

sidering the Borah resolution relative to the religious situation in Mexico; to the Committee on Foreign Affairs.

6320. By the SPEAKER: Petition of the board of aldermen of the city of Derby, Conn.; to the Committee on the Judiciary.

6321. By Mr. TURNER: Petition of H. B. Evans et al., citizens of Lynnville, Giles County, Tenn., asking that Congress pass a uniform Federal old-age-pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

6322. Also, petition of the Third Ward Democratic Club of Camden County, N. J.; to the Committee on Ways and Means.

6323. By Mr. KEE: Petition of members of the Railway Employees and Taxpayers Association of Bluefield, W. Va., urging the passage of Senate bill 1629 and House bill 5262; to the Committee on Interstate and Foreign Commerce.

## SENATE

THURSDAY, APRIL 4, 1935

(Legislative day of Wednesday, Mar. 13, 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 reading of the Journal of the proceedings of the calendar day, Wednesday, April 3, 1935, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE HOUSE

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

S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes; and

S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force.

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

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail; and

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.

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

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr.

OVERTON] are absent because of illness, and that the Senator from Virginia [Mr. BYRD] and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the Senator from Wyoming [Mr. CAREY], the senior Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Delaware [Mr. HASTINGS] are absent on official business; and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate. I will let this announcement stand for the day.

Mr. McNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

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

### PETITIONS AND MEMORIALS

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

Investigation Missouri River possibilities in North and South Dakota

Whereas it is necessary to check the flow of the Missouri River in North Dakota and South Dakota by means of a large manually controlled diversion dam; and to release the stored water as needed to maintain an average flow to the mouth of the Missouri River and to divert part of aforesaid stored water to furnish surface water for cities and villages in North Dakota and South Dakota; also part of aforesaid diverted water to be used in replenishing receding ground-water tables in North Dakota and South Dakota; and

Whereas many of the shelter belts now owned by farmers are dying from lack of ground-water supply; and

Whereas it would be necessary to restore ground-water tables before a shelter belt of such large proportions as proposed by the Government could be expected to survive; and

Whereas the control of the Missouri River between limits would make it entirely possible to afford the great Northwestern territory a less expensive transportation of agricultural products; and

Whereas the Missouri River forms a part of one of the most dangerous flood basins, namely, the Mississippi-Missouri Basin, which annually causes millions of dollars of property damage and loss of life; and

Whereas the Missouri River having caused local floods by excessive water and ice jams causes thousands of dollars of property damage and loss of life; aforesaid losses could be averted by complete Missouri River control; and

Whereas North Dakota and South Dakota were at one time one of the largest Northwest breeding areas for fowl in the United States, and with the receding water table causing water holes, sloughs, ponds, etc., to dry up, thus forcing aforementioned fowl to leave the aforesaid areas; and

Whereas with the development of the Missouri River a large amount of cheap electrical energy could be produced which would act as an incentive for industrial expansion within the States of North Dakota and South Dakota; and

Whereas every year thousands of acres of North Dakota's and South Dakota's most productive land is washed away by the Missouri River at its high stages; and

Whereas in view of the fact that proper development of the Missouri River very naturally comes under several different departments and/or commissions of the Federal Government, it is respectfully suggested that a commission of five engineers be created to properly investigate the obvious possibilities for development of the Missouri River in North Dakota and South Dakota: Now, therefore, be it

*Resolved by the House of Representatives of the State of North Dakota (the senate concurring therein), That we petition the United States Congress, now assembled, and the President of the United States, the Honorable Franklin D. Roosevelt, to appoint and instruct the aforesaid commission of five engineers; and be it further*

*Resolved, That aforesaid commission be selected from civil engineers in private life, one engineer to be chosen from the States of North Dakota and/or South Dakota; and be it further*

*Resolved, That the secretary of state of the State of North Dakota be and is hereby instructed to forward an authenticated copy of this resolution to the President of the United States, the Honorable Franklin D. Roosevelt, to the President of the United States Senate, to the Speaker of the House of Representatives at Washington, D. C., to the two United States Senators and the two Representatives from North Dakota in Congress.*

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of San Fernando, Calif., favoring the adoption of the so-called "Townsend

old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Local Union No. 107, Paper Plate and Bag Workers, and International Pocketbook Workers Union, both of New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which were referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the United States praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the city council of Muskegon Heights, Mich., and the board of aldermen of the city of Derby, Conn., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. CAPPER presented memorials of sundry citizens of Beaver and Clearwater, in the State of Kansas, remonstrating against the enactment of legislation amending the Agricultural Adjustment Act and the enactment of the so-called "commodities exchange bill", which were referred to the Committee on Agriculture and Forestry.

Mr. MALONEY presented the petition of R. C. Fisher and sundry other citizens of Waterbury, Conn., praying for an investigation of the alleged denial of justice to tenant farmers and share-croppers of the South by the Agricultural Adjustment Administration, and favoring the release and full publicity of the so-called "Myers report" on violations of acreage contracts, which was referred to the Committee on Agriculture and Forestry.

Mr. WALSH presented a letter in the nature of a petition from Miss Eleanor Baldwin, executive secretary, New England Anti-Vivisection Society, of Boston, Mass., praying for the enactment of Senate bill 1737, to exempt dogs from vivisection in the District of Columbia which, with the accompanying papers, was referred to the Committee on the District of Columbia.

He also presented a resolution adopted at a meeting of the Manufacturers and Employers' Association of Taunton, Mass., favoring the enactment of legislation restricting the importation of any textile article from any country in a greater volume than the average annual volume from such country during the years 1930 to 1934, both inclusive, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Melrose, Mass., remonstrating against the enactment of legislation inimical to public-utility holding companies, which was referred to the Committee on Interstate Commerce.

He also presented the memorial of the Arcade Malleable Iron Co., of Worcester, Mass., remonstrating against the enactment of Senate bill 87, the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. McCARRAN presented a joint resolution of the Legislature of the State of Nevada, favoring the enactment of legislation enlarging the Dixie National Forest, situated in Clark County, Nev., etc., which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented by Mr. PITTMAN on the 2d instant, p. 4829, CONGRESSIONAL RECORD.)

Mr. McCARRAN also presented a joint resolution of the Legislature of the State of Nevada, favoring the making of sufficient appropriation to establish a monument in memory of the miners of the State of Nevada, in the nature of a home for aged and indigent miners, at some suitable location within the limits of Virginia City, Nev., which was referred to the Committee on the Library.

(See joint resolution printed in full when presented by Mr. PITTMAN on the 2d instant, p. 4829, CONGRESSIONAL RECORD.)

Mr. NORRIS presented the following concurrent resolution of the Legislature of the State of Nebraska, which was referred to the Committee on Military Affairs:

Concurrent resolution concerning Spanish-American War troops

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 enlistments expired and reenlistment 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 Nebraska would be greatly benefited by such payment; and

Whereas House bill 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 (the senate concurring)*, That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed House bill 2024 of the Federal Congress; and be it further

*Resolved*, That the chief clerk of the house cause copies of this resolution, duly certified, to be transmitted to the Senators and Representatives in Congress from the State of Nebraska, 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.

Mr. NEELY presented the following concurrent resolution of the Legislature of the State of West Virginia, which was ordered to lie on the table:

House concurrent resolution concerning allotment of P. W. A. funds in West Virginia for road building

Whereas West Virginia was allotted only \$21,000,000 of the \$62,000,000 that would have been due the State on an equitable distribution of P. W. A. funds distributed in the past; and

Whereas a fair allotment to West Virginia of the proposed appropriation for P. W. A. service in the future will be approximately \$58,000,000; and

Whereas Ernest L. Bailey, State road commissioner of West Virginia, has asked for an allotment of \$20,000,000, to be used for construction and improvement of non-Federal roads in this State; and

Whereas the allotment of \$20,000,000, added to such amounts as the State can provide, will provide local employment for rural residents, provide farm-to-market roads, provide for rural mail delivery, permit consolidation of rural schools, and permit rural home owners to seek employment in nearby industrial centers while enjoying country life and the products of their farms and gardens: Therefore be it

*Resolved by the house of delegates (the senate concurring therein)*, That we approve and earnestly join in the request of Ernest L. Bailey, State road commissioner, that the amount of \$20,000,000 be allotted to West Virginia from P. W. A. funds, when made available by action of Congress, to be used under the direction of the State road commissioner for the construction and improvement of non-Federal roads in this State; and be it further

*Resolved*, That the clerks of the senate and house of delegates have copies of this resolution sent to the President of the United States and to each of the United States Senators and Members of the House of Representatives from West Virginia.

#### KEEP THE SCHOOLS OPEN

Mr. WHEELER. I present an editorial appearing in the April 2 issue of Labor, the weekly paper of the standard railway brotherhoods entitled "Keep American Schools Open", and also an editorial from the Washington Daily News of March 29 entitled "Keep the Schools Open", which I ask may lie on the table and be printed in the RECORD.

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

The editorials are as follows:

[Editorial in Apr. 2, 1935, issue of Labor]

KEEP AMERICAN SCHOOLS OPEN—CONGRESS SHOULD ACCEPT SENATOR CUTTING'S AMENDMENT—NEED OF TRADE-UNION ORGANIZATION AMONG TEACHERS

Senator CUTTING's amendment setting aside \$40,000,000 of President Roosevelt's huge relief fund to keep schools open in communities which have exhausted their resources should be approved unanimously by both Houses of Congress.

Only a few days ago Dr. John W. Studebaker, Director of the United States Bureau of Education in the Department of the Interior, announced the result of a survey of American schools made under his direction. The facts thus revealed are truly appalling.

Unless the Federal Government goes to the aid of the public schools at once, Dr. Studebaker predicts that 3,500,000 school children will be denied educational training after April 1.

In many instances teachers have not received a penny of salary since January 1 and yet they are sticking to the job.

It is not necessary to argue with readers of Labor that locking the doors of tens of thousands of American schools would be a calamity of major proportions. The nation that neglects its children is wantonly sacrificing its most precious asset. America cannot afford to make such a blunder.

Labor cannot refrain from recording, with what it regards as pardonable pride, that Senator Cutting's proposal was suggested by the Federation of Teachers, a real trade union, affiliated with the American Federation of Labor. Every teacher in the land should be a member of this excellent organization.

The present tragic plight of our schools is largely due to the fact that the big majority of our educators have failed to appreciate the value of organization. United in a militant union, they could do more to save America's endangered school system than any other single force.

[Editorial in the Washington Daily News of Mar. 29, 1935]

#### KEEP THE SCHOOLS OPEN

The Cutting amendment to the work-relief bill, setting aside \$40,000,000 to keep open the schools for the remainder of this school year, should be favorably considered by the House and Senate conference. All of this sum may not be needed, but there is no doubt that many of the States must have help.

Commissioner John W. Studebaker, of the United States Office of Education, estimates that 31 States have total deficits of \$37,000,000, out of which \$24,500,000 is needed to pay teachers' back salaries. Some 42,000 schools in 25 States are faced with immediate closing orders and 102,000 teachers with loss of income. In view of their meager salaries, loss of income would mean destitution for many teachers.

As F. E. R. A. Administrator Hopkins says, "Teachers should not be identified with relief." The Cutting amendment will keep teachers off the relief rolls, keep the schools open until June, and keep children off the streets.

#### REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (S. 1209) to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii, reported it without amendment and submitted a report (No. 415) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 885) to correct the naval record of Joseph Horace Albion Normandin, reported it with an amendment and submitted a report (No. 412) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1723) to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes, reported it with amendments and submitted a report (No. 413) thereon.

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 506) to credit the Klamath Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Klamath Reservation, Oreg., reported it without amendment and submitted a report (No. 414) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2088. A bill to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark. (Rept. No. 416); and

S. 2356. A bill to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920 (Rept. No. 417).

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 1783) for the relief of John F. Patterson, reported it without amendment and submitted a report (No. 418) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 1023) to provide for the payment of a military instructor for the high-school cadets of Washington, D. C., reported it with amendments and submitted a report (No. 419) thereon.

