pierce, Infantry.
James Joseph Fitzgibbons, Infantry.
Robert Henry Chard, Infantry.
Herbert John Vander Heide, Infantry.
Luke Bruce Graham, Infantry.
Rexford Wellington Andrews, Infantry.

POSTMASTERS

OHIO

Lata A. Barr, Amanda.
Floyd L. Carr, Bedford.
John D. Moorehead, Bethel.
Florence B. Nichols, Burton.
Ralph W. Litzenberg, Centerburg.
Dee C. Franks, Clyde.
Virgil Davis, Corning.
Curtis D. T. Watts, Crooksville.
Burton R. Taylor, Dresden.
Marion D. Freeders, Fairfield.
Lewis P. Jenkins, Huntsville.
Harry C. Lieurance, Jamestown.
James Woodward, Mineral Ridge.
Alice Marie O'Meara, Mount St. Joseph.
Henry J. Brubaker, New Carlisle.
John J. Cawley, Painesville.
William E. Alexander, Spring Valley.
Robert C. Boylan, Struthers.
Harry L. Hackett, Yellow Springs.

OKLAHOMA

Wade H. LaBoon, Chickasha.
Claude E. McMahan, Minco.

PENNSYLVANIA

Dennis J. Murphy, Barnesboro.
Henry C. Schultz, Easton.
Herbert H. Park, Gibsonia.
Joseph P. Stein, Glassport.
Thomas J. Geist, Hegins.
J. Paul Garrett, Herndon.
Lewis H. Mensch, Marienville.
Samuel B. Miller, Mifflinburg.
Claude E. Musser, Millheim.
Walter S. Mervine, Mount Pocono.
Chester A. Bower, New Oxford.
William G. Bott, New Sheffield.
Charles Gubin, Northumberland.
Joseph F. Gallagher, Philadelphia.
J. Harry Brownmiller, Schuylkill Haven.
Thelma G. Mackle, Seelyville.
Joseph E. Staniszewski, Shamokin.
Karl Smith, Sharpsville.
John A. Maurer, Tremont.
Mae Morgan Beagle, Watsontown.
Jeane C. Lewis, Weedville.
W. DeLancey Rinehardt, York.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 18, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, incline our hearts toward Him who reviled not when He was reviled, who bore with patience and fortitude the cruelty of the cross and died with these sublime words upon His holy lips: "Father, forgive them, for they know not what they do." We thank Thee for the divine love that means the emancipation of all struggling mortals. We praise Thee that it is so eloquent of hope and eternal life. Heavenly Father, do Thou rule above the convulsions and the confused strife of the nations. O stay their foundations, and may they no longer rock beneath their feet. Blessed Lord, engaged as we are in a series of earnest labors, draw us toward the truth and awaken in our breasts the richest sentiments. Merciful God, guard our lips, keep our hearts free from guile and warm them with brotherly love, and Thine shall be the glory forever. In the name of Jesus. Amen.

The Journal of the proceedings of Friday, February 15, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 10. Concurrent resolution authorizing the Secretary of the Senate, in the enrollment of S. 932, to insert