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

S. 1522. A bill to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children (Rept. No. 420);

S. 1524. A bill to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children (Rept. No. 421);

S. 1525. A bill to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation (Rept. No. 422);

S. 1526. A bill to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation (Rept. No. 423); and

S. 1530. A bill to authorize appropriations for the completion of the public high school at Frazer, Mont. (Rept. No. 424).

#### REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS— MINORITY VIEWS (REPT. NO. 361, PT. 2)

Mr. BAILEY. Mr. President, with reference to the pending legislation, I gave notice in the Committee on Commerce that I would reserve the right to file views of the minority to Senate bill 5. Thereafter I suffered an injury and was incapacitated. That accounts for the delay. I have, however, at last prepared the report. I know that we have proceeded far in the debate, and that there have been many amendments adopted to the pending bill, but I should like to have permission of the Senate to file the report at this time in order that it may be printed and put on the desks of Senators, even though that may be after the passage of the bill. If there is any objection, I will not insist, but my excuse is that I could not do the work sooner.

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

Mr. BAILEY. I yield.

Mr. COPELAND. Was the request of the Senator that he be permitted to file views of the minority?

Mr. BAILEY. Yes.

Mr. COPELAND. I have no objection to that, but I should like to add that if the bill should be finally disposed of, the report which has been presented may be revised to include the amendments which have been made.

Mr. BAILEY. I shall be glad to take that up with the Senator from New York in the course of the day.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the views of the minority will be received and printed.

#### ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. LONERGAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on today, April 4, 1935, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 255. An act for the relief of Margaret L. Carleton;

S. 274. An act for the relief of Charles C. Floyd;

S. 906. An act for the relief of Chellis T. Mooers;

S. 1391. An act for the relief of William Lyons;

S. 1520. An act for the relief of Charles E. Dagenett;

S. 1621. An act for the relief of Mrs. Charles L. Reed;

S. 1694. An act for the relief of C. B. Dickinson; and

S. J. Res. 21. Joint resolution authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

#### BILLS INTRODUCED

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

By Mr. NORRIS:

A bill (S. 2498) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; to the Committee on Commerce.

By Mr. GEORGE:

A bill (S. 2499) for the relief of Eddie B. Black; to the Committee on Finance.

By Mr. BONE:

A bill (S. 2500) to create and establish a national United States Educational Peace Commission to promote peace by means of education; to the Committee on Education and Labor.

A bill (S. 2501) for the relief of Shafer Schwartz; to the Committee on Military Affairs.

By Mr. McADOO:

A bill (S. 2502) granting an increase of pension to Anna L. Sweet; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 2503) authorizing the Comptroller General of the United States to credit certain sums of money to the account of Henry McReynolds; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 2504) to incorporate the Marine Corps League; to the Committee on Naval Affairs.

By Mr. COUZENS:

A bill (S. 2505) authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

A bill (S. 2506) repealing section 9 (processing tax) of title I of Public Law Numbered 10, Seventy-third Congress; to the Committee on Agriculture and Forestry.

By Mr. McCARRAN:

A bill (S. 2507) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes"; to the Committee on Banking and Currency.

By Mr. NYE:

A bill (S. 2508) to authorize the naturalization of certain resident alien World War veterans; to the Committee on Immigration.

By Mr. NEELY:

A bill (S. 2509) granting relief to Joseph M. Burr; to the Committee on Claims.

By Mr. McCARRAN:

A bill (S. 2510) authorizing the western bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 2511) to promote the safety of employees and travelers on railroads by providing for the inspection and investigation of conditions prevailing in train-dispatching offices and for the promulgation of necessary rules and regulations governing the working conditions of train dispatchers; to the Committee on Interstate Commerce.

By Mr. BAILEY:

A bill (S. 2513) to provide for a change in the judicial districts of North Carolina with respect to Durham County; to the Committee on the Judiciary.

#### REGULATION OF LOBBYING

Mr. BLACK. Mr. President, I ask consent to introduce a bill and to have it referred to the Committee on the Judiciary. It is a bill to define lobbyists, to require registration of lobbyists, and provide regulation thereof.

I wish to state that it is my intention to ask the Committee on the Judiciary to appoint a subcommittee to investigate and consider this measure at once. It is my belief that, with the vast expenditures the Government is undertaking, it is absolutely essential that some protection be afforded the public; and this measure, in my judgment, will provide protection from lobbyists who swarm into Washington.

The VICE PRESIDENT. Without objection, the bill will be received and referred as requested by the Senator from Alabama.

The bill (S. 2512) to define lobbyists, to require registration of lobbyists, and provide regulation thereof was read twice by its title and referred to the Committee on the Judiciary.

#### HOUSE BILLS REFERRED

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

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail; and

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.; to the Committee on Banking and Currency.

H. R. 2689. An act for the relief of Mary Ford Conrad; to the Committee on Claims.

#### REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS—AMENDMENTS

Mr. McKELLAR submitted three amendments intended to be proposed by him to the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, which were ordered to lie on the table and to be printed.

#### NATIONAL ECONOMIC COUNCIL

Mr. BULKLEY submitted the following resolution (S. Res. 114), which was referred to the Committee on Manufactures:

*Resolved*, That the Committee on Manufactures, or any duly authorized subcommittee thereof, is authorized and directed to investigate the desirability of establishing a national economic council and to make recommendations with respect to the functions and duties which might be assigned to such council. The committee shall report to the Senate as soon as practicable the result of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

#### THE BITUMINOUS COAL INDUSTRY—ADDRESS BY SENATOR GUFFEY

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a radio address delivered over the National Broadcasting System April 2, 1935, by the junior Senator from Pennsylvania [Mr. GUFFEY] on the Guffey bituminous-coal bill.

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

I am going to talk with you briefly this evening on Senate bill 1417, known as the "Guffey bituminous coal bill", which has for its purpose the regulation of the bituminous-coal industry and the conservation of that natural resource.

Before proceeding with my subject I want to particularly express my appreciation and thanks to Hon. M. M. NEELY, the United States Senator from the State of West Virginia, who, as Chairman of the Subcommittee on Interstate Commerce, conducted hearings on the bill. His great knowledge of the subject and desire to be of help in formulating legislation which will enure to the benefit of the people of this country made him the ideal person to conduct these hearings. He has most intelligently, industriously, and successfully discharged his duties.

The legislation provided in the Guffey bituminous coal bill is, in my judgment, of paramount importance to the owners of the bituminous mines in this country, the miners who work in the bituminous mines, and last, but not most important, the great majority of the people of this country. The legislation is important to the mine owners because it will enable them, as well as their associate investors, to make a profit through the operation of their mines. It is important to the mine labor of the country in that it will enable them to obtain more steady employment at wages which will make it possible for them to enjoy a much

higher standard of living than that to which they have been accustomed in years past. It is important to the great majority of the people of the country, because it will regulate production and thereby preserve this great natural resource for the benefit of the public.

This measure has the support of operators producing a majority of the tonnage in America. It is backed by 95 percent of the men engaged in mining coal. And with the exception of a few selfish interests, it has not been opposed by the consumer.

The proponents of this bill are intensely interested in its success. They believe fully that its failure would bring immediate catastrophe to the bituminous coal industry, ruining thousands of producers, impoverishing half a million miners and their 2,000,000 dependents, and jeopardizing the Nation's fuel supply.

Interstate commerce depends upon it, not only for power in transportation, but in the manufacture of most articles of trade between the States. The very life of America's commerce has its origin in bituminous coal. To foster and safeguard the industry is thus a national problem and obligation.

America's future place among the nations of the world depends largely upon its supply of power—bituminous coal, and for that reason we have a duty to conserve it.

Yet by our failure to control and regulate this most important natural resource, the industry has been conducted in a manner that threatens its destruction.

Unrestricted production and cutthroat competition have resulted in mining practices that waste 20 percent of our best bituminous reserves, and at the same time have brought ruin to producers and poverty to labor.

The Nation's major supply of fuel is in danger from day to day. Operators in the industry were bankrupt and miners on the verge of starvation, when saved temporarily by the Government through the N. R. A.

The purposes of this bill, and the conditions which we seek to remedy, are as follows:

To conserve America's most important natural resource, which, through wasteful mining and operating practices, is being so rapidly depleted that the National Government already is counting the years when our most valuable bituminous deposits will be exhausted.

To thus insure the consumer an adequate supply of fuel at reasonable prices not only for the present but in the long future, when America will be forced to compete with other countries with respect to fuel and power.

To stabilize an industry that for 50 years has failed to conduct successfully its own business, and to do this in the interest of the entire Nation, whose fuel supply is at stake.

To provide a living wage for the 500,000 men in the industry and their 2,000,000 dependents, all of whom most of the time have lived close to starvation.

To build up a national bituminous-coal reserve, owned by the American people, so that for the future we will be assured of an ample supply of fuel at reasonable costs.

What most appeals to me is that the rights of all interests—the consumer, the producer, and the workmen—are safeguarded by placing the industry under the control of a national commission, appointed by the President, by and with the advice and consent of the Senate, the commission reporting to the Congress through the Department of the Interior.

To stabilize the industry several steps are necessary. Every authority and interest admits that the demoralization of the bituminous-coal industry comes from overproduction. With present facilities America can produce 100 percent more coal than it can consume. This has resulted in cutthroat competition and unfair trade practices, with ruin for the operator and starvation for the miner.

The fundamental remedy then, as agreed by all, is to control production. This is accomplished through the Commission which is required to fix the national tonnage.

The Commission apportions to each of the 21 districts their proportion of the national tonnage, and it has the right to increase such quotas if there is a need for additional coal.

The district boards then allocate the district tonnage to the various mines under their jurisdiction. Mine owners have the right to appeal to the Commission. They are thus protected.

The second step in stabilization calls for fixing standard hours of labor and wages. This is absolutely vital, or one section of the country will be cutting the throat of another.

Thus, through the Commission, having allocated tonnage by districts and fixed hours of labor, and, through the district boards, fixed mine quotas and established wage scales by collective bargaining, the next step is to determine fair minimum and maximum prices for the consumer.

This is made easier in the coal industry because labor costs amount to 65 percent of the cost of production.

As the Commission has power to require the producers to maintain uniform systems of accounting of costs, wages, operations, sales, profits, losses, and the like, the consumer is given adequate protection against unfair prices. As an additional safeguard, the consumer is given the right of appeal to the Commission.

Carrying out the ideals of the N. R. A. with respect to the rights of labor, provision is made for collective bargaining, and the rights of the workmen are fully protected in the bill.

A sincere effort has been made throughout to safeguard every interest and to give each the fullest right to hearings in every controversy that may arise under the bill.

The successful operation of the industry having been thus assured, the Commission is then empowered to plan for the future of bituminous coal. Because at least 20 percent of our most valuable coal reserve is being wasted through inefficient mining practices, the Commission is authorized to investigate the problem with a view toward conserving this valuable resource.

Finally, through the Commission and the Department of the Interior, a great national coal reserve is to be built up.

At the same time we have given thought to the miner, who may be thrown out of work through the closing of mines. He is to be trained and placed in other fields of employment.

Both the purchase of coal lands and the rehabilitation of the miner are financed through a bond issue authorized by the Federal Government. But as both interest and principal are to be paid by a tax of a few cents a ton on all coal mined, such financing will require no outlay by the Congress.

The entire cost of administration under this bill is paid for by the industry. The district boards are supported by their own members, assessments being made upon a tonnage basis. The administrative costs of the Commission and of the Labor Board are provided for in the small tax on coal production.

The problem, to my mind, narrows down to these simple propositions:

1. Does the bituminous-coal industry need governmental regulation?

The great majority of witnesses appearing before the committee insisted that Government regulation was necessary.

2. Will the legislation provided in this bill assist the mine owners and investors to operate at a fair profit?

Representatives of 85 percent of the mine operators of the country testified before the committee that it would.

3. Will the legislation provided in this bill result in the payment of better wages to and living conditions for those employed in the mines?

Representatives of 95 percent of the bituminous mine labor of this country testified that it would.

4. Will the legislation provided in this bill result in the creation of a reserve of bituminous coal for the benefit of our people in years to come?

Everyone testifying on this feature of the bill declared that it would. The conversation clause of the bill is based upon the findings of the Natural Resources Board, which was appointed by the President for the purpose of making a report to him. This Board has in my opinion made one of the finest reports ever submitted to a Chief Executive, and its recommendation will undoubtedly be carried out by this administration.

#### STEPS IN THE RESTORATION OF CONFIDENCE—RECOMMENDATIONS OF INTERNATIONAL CONFERENCE

Mr. WAGNER. Mr. President, I ask unanimous consent that there be printed in the RECORD a resume of the recommendations of an international conference held at Chatham House, London, March 5-7, 1935, on "steps to be taken to restore confidence by promotion of trade and reduction of unemployment, stabilization of national monetary systems, and better organization of the family of nations to give security and to strengthen the foundations on which international peace must rest."

This conference was composed of 60 of the most distinguished economists, business men, and statesmen drawn from 10 different countries who reached a unanimous conclusion upon these questions considered.

As I understand, this conference was presided over by that distinguished world scholar, Dr. Nicholas Murray Butler, president of Columbia University and president of Carnegie Endowment.

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

#### CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

INTERNATIONAL CONFERENCE HELD AT CHATHAM HOUSE, LONDON, MARCH 5-7, 1935, ON STEPS TO BE TAKEN TO RESTORE CONFIDENCE BY PROMOTION OF TRADE AND REDUCTION OF UNEMPLOYMENT, STABILIZATION OF NATIONAL MONETARY SYSTEMS, AND BETTER ORGANIZATION OF THE FAMILY OF NATIONS TO GIVE SECURITY AND TO STRENGTHEN THE FOUNDATIONS ON WHICH INTERNATIONAL PEACE MUST REST

#### MEMBERS OF THE CONFERENCE

(The names of those unable to attend are printed in italics)

#### Belgium

M. Paul van Zeeland, Brussels, vice governor of the Bank of Belgium; professor in the University of Louvain.

#### France

M. Jacques Rueff, Paris, directeur-adjoint du mouvement général des Fondes in the Ministry of Finance.

M. René Seydoux, Paris, sous-directeur de l'École Libre des Sciences Politiques.

*Germany*

Dr. Ernst Trendelenburg, Berlin, vice president of the Economic Chamber of the Reich; for some time secretary of the Ministry of Commerce with special relationship to tariffs and customs' problems.

Dr. F. A. Grüger, secretary, Berlin.

*Holland*

Dr. E. Heldring, Amsterdam; former president of the Amsterdam Chamber of Commerce; managing director of the Netherlands Steamship Co.; and a director of the Netherlands Bank.

*Italy*

Prof. Luigi Amoroso, Rome, professor of economics in the University of Rome.

Dr. Umberto Padovan, secretary, London.

*Norway*

Sir Karl Knudsen, Oslo, president of the Norwegian Chamber of Commerce; director of Hambros Bank, Ltd.

*Sweden*

Dr. E. Classen, London, secretary of the Swedish Chamber of Commerce in London.

*Great Britain*

Sir Alan Anderson, London, director of the Bank of England; director of the Suez Canal Co.; manager of the Orient Line; honorary treasurer of the International Chamber of Commerce.

Sir Norman Angell, London, author; former M. P.; awarded Nobel peace prize, 1934.

*The Honorable Cyril Asquith*, London, author; barrister at law. Henry Bell, London; banker.

*Sir William Beveridge*, London, director of the London School of Economics and Political Science since 1919.

Wyndham A. Bewes, London, secretary of Grotius Society.

Prof. Arthur L. Bowley, London, professor of statistics in the University of London; member of the council of the Royal Statistical Society.

Sir Edward Boyle, London, chairman of the Balkan Committee.

C. J. L. Brock, secretary, London, secretary of the Dunford House (Cobden Memorial) Association.

The Right Honorable Viscount Cecil of Chelwood, London, President of the League of Nations Union; M. P., 1906-23; Parliamentary Under-Secretary for Foreign Affairs, 1915-16; Minister of Blockade, 1916-18; Lord Privy Seal, 1923-24; Chancellor of the Duchy of Lancaster, 1924-27.

The Right Honorable Sir Austen Chamberlain, London, M. P.; Chancellor of the Exchequer, 1903-6 and 1919-21; Secretary of State for Foreign Affairs, 1924-29.

Prof. Henry Clay, London, economic adviser to Bank of England.

The Most Honorable the Marquess of Crewe, London, secretary of state for the colonies, 1908-10; and for India, 1910-15; ambassador to France, 1922-28.

The Right Honorable Lord Dickinson, London, president of the World Alliance for Promoting International Friendship through the Churches; chairman of the London Council of Social Service.

G. M. Gathorne-Hardy, London, honorary secretary of the Royal Institute of International Affairs.

Dr. George P. Gooch, London, economist and historian; joint editor of British documents on the origin of the war.

Prof. T. E. G. Gregory, London, professor of banking in the University of London.

The Right Honorable Arthur Henderson, London, M. P.; Secretary of State for Foreign Affairs, 1929-31; president, Disarmament Conference, 1932-33.

Francis W. Hirst, London, economist; editor of *The Economist*, 1907-16.

J. B. Hobman, London, journalist; editor of the *Westminster Gazette*, 1922-28.

*The Right Honorable Lord Howard of Penrith*, London, member of British delegation to the Paris Peace Conference, 1919; Ambassador to the United States, 1924-30.

Sir Robert A. Johnson, London, Deputy Master and Controller of the Royal Mint since 1922.

Harcourt Johnstone, London, M. P.; Liberal Party Whip.

Commander Stephen King-Hall, London, author and publicist.

Sir Walter T. Layton, London, editor of *The Economist* since 1922.

The Most Honorable the Marquess of Lothian, London, secretary of the Rhodes Trust since 1925; Parliamentary Under-Secretary for the India Office, 1931-32.

Iverson S. Macadam, London, secretary of the Royal Institute of International Affairs.

Sir Charles E. Mallet, London, M. P. 1906-10; Financial Secretary to the War Office, 1910-11; Secretary for Indian Students at the India Office, 1912-16.

J. Ramsay Muir, London, historian and man of letters; president of the National Liberal Federation since 1933.

Prof. Gilbert Murray, Oxford, Regius professor of Greek in Oxford University; chairman, League of Nations Union; member of European Committee of Carnegie Endowment.

Sir George Paish, London, on editorial staff of the *Statist*, 1898-1916; adviser to the British Government on financial and economic questions, 1914-16.

J. Beaumont Pease, London, chairman of Lloyds Bank, Ltd.

Sir Percival Perry, London, chairman of Ford Motor Co., Ltd.; director of National Provincial Bank.

The Right Honorable Lord Queenborough, London, treasurer of the League of Nations Union.

The Right Honorable Lord Rhyader, London, M. P., 1905-18, 1923-24, 1929-31; Liberal and Labor candidate at several elections.

Prof. Lionel C. Robbins, London, professor of economics in the University of London.

The Honorable Francis Rodd, London, banker; student of international finance.

J. A. de Rothschild, London, M. P. since 1929.

Sir Arthur Salter, London, Gladstone Professor of Political Theory and Institutions in Oxford University.

The Right Honorable Sir Herbert Samuel, London, M. P.; leader of the Parliamentary Liberal Party.

J. A. Spender, Chelsfield, Kent, editor of the *Westminster Gazette* 1896-1922; member of the European Committee of the Carnegie Endowment.

Harold Stannard, London, journalist; correspondent of the Carnegie Endowment.

The Right Honorable Sir Arthur Steel-Maitland, London, former M. P.; minister of labor, 1924-29.

Sir Henry Strakosch, London, member of the financial committee of the League of Nations since 1920; member of the Royal Commission on Indian Currency and Finance, 1925-26; delegate of India to Monetary and Economic Conference, 1933.

Arnold J. Toynbee, London, author; director of studies in the Royal Institute of International Affairs.

Hartley Withers, Ingatestone, Essex, editor of *The Economist*, 1916-21; editor of financial supplement of *Saturday Review*, 1921-23.

Prof. Alfred Zimmern, Oxford, Montague Burton, professor on international relations in Oxford University.

*Canada*

Prof. W. A. Mackintosh, Kingston, Ontario, professor of economics in Queens' University, Kingstown, Ontario.

*United States*

Nicholas Murray Butler, New York, president of Columbia University; president of Carnegie Endowment.

Malcolm W. Davis, Geneva, representative of the Carnegie endowment at Geneva.

Leon Fraser, Basel, president of the Bank for International Settlements at Basel.

Charles O. Hardy, Washington, D. C., member of the research staff, Brookings Institution, Washington, D. C.

Henry S. Haskell, secretary, New York, assistant to the director of the Division of Intercourse and Education of the Carnegie Endowment.

Phillip C. Jessup, New York, associate professor of international law in Columbia University.

Peter Molyneux, San Antonio, Tex., editor of *The Texas Weekly*; a trustee of the Carnegie Endowment.

The Honorable Frederic M. Sackett, Louisville, Ky., United States Senator, 1925-30; Ambassador of United States to Germany, 1930-33.

## PROGRAM OF THE CONFERENCE

*Tuesday, March 5*

The president of the Carnegie Endowment opened the conference.

The Most Honorable the Marquess of Crewe in the chair.

Discussion opened by Dr. E. Heldring of Amsterdam.

Topic: The promotion of trade, the reduction of unemployment and the restoration of agricultural prosperity.

*Wednesday, March 6*

J. A. Spender, Esq., in the chair.

Discussion opened by Prof. T. E. G. Gregory of the University of London.

Topic: The stabilization of national monetary systems.

*Thursday, March 7*

The Right Honorable Sir Austen Chamberlain in the chair.

Discussion opened by Prof. Philip C. Jessup of Columbia University in the City of New York.

Topic: The better organization of the family of nations in order to restore confidence, to give security, and to strengthen the foundations on which international peace must rest.

## RECOMMENDATIONS ADOPTED BY THE CONFERENCE

## I

1. Seeing that the commercial policy of creditor nations is of supreme moment to the financial and economic stability of debtor countries in all parts of the world, this conference recommends that the Governments of the United States and Great Britain, the world's greatest creditor nations, be requested to consult together and with such other governments as it might be advisable to approach, for the purpose of agreeing upon measures to enable the debtor nations to meet their obligations in goods and services and thus of materially assisting in the work of creating stability and restoring confidence.

2. The conference draws the attention of governments to the desirability of forming low-tariff or free-trade unions on the model of the Ouchy Convention, to which any nation which did not originally join might afterward adhere on the same terms.

In this connection attention is also directed to the treaty drafted at the Montevideo Pan-American Conference, with special reference to the most-favored-nation clause.

## II

Seeing that the instability of currencies and the chaotic condition of exchanges are among the chief causes of—

- (1) the difficulties which trade experiences every day in concluding international transactions;
- (2) many of the barriers farther restricting that trade, such as exchange restrictions, compensation, and clearing treaties, quotas, and many of the increases of tariffs;
- (3) the accumulation of gold at a few centers and the hoarding of gold on an extensive scale;
- (4) the discouragement of long-term lending, the resumption of which would mean increased movement of goods and a reduction in the abnormal volume of floating balances;
- (5) A narrowing of the world's market and a decline of world prices;

We recommend that the leading governments, especially in the first instance those of France, Great Britain, and the United States, should consult one another without delay for the purpose of coming to a provisional stabilization of exchange on the basis of gold—allowing for the possibility of readjustment in case of need—with a view to the establishment of a stable world gold standard.

## III

Fundamentally, international, economic, and financial problems depend for their solution upon the preservation of peace and the restoration of political confidence and security.

Throughout the world the people as a whole are earnestly desirous of peace and eagerly anxious that practical steps be taken to secure it.

Therefore, the policies of governments and their use of the organs of international organization should be such as will strengthen the habit of consultation between nations on equal terms, and thus keep them out of the atmosphere of war which, when it exists, makes almost impossible an adequate period of time for negotiation and the peaceful solution of disputes. These policies would include—

1. Strengthening the League of Nations and increasing its influence and authority as an impartial instrument of all the nations.
2. Steadily building the habit of the judicial settlement of international disputes by use of the Permanent Court of International Justice, of the Permanent Court of Arbitration, and of commissions of inquiry and conciliation.
3. Checking the constant growth of armaments, which may so easily be used for violating the pledge given in the Pact of Paris and which are so heavy a burden upon the taxpayer.
4. Steps to increase the effectiveness of the Pact of Paris by providing a regular method of consultation and by affording an adequate interpretation of the Pact and of the obligations implicit in it.
5. Recognition by peoples as well as by governments of the fact that continuous consultation is the best safeguard against war and that should restraints ever be necessary economic measures could or would be effective if virtually universal, and that, if effective, military measures would be unnecessary.
6. Cooperation of the nations to raise the standard of living of their several peoples and to assist in solving their pressing social problems as has already been undertaken through the International Labor Organization.

## IV

Believing it to be important that there shall be made available in accessible form all possible accurate information with respect to international economic relations, we recommend that the trustees of the Carnegie Endowment for International Peace and the officers and directors of the International Chamber of Commerce shall give consideration to the practicability of sponsoring jointly the institution of a competent commission to make a comprehensive and exhaustive survey and study of international economic relations in all of their aspects, to the end that a better understanding of these relations by the peoples of the world may be promoted and the cause of economic stability and progress furthered.

INCOME TAXES AND THE SALES TAX—STATEMENT BY MR. E. A. FILENE

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the RECORD a very able presentation by E. A. Filene, of Boston, before the Committee on Taxation, Massachusetts Legislature, March 7, 1935, on the subject of income and the sales tax.

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

Mr. Chairman and gentlemen of the committee, to save your time in the pressure of a busy legislative session, I have reduced my statement to writing; but at the risk of seeming, perhaps, to be wandering from the subject, I wish to urge at the outset that you approach this problem of taxation, not merely with the thought of how the necessary State funds can most easily be raised, but in the light of the present great crisis in American affairs.

I have just returned from another coast-to-coast, first-hand study of conditions in our country, and I confess that I am not only alarmed but appalled. The way is still open for a solution of our economic problems, and for the achievement of such prosperity as our country has never known before. But there are attitudes, points of view—commonly accepted points of view—which

are keeping us as a nation from taking that way, and this has led to the mobilization of many millions of Americans in strange, economically unsound campaigns which if successful can lead only to the collapse of our economic system and the possible destruction of our present political system.

I am speaking in part out of a rich experience in the State of Louisiana where there is a movement which amounts virtually to war between the rich and poor. Yes; I have met HUEY LONG and have watched him for hours successfully dictating as to what shall be done to the legislature and the highest executives of Louisiana. HUEY does not hesitate to call it war. Four and a half million Americans, he tells me, are already enrolled in his "share the wealth" campaign. Father Coughlin, of Michigan, boasts of an enrolled following of eight and a half million; and 21,000,000 Americans, including the "conservative" Governor of California, have enrolled under the leadership of Dr. Townsend in a Utopian drive to restore prosperity by paying \$200 a month to everybody as a reward for becoming 60 years old.

I am not blaming Townsend, Coughlin, Long, and the others for this movement of Americans away from safe and sane economic principles. I look upon them all as results, not causes, of what is wrong with America; and what is wrong is definitely a wrong attitude, both in business and in government, toward the problem of mass misery in a nation abundantly able to produce mass prosperity.

These movements, all told, already claim to have the balance of power in the next election. Nothing will more surely make this true than if these leaders can tell their people that we who have escaped the acute poverty of the depression now propose to reduce or do away with income taxes and, by sales taxes, make them carry the burden of government.

I shall not here enter into any criticism of organized wealth in America: but this attitude that I speak of is nowhere more apparent than in the action of many sincere, well-meaning, and patriotic legislatures in preparing what they believe to be fair bills of taxation. You gentlemen, I know, do not wish to solve the tax problem by merely "soaking the rich"; and it might appeal to your sense of justice and your economic reasoning, if I were to come before you with a plea for a reduction of income taxes, especially in the higher brackets. I might plead that I am already turning over approximately half of my annual income for the support of government, and urge you to widen the base of the tax burden so as to bring more Americans into an understanding of their responsibility as citizens and arouse their interest in the reduction of governmental expenditures.

I beg of you, however, not to be misled by such appeals; for if, in a national crisis, you have to choose between soaking the rich and soaking the most helpless elements of our population, I beg of you, in the name of justice and fair play to soak the rich—if, remember, there is no alternative than to soak the poor.

And you are in a position, gentlemen, where you will have to make some such choice. You've got to raise money. You've got to do it by one means or another; and the chances are that your choice has already narrowed down to a choice of a higher income tax or the imposition of a sales tax. I am not here in behalf of any particular bill; but if that is your dilemma, I urge you, as a business man, to increase the income tax, especially in the higher brackets and especially on the unearned incomes.

You cannot look at this matter solely in terms of present conditions in Massachusetts. You must think of it in the light of what is happening in America at large, and which, from the present outlook, may soon infect Massachusetts. The reason that you must raise more money is because of a condition of business depression throughout our country. What caused that depression? It cannot be denied that this depression was due, and is due, to the fact that organized business in our country did not organize business, and still hesitates to organize business, in such a way as to keep everybody profitably employed.

I do not mean to scold. Let us say that we business men did not know how to effect such an organization of business, because such an organization of business had never been necessary before. Let us say that we could not understand the President's recovery program and that we couldn't realize the necessity for any new deal.

Let us say that we believed that every American had a right to make all the money that he could and to keep the rewards of his industry and business enterprise. The fact remains, however, that organized business failed to cope with this crisis when it came, and millions of Americans whose very lives depended upon their being employed were thrown out of employment and, through no fault of their own, were compelled to look to Government for relief.

We who had been business leaders could still live. We could still buy enough to supply all our bodily wants; but our incomes nevertheless went down and down, while the demand for relief went up and up; and it was only natural of us under the circumstances to cry for a reduction in taxes, or at least for a tax which would be spread to include the masses of our people.

Hence, many began to agitate for the sales tax. It seemed so sweetly reasonable. People would only have to pay, they said, according to their means. Those who lived in luxury would have to pay much, and those who lived in poverty would have to pay but little. And since the average American was likely to think of wealth in terms of the luxury enjoyed by the wealthy, there was never any great organized opposition to such a plan. The flaw in the argument, however, was that a man with a large income had to use but a small fraction of that income for his living expenses,

whereas a man with a small income had to use it all to keep himself and his family alive.

The sales tax practically eliminates the wealthy from its taxation and places the burden of government upon those least able to bear it; and yet, from the moment that the first sales tax was introduced, there has been a definite movement everywhere to substitute the sales tax for the income tax, on the claim that the sales tax is so much more easily collected.

The Legislature of Massachusetts, like the legislatures of all the States, must face this problem. Call it "soaking the rich" if you like, to increase the income tax in the higher brackets, but will this legislature prefer to soak the poor on the ground that the poor can be soaked so much more conveniently?

There are reasons, however, and excellent business reasons, why taxation should be rated according to income rather than to the purchase of commodities, and when organized business throughout America once grasps the imminent danger of the present crisis, there will be little agitation for the sales tax as opposed to the income tax excepting on the part of those who are entrenched in special privilege and have no other thought of government excepting the desire to use it to keep their special privileges intact.

For this depression, we must recognize, was brought about by just one basic cause. That was that the masses of Americans could not buy the ever-increasing volume of American industry. Our machines had become so productive that, if the masses could not buy their products, they could not be sold at all.

How much the masses could buy, however, depended mainly upon two things. First, upon how much they received in wages. Second, upon the price demanded for the goods. The sales tax obviously increases prices to the consumer, and thus restricts the market for all legitimate business at a time when the great business necessity is for an increase of that market. I do not claim any unselfishness, then, in urging the Legislature of Massachusetts to shun the sales tax as an economic plague. You will not only be doing your duty by the consuming public of Massachusetts if you remember this but you will be serving business, in the last analysis, in the best way that business can possibly be served.

It is not necessary for me to tell you that I do not personally welcome any increase in my income tax, any more than do those who are interested in this agitation to shift the tax burden to the shoulders of the weak. I will agree, if you wish, that our present income taxes are almost unbearable, and that the base of the income tax should be made much wider. But the way to widen the base of the income tax is not to impose taxes upon those who have no income more than enough to keep their families alive. The way to broaden the base of the income tax is to provide income—taxable income—to the masses of American people; and, when American business is sufficiently alive to its business responsibilities, it will see that this is done. In the meantime, I urge upon your committee, and upon the legislature of Massachusetts, that you do not add your contribution to the forces that are tearing America apart, and that are producing this despair—this mass sense of injuries endured, which is causing our millions to enroll in all these utterly chaotic drives. Despair, we must remember, is not a matter of logic, and there is no logical answer to it. Despair is brought about by wrong economic conditions which result from wrong economic thinking. I believe that I am playing the part of a true conservative, then, when I urge you against any step which will further increase the rapidly growing power of this organized and so dangerous wrong thinking.

Do not imagine for a moment that the evils of the sales tax can be avoided by exempting a list of articles which are supposed to be the bare necessities of life. For the sales tax, in the first place, will raise the cost of living generally. It will increase prices generally; and business, to be on the safe side, will not only pass the tax on to the consumer, but will pass the tax plus what is decided to be a safe margin on to the consumer. There are times also when those who are living close to the line of poverty need things which legislators generally would class as luxuries, but which, for the time being, become necessities as genuinely as are milk and bread. A sick child, for instance, may have to be taken to the hospital in a hurry, and may, therefore, have to be taken in a taxi-cab, although we are inclined to think of taxicabs as luxuries. It is the circumstance which creates necessity; and no sales tax can be devised which will not strike at the weakest and most helpless element of our population. If, on the other hand, you do impose a seemingly intolerable burden upon the rich, it will only spur them to the kind of action to which they should be spurred. It will spur them to see, for instance, that waste and graft and special privilege in government have to be paid for out of their pockets; and they will throw their influence, as they have never heretofore thrown their influence, toward really reducing taxation by the effective fighting of all tax-increasing graft and special privilege. In this way, eventually, income taxes may also be reduced.

And finally, I beg to remind you that you cannot keep the sales tax from becoming an intolerable burden upon those least able to bear it, by making the tax small and seemingly insignificant. Once let the principle be established, and legislators, under the necessity of raising more funds, will certainly increase the tax. Already, the State of California has a 2-percent sales tax, and the Governor of California is definitely proposing in his budget message to raise it to 3 percent. And already, in the same State, bills are before the legislature to abolish the income tax. Similar things are happening in other States. Within the past week, according to the newspapers, a campaign in this same direction has been launched in New York State.

That is something which is bound to happen; and the same influences which are causing it to happen in California and elsewhere will soon be hard at work in Massachusetts. I know of no other point at which the issue, which is tearing our Nation apart, is more clearly set forth than in this issue of taxation. In this crisis, I hope that Massachusetts will do her part for mass prosperity—toward healing the wounds which the masses have received and avoiding the peril inherent in these mass movements of today—by placing the burden of taxation upon those of us who are best able to bear it.

#### PROPOSED BANKING ACT OF 1935—ANALYSIS BY SENATOR ADAMS

Mr. O'MAHONEY. Mr. President, on last Monday the junior Senator from Colorado [Mr. ADAMS] delivered an able and courageous analysis of pending bank legislation in the National Radio Forum. I ask unanimous consent that the address be printed in the RECORD.

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

The presentation by the national administration of a new bank bill modifying in essential respects the banking system of the country is a matter of vital importance to the entire citizenship of the United States.

The proposed bill consists of three subdivisions designated as titles I, II, and III.

Title I provides for the merger of the present temporary deposit-insurance plan into a permanent plan. All banks now insured under the temporary plan will come under the permanent insurance plan without further examination or certificate.

The permanent plan will insure the deposit of each individual depositor to the extent of \$5,000, as under the present temporary plan. The existing law, which would have put the permanent plan in effect July 1 of this year, would have imposed an unlimited liability upon insured banks for assessments to replenish the insurance funds. The new bill proposes to change this requirement so that the obligation of banks insured in the permanent fund will be limited to an annual payment into the insurance fund of one-twelfth of 1 percent of the amount of their total deposits, insured and uninsured.

Title III contains a number of amendments of various features of the banking law which seem to meet the approval of the administration, the public, and the banks. My limited time will not permit a full or adequate consideration even of the more important provisions of title II, so it will be impossible to discuss the provisions of title III.

Title II, if adopted, would make radical and fundamental changes in our banking system. Under the existing law the 12 Federal Reserve banks, which are located in commercial centers in the 12 Federal Reserve districts of the country, exercise a high degree of independence in their operation. The capital of these Federal Reserve banks is furnished by the banks affiliated with them. Of the 9 members of the board of directors of each Federal Reserve bank, 6 are elected by the stockholding banks, or, as they are designated, "the member banks", within the district. Three members of the board are selected by the Federal Reserve Board, at Washington. The executive officer of each of the Federal Reserve banks, known as the "governor", is selected by the board of directors of the Federal Reserve bank and paid by the bank which he serves. The Federal Reserve Board has no control over the selection or compensation of the governors of the Federal Reserve banks. The deliberate purpose of the framers of the Federal Reserve System was to secure a decentralized banking and currency control to avoid a centralization of banking and financial control in Washington or New York City. It was planned that there should be a connection and relationship among the Reserve banks so that the resources of one or more of these banks would be available to the other Federal Reserve banks when their own resources were inadequate to meet the demands. The funds in the control of the Federal Reserve banks consist of the capital, all of which is subscribed by the member banks; the deposits of the member banks, and the earnings of the Federal Reserve banks from their operations. The new bill proposes to repeal the statutory requirements which now require member banks to keep on deposit with the Federal Reserve bank as a reserve not less than a fixed percentage of their deposits and to give the Federal Reserve Board complete discretion to fix the amount thereof. The new bill places no limits whatever upon the discretion of the Federal Reserve Board in fixing these reserves. They can increase these requirements over the present statutory requirements or can reduce them. The act further provides that there need be no uniformity in these Reserve requirements, so that there can be different rates in the several districts and different rates in the several classes of cities within the same Federal Reserve district. The proposal would give power to the Federal Reserve Board to control to a large degree the lending capacity of the individual member banks and, as a consequence, their earning possibilities.

Under the present law the governor or executive officer of the Reserve bank is naturally sympathetic and responsive to the needs and policies of the individual banks which are really responsible for his selection. The new bill provides that the selection of governor of each Federal Reserve bank must be approved by the Federal Reserve Board, thus bringing the executive officer of each of the Federal Reserve banks under at least partial control of the Board at Washington.

The individual banks constitute at the same time the stockholders, the depositors, and the borrowers of the Federal Reserve

banks. Under the existing practice, each Federal Reserve bank fixes the rate of interest which it charges its member banks upon moneys borrowed from it, but under the law the rate of interest to be charged member banks upon their borrowings from the Federal Reserve bank may be fixed by the Federal Reserve Board in Washington. The Federal Reserve Board may thus make borrowing by individual members attractive by a low rate or prohibitive by a high rate.

The present statute fixes the character of security that may be accepted by the Federal Reserve bank from the local bank to secure its borrowings. The original limitations upon these securities, which are commonly designated as "eligible paper", were quite narrow. Paper eligible to discount was restricted to certain specified types and among those types to that having early maturities. These restrictions proved to be unduly narrow for times of emergency and among the emergency legislation of the depression have been statutes widening the definition of eligible paper. However, those statutes either have or are about to expire. It is estimated that the total amount of eligible paper in the hands of member banks in 1929 did not exceed \$4,500,000,000, while the eligible paper at the low point of the depression did not exceed \$2,000,000,000. As the depression deepened, the amount of paper held by the member banks which was eligible to discount with the Federal Reserve banks under the statute declined until many banks throughout the country had no eligible paper. In many communities, especially the smaller communities, banking practices were such that none of the paper held by the banks met the requirements of the Federal Reserve statute. The result was that as deposits declined the banks were compelled, in order to pay depositors and to maintain their cash reserves, to sell bonds. As deposits were declining throughout the country, bonds were thrown upon the market in great quantities, with the inevitable consequence that bond prices declined greatly and banks suffered losses of hundreds of millions of dollars through the forced sale of their bonds at prices far below their fair values. The losses so suffered brought insolvency to many banks and tremendous losses to their depositors.

It has been quite generally recognized that the definition of paper eligible for discount at Federal Reserve banks should be broadened. The new bill, in the place of widening and expanding the statutory classification of paper available as security for bank borrowings at the Federal Reserve banks, proposes to repeal practically all statutory definitions and limitations and to give to the Federal Reserve Board at Washington full and unrestricted power to designate the kinds and classes of securities that may be accepted for discount by Federal Reserve banks.

The new bill provides that "subject to such regulations as to maturities and other matters as the Federal Reserve Board may prescribe, any Federal Reserve bank may discount any commercial, agricultural, or industrial paper and may make advances to any such member bank on its promissory notes secured by any sound assets of such member bank."

Governor Eccles, of the Federal Reserve Board in Washington, says in references to this provision, "What is proposed is that the problem of liquidity shall cease to a large extent to be a concern of the individual bank and shall become the collective concern of the banking system." "It is proposed to make it possible for banks without abandoning prudence or care to meet local needs for short-time and long-time funds and to be assured that in case of need they can resort to the Federal Reserve banks on the basis of all their sound assets regardless of the form or nature of the collateral."

This provision constitutes a fundamental departure from the theory heretofore prevailing as to the character of securities acceptable by Federal Reserve banks. Had this or a similar provision been in effect and liberal use made of it during the first years of the depression, many hundreds of banks which closed their doors could have continued to operate successfully, effectively, and soundly.

The present statute provides for an Open Market Committee, which consists of 12 members, 1 being selected by the board of directors of each of the Federal Reserve banks. As a matter of practice, the 12 governors of these banks have constituted this committee. The Open Market Committee thus created naturally represents the views and interests of the 12 Federal Reserve banks. While the existing act provides that the Federal Reserve Board may transmit to the Open Market Committee, and to the several Federal Reserve banks, regulations relating to open-market transactions of such banks, the individual Reserve banks are not obligated to participate in any open-market operations recommended or approved by the Federal Reserve Board.

The new act proposes to substitute for the existing Open Market Committee a board of 5, which shall consist of the Governor and 2 members of the Federal Reserve Board and 2 governors of the Federal Reserve banks selected by the governors of the Federal Reserve banks, in accordance with the regulations of the Federal Reserve Board. The present Open Market Committee can only make recommendations, but the proposed statute makes it mandatory upon Federal Reserve banks to comply with the recommendations of the Open Market Committee.

Many do not understand the significance and importance of the powers sought to be conferred upon the Open Market Committee. These provisions are probably more vital not only to banking and financial operations but to our national welfare than any other single provision of the Federal Reserve Act, either as it exists or as proposed to be amended by the new act.

The supply of money available for business and financial operations has a direct effect upon all prices and upon business activ-

ities. Rates of interest, prices of bonds, and securities are all affected by the available supply of money. In the hands of the Open Market Committee as proposed by the new bill will rest the power to increase or decrease the supply of money in this country. Therefore, upon the action of this committee may rest the country's financial welfare. By going into the market and selling securities the amount of money available for agriculture, industry, and commerce will be reduced, while by going into the market and buying securities the supply of money will be increased. The Open Market Committee will have under its control, under this new statute, for the purchase of securities all of the resources of the Federal Reserve banks, and for the purpose of sale all of their vast holdings of Federal and other securities. This vast power would be concentrated in the hands of a board of five men, three of whom, constituting a majority of the committee, are members of the Federal Reserve Board, and for all practical purposes subject to the direction of the President of the United States.

Governor Eccles of the Federal Reserve Board complains that the present Open Market Committee is unsatisfactory because it represents the views of commercial banks; that it has the local and not the national view. In other words, that they represent the views of the banks whose moneys have, in the main, supplied the funds with which the operations of the Open Market Committee will be carried on. Governor Eccles proposes that the Open Market Committee shall be a national agency and shall use the funds of the Federal Reserve banks primarily for national purposes without any control by the banks which provide the funds.

He recognizes the power of this committee, and when asked by a member of the House Banking and Currency Committee: "So it really gives you complete control of the money supply?" he answered: "That is right, namely, to that extent it is centralizing that function to a greater extent than it has ever been centralized."

The bill under consideration is a reversal of the fundamental theory and purposes underlying the Federal Reserve System. The Federal Reserve System was not organized to conduct governmental financial operations or as a financial arm or agency of the Government. It was designed primarily to be an agency partly under governmental control and with governmental assistance to protect and coordinate the resources of the banks of the United States for the benefit of agriculture, industry, and commerce. There has been, however, a gradual diversion of its functions into channels of Government finance.

As stated before, decentralization of financial power was an essential thought in the planning of the Federal Reserve System. Projects and designs for centralized control of the banking system were deliberately and definitely rejected.

The present bill does not propose to establish a central bank. It maintains the decentralized form of the original Federal Reserve System but centralizes in Washington the actual control of that System. The control by the national administration of the banking system of the country, if this bill is adopted, will be far greater than was ever exercised by any central bank.

To those who argue that this means political control, it has been stated that inasmuch as the bill provides for 12-year terms for the members of the Federal Reserve Board in whose hands this vast power is lodged they will be independent of political control, but the Supreme Court of the United States, in the case of *Myers v. United States* (272 U. S. 52), has held that every officer appointed by the President of the United States, other than members of the judiciary, may be removed by him at any time without a hearing and without notice, and that Congress cannot place any limitations upon this power of removal. While it is my deliberate judgment that in this decision inhere grave dangers to the future of our institutions, it is today the law of the land. Consequently the President may remove any member of the Federal Reserve Board at any time; therefore provisions of the law in reference to the length of their terms constitutes no limitation upon his power to control that Board, though, of course, it is expected that with rare exceptions the terms of office so fixed will not be disregarded and that neither the President nor the members of the Board would yield to political motives.

The Federal Deposit Insurance Corporation Act provides that after July 1, 1937, no banks except those affiliated with the Federal Reserve System can be insured. This provision will compel all the banks of the country to affiliate themselves with the Federal Reserve System, and thus bring under the control of the Federal Reserve Board and the President the entire banking structure of the country.

Every commercial industry and financial interest, even agriculture, is to a large extent dependent upon the banks of the country. Even agriculture must look to the banks, and, insofar as agriculture does not look to the banks for its capital, its loans already are in the hands of Government agencies.

The bill must, of course, be viewed in the light of the problems of today. We cannot allow the voices of the past, however much we may revere them, to control, yet it is impossible for one schooled in the ideas of the great men of the past to refrain from a lingering thought of wonder as to what those great men would have thought of this bill. A good guess could be made as to Andrew Jackson, who, in a message on September 13, 1833, said, "It is the desire of the President that the control of the banks and the currency shall as far as possible be entirely separate from the political power of the country \* \* \*"

The extent of the power thus concentrated in the administration in Washington is almost inconceivable. For the present it may be a source of efficiency, comfort, and security. It must be remembered, however, that whenever great power is granted it may be productive of great evil as well as great good, according to its

exercise. I am sure under the present leadership of our country only good can be expected from this concentration, but we know not what is ahead of us. Franklin Roosevelt will not always be President of the United States.

#### REGULATION OF TRAFFIC IN FOODS, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Carolina [Mr. BAILEY], his request being that all three amendments submitted by him be considered as one.

#### THE COTTON INDUSTRY

Mr. BANKHEAD. Mr. President, on account of efforts of some people who are personally and financially interested in breaking down the cotton program of the administration, and because of the fact that the senior Senator from Maryland [Mr. TYDINGS] a day or two ago brought the subject to the floor of the Senate, I have decided that it would be appropriate to submit some observations upon that general subject.

Mr. President, the whole program relating to cotton under the present administration has, from its inception, been based upon an effort to apply to the cotton industry the old, inexorable trade law of supply and demand. We have sought to follow the principles adopted and practiced by the business industries in this country, but it appears that what is accepted as good business and sound economics on the part of industry, upon the part of business, so-called, in this country, when the same rule is sought to be applied to agriculture becomes a great offense in the eyes of business and of critics of the administration.

We heard no complaint and criticism of the great industrial corporations when, following the crash in 1929, they began to close down plants here and there, when they reduced the number of workmen from day to day, when they reduced the number of units of their output to fit the purchasing demands of the consuming public. That was accepted as good business and the proper thing to do, notwithstanding it resulted in the discharge of millions of workmen, deprived them of employment, and finally turned them over to the relief rolls of the Government. Has anyone on the floor of the Senate or in the newspapers of the country or upon the stump denounced the managers of industry for reducing production when the situation became necessary in order to meet a declining consumption of their particular commodities?

But, Mr. President, as soon as agriculture seeks to adopt that principle, which has always been followed with success under the old trade law of supply and demand, we find at once a cry of horror arising in the land. "Oh, these working farmers, these cotton farmers or wheat farmers, ought to work as long each day, 6 days in the week, as the weather will permit to produce all they can at whatever price their commodities will bring." It is asserted that it is sinful for the farmer individually and the farmers collectively to seek some machinery under which they can adjust the supply of their commodity to fit the consuming demands of the market.

Mr. President, as a result of the great increase in the demand for cotton, growing out of the World War and what are known as the "boom days" following the World War, the cotton acreage in the United States was tremendously increased, as it was in foreign countries. During the 5 pre-war years we had an average acreage planted to cotton of 33,000,000 acres. Finally that acreage, during the early twenties and from 1924-25 down to 1930, was increased to an average of 44,000,000 acres.

When the crash came in 1929, when businesses in the country were reducing the number of units they turned into the market, when prices were declining, when consumption in all lines was decreasing, what took place and what happened with the cotton farmers of the United States? For the 3 years from 1929 to 1931, inclusive, the world con-

sumption of American cotton was an average of 12,250,000 bales. During the same 3 years the farmers, geared to a high rate of production upon a large acreage, proceeded to the operation of their plants at full capacity and produced an average crop for those 3 years of 15,520,000 bales of cotton.

Beginning with the normal carry-over of 4,000,000 bales, in 3 successive years an average of 3,000,000 bales in excess of consumption was produced, thereby accumulating the greatest quantity of American cotton in all the history of the country. The supply at the end of the year, when the new crop was coming in, was 13,000,000 bales; more, in fact, than the actual annual consumption at that time. Therefore, when we approached the crop year of 1933, there was enough cotton in the warehouses or cotton mills of the world and in the possession of the cotton merchants available to the cotton mills to supply for an entire year all the mills that used American cotton, if not a single stalk of cotton had been raised in the year 1933.

As a result of this very great increase in the supply of cotton over consumption, of course, the price went down, down, down. From an average of 19½ cents per pound in the year 1929, when the depression started, the price went to an average in 1932 of 5½ cents a pound. Thus nearly 75 percent of the price of cotton and of the purchasing power of the raw cotton disappeared. No one can say that was attributable solely to the great depression.

In the whole list of industrial commodities we cannot find one where the price decreased in that proportion. Whoever heard of a \$20 suit of clothes going down to \$5 or \$6 in the same proportion that cotton went down? Whoever heard of any industrial commodity falling in the same percentage that cotton and wheat and other agricultural commodities fell? The mere suggestion is sufficient to show that the destructive and pauperizing price received by the cotton farmer was not the sole result of the depression and the reduction in consumption. The other factor, and the larger factor, was the inability of the farmers of the country to adjust their production to meet the changing conditions in purchasing power.

In a brief way I desire to point out, from figures taken from the Bureau of Economics of the Department of Agriculture, that the price of cotton and the total amount of money received by the cotton growers are governed directly by the size of the cotton crop each year. Of course, there may be abnormal conditions which cause it to vary. Let me refer briefly to the years 1923 to 1927, a period of 5 years, when there was no depression either here or abroad, when purchasing power was strong, when consumption was at its very height during those great days of business activity.

During the 13 years from 1917 to 1929 the average amount of money received by cotton growers of the country for their lint cotton alone was \$1,400,000,000. When the depression came and the surplus piled up each year, they lost \$1,000,000,000 of that annual purchasing money. Instead of receiving \$1,400,000,000, the greater portion of it coming from foreign customers, they received in the years 1931 and 1932 only between \$400,000,000 and \$500,000,000. In 1931 they received \$483,000,000 and in 1932, \$424,000,000.

With that great reduction in the purchasing power of the great mass of people stretching across America from California to Virginia, and with the money received for cotton in the many large areas in that section being the only cash money that came into those sections to replace the money being sent out by every mail to pay for practically everything they bought in the stores of the country, including also interest payments, insurance premiums, and all the other items that go to the financial and industrial centers of the country, it is clearly apparent there could be nothing like prosperity among the cotton farmers of the country.

They were prostrate, the farmers losing their homes, tenancy being increased, children going in rags, many farm people without money to buy schoolbooks, merchants having their credit facilities exhausted, banks all in trouble, purchasing power all over the Cotton Belt having disappeared, and there was a year's crop already in the ware-

houses; and still we find these preachers of the doctrine espoused here the other day by my friend the senior Senator from Maryland [Mr. TYDINGS], these theorists who denounce what they term the philosophy of scarcity, standing by and saying that nothing should be done by Congress to aid a situation which was bringing to despair and pauperism millions of our people.

Scarcity! Economy of scarcity! I have not heard the senior Senator from Maryland or anyone else denounce anybody but the farmers of the country for practicing the doctrine of scarcity. If the industries of the country had not practiced the doctrine which the Senator from Maryland so loudly denounces on the part of agriculture, and had shipped shoes and clothing and farm implements and fertilizer out to the farmers at any price they would pay for them, as some persons want the farmers to do with their wheat and cotton, the farmers might have gotten along all right if they could have bought on the same scale of prices on which they were obliged to sell; but they had to deal with the philosophy of scarcity practiced by all those who offered their products to the farmers—the cotton farmers, the wheat and corn and hog farmers. They had to buy at prices that were not commensurate with the prices which the farmers were getting for their products.

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

Mr. BANKHEAD. I yield.

Mr. BAILEY. I do not intend to be at all controversial; but before the Senator leaves the subject I should like to have him compare our policy of scarcity with the foreign policy of increased production in respect to cotton. I am sure the Senator can throw a great deal of light upon that subject, and I think it is one which we ought to consider in this connection.

Mr. BANKHEAD. I am coming to that phase of the matter. I shall deal with it before I conclude.

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

The PRESIDENT pro tempore. Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. I do.

Mr. BLACK. Before the Senator leaves the question of scarcity in agricultural products, I think he might be interested in a bit of evidence on this identical subject that came out before the Finance Committee several days ago.

A witness from the State of Michigan—whose name I do not recall, but who is a manufacturer of furniture, and, as I remember, is the chairman of the code authority on furniture—was on the stand. He stated that in 1927 his factories ran almost to their maximum capacity, and that since 1929, including the year 1930, his factories have run at about 33½ percent of capacity. I asked him those questions because he was complaining of an economy which would impoverish the people by lack of production.

In other words, for 5 years—and the witness stated that his factory operations were comparable with other factory operations—because his factories could not sell their goods at the profit they desired, they had reduced the production of furniture in this country 66⅔ percent. I asked the witness if, in his judgment, that was in line with the reduction of production on the part of the other manufacturers throughout the Nation, and it was his judgment that it was. So, just as the Senator states, although the farmers have reduced their production they have not yet reduced it to the extent to which production has been reduced in industry and in manufacturing.

A conservative estimate is that since 1929 we have lost \$300,000,000,000 worth of products in this Nation by reason of the fact that there has been a curtailment of production. So the Senator is very clearly presenting the fact that so long as we have an economy of scarcity in manufactured products, the economy of scarcity being brought about for the express purpose of keeping up prices and maintaining profits, it becomes interesting to know whether the farmers alone, of all the people of the Nation, should produce in superabundance in order to lower the price, while the manufacturers produce under the economy of scarcity in order to raise the price.

Mr. BANKHEAD. I thank the Senator for his informative statement. It certainly confirms the general rule that all even casual observers of conditions during the days of the depression will understand, whether they are willing to admit it or not. Unfortunately, the cotton farmers and the wheat farmers were unable to comply in any way with the doctrine practiced by industry until, by overproduction and the accumulation of burdensome carry-overs, they had gotten themselves in a position where they could not readjust themselves as readily as could industry; and they suffered for 2 or 3 years as a result of their inability to follow the precepts of business.

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

Mr. BANKHEAD. I yield.

Mr. CONNALLY. In connection with the suggestions regarding the economy of scarcity, is there any real economy in producing an article or a product below the cost of production?

Mr. BANKHEAD. It is absolutely uneconomic and wasteful.

Mr. CONNALLY. Is there any real economy in a course of that kind, whether with regard to manufactured articles or farm products or anything else? Is there any real economy in producing a thing and then selling it for less than it costs, with resultant economic disaster and poverty to the producer?

Mr. BANKHEAD. My answer is, clearly, "No." I have not even insisted upon industry practicing production below cost. I am replying to those who speak in terms of industry when they denounce agriculture for following their example.

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

Mr. BANKHEAD. I yield.

Mr. TYDINGS. Under the philosophy of scarcity, would it not be a good idea if we should again cut the cotton crop in half, and then the farmer could get 35 to 40 cents a pound for his cotton?

Mr. BANKHEAD. When a reasonable argument is being made, it is useless to try to reduce it to an absurdity; and one who undertakes to do so is clearly conscious of the weakness of his position.

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

Mr. BANKHEAD. I yield.

Mr. BLACK. As I understand the Senator, his idea is to increase all production by trying to provide customers for the things which are produced, even the fertilizer for which the South has had to pay at exorbitant rates for many years. The Senator, as I understand, is going on the principle not of a permanent philosophy of scarcity but of trying to bring about a balanced economy on the part of the people of the country that will supply customers, so that we may prevent industrial manufacturers from reducing their production 66⅔ percent.

I asked the gentleman to whom I have referred why he had reduced his production. He said because he had not been able to sell his product at a profit. Of course he could not sell it at a profit to the farmers of the South on 5-cent cotton, nor to the wheat farmers of the West on 25-cent wheat. So, as I understand the Senator's philosophy, it is, under the system by which we operate, to try to increase the income of the purchasers of the Nation and thereby to increase the production of all products, including cotton, instead of decreasing it.

Mr. BANKHEAD. That is correct; including the production of industry.

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

Mr. BANKHEAD. I yield.

Mr. TYDINGS. Let us see how sound that argument is. We contend that the more money we can put in the hands of a man, the more he can buy. That is sound. Conversely, by the same token, the higher we make the price of an article, the less he can buy of it. So if we increase the cost of an article we decrease its consumption, and if we increase the wages of the people we increase consumption; but if we increase the price of cotton we must, by the very logic we use to prove one point, be bound by it in proof of the other,

namely, that the higher the price of cotton, the less of it will be consumed.

Mr. BANKHEAD. Mr. President, there is, of course, a limit upon the price level; but the Senator has just enough learning about cotton for it to be a dangerous thing. I call his attention to the fact that in 1919, when cotton was selling at 36 cents a pound, we exported more cotton than in either of the preceding 4 years or either of the succeeding 4 years.

Mr. TYDINGS. I will answer the Senator later. I do not desire continually to interrupt him.

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

Mr. BANKHEAD. I yield.

Mr. BLACK. I should like to suggest that price does have a great deal to do with consumption; but in 1929 the income-tax returns showed that 511 individuals in the United States received enough income from the products of the Nation to buy every bushel of wheat and every bale of cotton raised by all the millions of farmers in America. It seems to me a little strange and a little strained to complain that we seek to increase the income of the farmer without at the same time suggesting some method for stopping the "economy of scarcity" in industry and the high prices which "economy of scarcity" has placed in the hands of 511 men more income than was received by all the millions of wheat and cotton farmers in the United States.

Mr. BANKHEAD. I thank the Senator.

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

Mr. BANKHEAD. I yield.

Mr. LOGAN. As to the interesting suggestion of the Senator from Maryland, is it not a fact that if we reduce the price of cotton seriously, instead of that increasing the amount of cotton that will be produced, eventually it will result in there being no cotton to sell at all? Unless the farmers are slaves, or have to produce it, they will cease producing. What the Senator desires is to have the surplus reduced so as to encourage the farmer by raising the price for his cotton?

Mr. BANKHEAD. That is all.

Mr. LOGAN. If he does not receive more than the cost of producing the cotton, he will eventually quit producing it, or he ought to do so.

Mr. BANKHEAD. He will be obliged to quit.

Mr. LOGAN. Reverting to the question asked by the Senator from North Carolina, as to why it is that some countries in other parts of the world are increasing their production while we are reducing ours, I believe the Senator was diverted from his answer.

Mr. BANKHEAD. I will come to that.

Mr. LOGAN. The Senator expects to come to that eventually?

Mr. BANKHEAD. Yes.

Mr. LOGAN. I believe it is true that in Egypt there is a controlled production of cotton, and always has been.

Mr. BANKHEAD. Not always, but they had it for 2 years.

Mr. LOGAN. They have had it for the last several years?

Mr. BANKHEAD. Yes.

Mr. BAILEY. They have recently withdrawn the control.

Mr. BANKHEAD. That is true. They got control of their surplus, and that is what we propose to do.

Mr. BAILEY. I am not criticizing the Senator's policy. What has happened is the result of the recently adopted American policy. But I will wait; I do not want to divert the Senator.

Mr. BANKHEAD. While we are on the question of the Egyptian control, though it is a side issue, we might as well clear that up now.

As a result of overproduction as compared with the market demand, Egypt, following the crash in 1929, accumulated a great surplus of their long-staple Egyptian cotton. Of course, the price went down, as ours went down, in a disastrous way. In 1931 and in 1932 Egypt did exactly what we undertook to do a year later; by governmental decree they reduced their acreage the first year, 1931, about 50 percent, and then in 1932 they increased the acreage slightly less; but for 2 years there was compulsory control of the quantity of cotton, and they reduced it so materially during those 2 years

of control that they disposed of their burdensome surplus, and then went back last year and the year before to normal production.

Of course, everyone who has any connection at all with this cotton program fully understands that we have not embarked upon any payment program of arbitrary limitation and reduction in the size of our cotton crop. We embarked upon the program because of the necessities growing out of the pauperized condition of our farmers with such low prices as a result of the biggest surplus in the history of the world.

We have gone at the program too slowly, according to my judgment. I wanted to cut the size of the cotton crop more last year than it was cut. I wanted to reduce the acreage. I wanted to trim the big carry-over down faster, and get through with it more quickly, so that we would be in position, with a supply bearing a reasonable relation to the consumption demand of the world, to go back into a normal cotton production commensurate with the requirements of the world for American cotton.

Mr. BAILEY. Mr. President, will the Senator permit me to interrupt him again?

Mr. BANKHEAD. Certainly.

Mr. BAILEY. I assure the Senator that I am not undertaking to present any opposition to his proposal.

Mr. BANKHEAD. I proceed on that theory.

Mr. BAILEY. My information is that the Egyptian Government is encouraging a very great increase in their production; and in order to do that, they are abandoning, to a large extent, the production of long-staple cotton.

Mr. BANKHEAD. I hope the Senator will permit me to go a little further before I come to foreign conditions.

Mr. BAILEY. I will propound my question and then wait.

Mr. BANKHEAD. Very well.

Mr. BAILEY. How is it, if, with the tremendous world carry-over, the surplus of which the Senator is speaking, Egypt can afford to increase her acreage, that we cannot do so? I should like to get some light on that point.

Mr. BANKHEAD. I will answer that very briefly now by saying that Egypt is not increasing her production, except by going back to normal production as compared with the 2 years when they had compulsory production.

Mr. BAILEY. I think it is agreed that Egypt is undertaking now to reach a production of 800,000 to a million bales, and by way of abandoning the production of long staple, because they can produce a larger poundage of short staple than of long staple. The point of the whole matter is that Egypt is increasing her production, we are decreasing ours, and there is a surplus which causes us to decrease. Why does not that surplus cause them to decrease also?

Mr. BANKHEAD. As I have already submitted, Egypt is not increasing its production. If the Senator will inquire from the Bureau of Economics and get a report recently made by a Mr. Norris, who has just returned from Egypt, where he made an investigation, the Senator will find that Mr. Norris reports that in Egypt there is little additional available acreage to put into cotton, unless they expend about \$175,000,000 on irrigation, which would take them some years to accomplish.

Mr. Norris did indicate in the report that they were disposed to turn to short-staple cotton, not for the purpose of increasing the cotton crop but as a change in the quality, because there is greater demand for the short staple than for the long staple. In other words, no change is contemplated in total production but merely in the quality of cotton being produced.

Mr. BAILEY. I will say to the Senator that I have read the pamphlet to which he refers and based my statement on the information contained in the pamphlet. I will send over to my office and get it.

Mr. BANKHEAD. Very well.

Mr. BAILEY. The statement is made in this pamphlet that the Egyptians are abandoning the long staple because they can produce more poundage per acre with the short staple. I think the Senator will agree with me about that. They are increasing the crop, or, as the Senator says, re-

turning to normal. How is it they can return to normal despite the tremendous carry-over, while we cannot?

Mr. BANKHEAD. They got rid of their carry-over, I have undertaken to impress upon the Senator, during their 2 years of compulsory reduction.

Mr. BAILEY. What is there peculiar about their carry-over? It is a world carry-over of cotton we are having to deal with, not the excess of Egyptian cotton.

Mr. BANKHEAD. I assume that the Senator recognizes, I am sure he knows it, though he may have forgotten it for the moment, that practically all the Egyptian cotton is long-staple cotton, for which there is a special demand. We import into this country, after paying a 5-percent tariff, several hundred thousand bales of Egyptian cotton, because it is used in making specials; and because of that situation, the world supply does not involve them as much as it does us, because their cotton is not in direct competition with our upland grade cotton.

Mr. BAILEY. Assuming that to be so, this colloquy between the Senator from Alabama and myself is predicated upon the report of the Department that Egypt is abandoning the long staple and is producing the short staple. That is the point of the question I have in mind.

Mr. BANKHEAD. I have stated that they are inclined to go to short staple in lieu of the long staple, not in addition to it.

Mr. BAILEY. The Senator's last argument was to the effect that they were not competing in the short staple, but had a monopoly in the long staple.

Mr. BANKHEAD. They were competing when they were undertaking to control the surplus.

Mr. BAILEY. Very well. Assuming we have gotten this far, they are now moving in the direction of the production of short staple and in the direction of the production of a normal crop. I think the Senator has agreed to that. I come back to my question: In the face of the world carry-over, how is it that they can go to the short staple and return to normal production, while we must continue to reduce our production? That is the question which troubles me.

Mr. BANKHEAD. Mr. President, to begin with, the price of American cotton makes the world price.

Mr. REYNOLDS. Mr. President—

The PRESIDING OFFICER (Mr. GUFFEY in the chair). Does the Senator from Alabama yield to the junior Senator from North Carolina?

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. Referring to the question of my colleague the senior Senator from North Carolina, is not the condition to which he refers attributable to the fact that labor is so much cheaper in Egypt and the other costs of producing cotton there are lower than in our Southern States?

In view of the carry-over, in view of the difficulties we experience with cotton, in view of what the Senator has said in regard to the growing of the short staple and abandoning the long staple, and the increase in Egypt of the production of short staple, will not the Senator agree that the present condition is attributable very largely to the wages the workers in the cotton fields of Egypt receive in comparison with the wages paid in the United States?

Mr. BANKHEAD. Undoubtedly, I will say to the Senator, the cheap-labor prices in Egypt, India, and Brazil during the last few years, especially when the price of silver has been so low, have been a most disturbing factor in our cotton program, in my judgment, because those conditions have made it possible for them to produce cotton cheaper than they did in former days.

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

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. I think that is true to a certain degree. Brazil, if my recollection does not fail me, increased its cotton production some sixty-odd percent during last year. I think reports will show that some other cotton-growing countries also increased their cotton production last year. That increase is perhaps due, in part, to the price of silver.

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

Mr. BANKHEAD. I yield.

Mr. TYDINGS. May I ask the Senator from North Carolina to state to what extent Brazil can increase its cotton production? What is the limitation of the extent to which it can increase its cotton production?

Mr. LONG. Brazil can produce more than the world can use.

Mr. REYNOLDS. I will say to the Senator that, as he probably knows, Brazil has been producing cotton for a length of time almost as great as has the United States itself. The probabilities are, according to those who are familiar with the countries of Central and South America, that they started growing cotton for commercial purposes even before we started it in the United States. Taking into consideration the tremendous area of Brazil and its climatic conditions, which make a large portion of that country peculiarly adapted to raising cotton, I believe that eventually we shall probably find Brazil competing with us to a greater extent than India or Russia or China or Egypt or the Dutch East Indies.

Mr. TYDINGS. If the Senator from Alabama will yield to me further, I desire to point out that there is the nub of the problem. First of all, it is conceded on the floor of the Senate that Brazil alone can greatly increase its cotton production.

Mr. BANKHEAD. What is the Senator's remedy to prevent that?

Mr. TYDINGS. Permit me to finish. It is also conceded on the floor of the Senate that Brazil can produce cotton more cheaply than can the United States. If Brazil can produce more cotton, and she can produce it more cheaply, should we try to keep the price of cotton up so as to encourage her to overproduce, or should we bring the price of cotton down and discourage her from producing?

Mr. REYNOLDS. That brings up another question. One of the difficulties experienced in the country today is that we can sell cotton in Texas, and it can be shipped aboard Japanese vessels to Japan, they can pay our price for that cotton, they can work that cotton, and they can return it to this country and sell it for less than we can manufacture it, by an extremely large percentage.

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

Mr. BANKHEAD. I yield.

Mr. TYDINGS. I do not want to get into an involved discussion of this question, because we are trespassing on the time of our friend from Alabama.

Mr. BANKHEAD. Yes; I should like to go ahead.

Mr. TYDINGS. I should like to make this concluding observation, and then I will answer further in my own time.

We cannot escape the logic that if it costs more to produce cotton in this country than it costs to produce it in other countries, and if we accentuate that cost by increasing its price, we invite the other countries of the world, at a better profit than they have heretofore enjoyed, to increase more and more their production of cotton; and if that policy is pursued, the logical end is that eventually they will produce most of the cotton, and we will produce less of the cotton. What are those who are temporarily getting these high prices going to do when the foreign cotton producer has taken their markets?

Mr. LONG. Mr. President, before the Senator goes further, will he not let me put in a word?

Mr. BANKHEAD. It depends upon whether or not it is on my side.

Mr. LONG. It is half on the Senator's side and half against him.

Mr. BANKHEAD. State that which is on mine, and then I will continue.

Mr. LONG. I desire to say to the learned Senators that we shall all be voting for a tariff on cotton very soon.

Mr. BANKHEAD. Mr. President, when someone satisfies me that the United States Steel Corporation and General Motors and other motor companies should continue to pro-

duce to the full limit of their plants in order to hold the foreign markets which they had before this tariff war started, I shall be willing to consider the suggestion of the Senator from Maryland. But, Mr. President, as I stated before, persons remote from agriculture, persons who do not understand the misery in the farm homes of America during the past 3 or 4 years, stand here without any knowledge of those conditions, without any deep study of the economics involved, and undertake to advise our people about what they should do with their great financial problem.

The Senator from Maryland [Mr. TYRINGS] intimates that we ought to produce cotton low enough to drive out of competition all the cheap labor in the world. "Why not", he said, "produce enough and sell cheap enough to stop Brazil, stop the East Indians, stop the Mexicans, stop the Egyptians, and drive them out of the world production of cotton by starving them to death with low prices?" I am astonished that a Member of the Senate should be standing upon this floor with the credentials of my own Democratic Party announcing any such doctrine as that.

The cotton farmers have lost a considerable amount of their foreign business, and the wheat farmers have lost their foreign business to a greater extent than have the cotton farmers. I am astonished that the Senator should stand here and pronounce the doctrine that we must get down to the very bottom with prices for the only cash crop our farmers have to drive the peons of Mexico and of Brazil, in the tropical countries, out of the cotton business.

That is such a strange doctrine, Mr. President, that it seems to me no one should want to give it any real serious consideration.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. BANKHEAD. I should like to proceed.

Mr. BAILEY. But will the Senator just let me call to his attention that the problem which is troubling everyone of us, I am sure the Senator from Maryland almost as much as the Senator from Alabama, is the one of preserving the American world market. That is our problem. How can we do it under the present circumstances? If we lose the foreign market when the domestic market takes only 65 to 68 percent of our cotton production, what happens to the southern farmer? That is the problem which is troubling me.

Mr. BANKHEAD. Mr. President, when I get through with the domestic phase of this problem I am going into the foreign end of it, if the Senator will have patience enough to wait.

Mr. BAILEY. I shall be very happy to do that.

Mr. BANKHEAD. Mr. President, I started some time ago, but was diverted, to call attention to the figures which show how directly the size of the crop governs the amount of money which is paid for the cotton crop, the greater part of which comes from foreign countries, new money, Mr. President, new money brought from foreign lands, not solely for the benefit of the cotton farmer—for his primary benefit, of course—but to help support the business of the agricultural implement manufacturers of this country, to help support the steel plants of this country—and a considerable percentage of the present steel output is going on the farms—to help support the fertilizer companies of this country, the manufacturers of shoes and of hats and of clothing—in other words, to furnish purchasing power for those things which, in large part, are not produced in the Cotton Belt.

We do not get much money in the Cotton Belt from anything but cotton, but the quantity of money we get bears directly upon the number of workmen employed in the industrial plants of this country. It bears directly upon the time that those industrial plants are able to operate. Just think of what it means to the country when the Cotton Belt loses the billion dollars a year which it had been receiving annually for 13 years! All of it came right back to the industrial and financial centers of this country. Just as certainly as the waters from a spring go into the branch, and from the branch to the river, and from the river to the

ocean, just so fast as we get more money in the South it goes to the merchants, it goes into the banks, it goes to the wholesalers, it moves on to the manufacturers, and in a short time it is all gone, and our people then are trading upon credit to get supplies actually to survive and carry their families until they can get another return flow of money for cotton.

It seems strange to me that objection, and carping objection, should come from some sections of the financial and industrial parts of this country; and that it should come from the city of Baltimore, with its great distributing wholesale houses there, which for years have had their chief customers in the Southern States, the cotton States, which houses lost the better part of their business during the years 1931 and 1932 and on into 1933 because the consuming power, the purchasing power, of their farmer customers had disappeared.

We see Senators stand here and hear them bewail the loss of some portion of our export trade without giving any thought to the great loss in our own domestic market. We do not hear any complaint about that—no; all complaint is directed across the sea. I remind the representatives of industrialism and of the financial interests of the country, to whom our people pay so much interest and dividends and financial returns, of an old religious song. I do not know whether or not many of them ever attended a revival meeting and heard it, but I want to paraphrase that old song in this way:

If you cannot cross the ocean,  
And foreign lands explore,  
You can find the markets nearer;  
You can find them at your door.

Mr. President, instead of looking around their own doors, instead of considering that great mass of willing purchasers and consumers, we hear able men say to the cotton producers, "Forget it; put your prices down where you cannot buy anything from us; all we look for the cotton farmers to do is to drive off the farm the peon labor of Central and South America, of India and China; that is their job."

Now, let me get to the point I have been trying to reach for some time; that is, the effect of the size of the crop. It ought to be of interest to the representatives East and North and all manufacturing and industrial sections of the country, because, sooner or later, they get all the money. We had had years of the bollweevil scourge; the bollweevil had spread over the South by 1921, and the cotton crop that year was cut down below 8,000,000 bales; in 1922 the crop was 9,000,000 bales; and in 1923 it was 10,000,000 bales. There was an average production for the 3 years of 9,000,000 bales of cotton. The surplus had gone.

O Mr. President, we did not then lose our foreign market. We had, of course, a reduction in exports. The word went out to the cotton-growing countries all over the world "America has a pest which will ultimately put its people out of the cotton business; their dominance in cotton production has gone." Did we lose our exports permanently? No, Mr. President. As soon as we got control of the bollweevil, and brought our production back to normal, we immediately increased our exports over those of previous years. All foreign countries know that we are going through a temporary reduction program. To listen to some people talk, one would think that foreign countries had just discovered that cotton had been grown in America and that they themselves would proceed to grow some. Since the days of the Civil War, when the embargoes upon cotton and the absence from the farm of the men put the price of cotton above \$1 a pound, every foreign country that had suitable soil and climate has been endeavoring, from year to year, to produce all the cotton it could economically produce and sell in competition with the superior grades and staple of American cotton.

In 1923, after the surplus had disappeared, we produced 10,000,000 bales of cotton, and the farmers received an average price of 28.69 cents a pound. The total sum paid to the farmers for their lint cotton was \$1,454,000,000.

The next year the size of the crop increased by three and a half million bales. We began to get better control of the bollweevil. The crop totaled 13,600,000 bales and the price

fell from 28½ cents to approximately 23 cents, a 6-cent reduction as a result of the increase of three and a half million bales of cotton.

In 1925 the crop again was increased two and a half million bales, the total being 16,100,000 bales. The price dropped down from 23 cents to 19½ cents. The total amount received by the farmers was approximately the same, \$1,570,000,000. For 5,000,000 bales more of cotton than in 1923 the farmers received about the same amount of money.

Then came 1926, regarded generally as the best business year in all that cycle which followed the World War, the year to which economists have pointed as the ideal price year. Then purchasing power was strong; consumption was as strong as ever, not only in America but abroad; the prices of everything the farmers bought were high, right at the peak. There was no depression, no disturbance, nothing to bring about a change in the price of cotton, except one thing, and that was the supply.

That year, induced by the rising tide of prices, by the complete control of the bollweevil, our farmers planted the largest acreage to cotton in our history, nearly 48,000,000 acres. They produced 18,000,000 bales of cotton, the largest crop known to this country. In that wonderful year of wonderful business in America and abroad the price fell from 19½ cents to 12½ cents a pound. No one can say that was due to a depression; no one can say that was due to a reduction in consumption. It was due solely to overproduction beyond the consumptive requirements of the world. For that crop of 18,000,000 bales our farmers received only \$1,120,000,000. In other words, for a crop 8,000,000 bales more than was produced in 1923, when the supply was adjusted to world requirements, 8,000,000 bales more, with all the additional labor involved, with all the additional expense involved, with certainly a better business year in 1926 than in 1923, which was so soon after the deflation of 1920 and 1921, the farmers received for that 8,000,000 bales more of cotton \$200,000,000 less than they received for the 10,000,000-bale crop.

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

Mr. BANKHEAD. Gladly.

Mr. NORRIS. I wish the Senator would tell us how much of a reduction per pound that was; how much did the market go down per pound of cotton in 1926 on account of that big crop?

Mr. BANKHEAD. It went down from 19.59 cents average for 1925 to 12.47 cents for 1926, a reduction a little in excess of 7 cents a pound.

Mr. NORRIS. And that resulted, although the farmers produced a bigger crop, in their getting less money?

Mr. BANKHEAD. Much less; more than \$200,000,000 less.

Now, let me take 1927. The years 1926 and 1927 were almost as alike as two peas, so far as business conditions were concerned. In 1927, as the result of that low price, a smaller crop was produced; the crop dropped down to 13,000,000 bales, a 5,000,000-bale reduction. The price jumped up to 20 cents a pound, and the farmers got \$1,300,000,000. In other words, they received about \$200,000,000 more in 1927 than in the preceding year for 5,000,000 less bales of cotton.

Mr. FLETCHER. Mr. President, the Senator does not mean that the farmer got 20 cents a pound for his cotton in that year, does he?

Mr. BANKHEAD. That was the average farm price, as computed by the Bureau in 1927.

Mr. President, it thus appears that it is in the interest, not only of agriculture—and it does not apply to cotton alone, although I am dealing only with cotton—but it is to the interest of everybody in this country, not only in the agricultural South but the farmers everywhere and those engaged in industry and finance and everyone else, for the cotton growers to get a fair living price for their cotton.

The figures I have just read covering those 6 years of uneventful, unchanging business conditions tell the tale and demonstrate that the amount of money the farmers get for their crop is directly controlled by the relation of the supply to the demand.

Now, let me discuss briefly the subject of the export business. In the first place, I assert that there is an undue alarm about the loss of exports in cotton. It is disturbing, of course, but the facts are not properly understood by the public, as they have been misrepresented and a wrong conclusion has been drawn.

Our normal exports of American cotton for a 10-year average were a little over 7,000,000 bales. That is the 10-year average we have been exporting. When the price of cotton was very low, foreign spinners and foreign cotton merchants accumulated an unusual supply of American cotton. In 1932, when the price of cotton averaged about 5½ cents a pound, there was in foreign countries—and these are Government figures—an accumulation of 3,439,000 bales on the 1st day of August when the new crop was coming on the market; in other words, about a 6-months normal supply based on the 10-year average of consumption of American cotton in foreign countries.

In 1933 the accumulated stock was increased to 3,537,000 bales. By reason of the increase in the price of cotton, in 1933 and early in 1934, the stock decreased, but on the first day of August 1934, when the cotton crop was entering the market, they had 2,859,000 bales of American cotton in foreign countries.

While very greatly decreased under the preceding years, the exports up to March 1 were 3,250,000 bales. In other words, with the supply of cotton on hand on the first of August and the exports made this year, with 4 months yet to go in the current cotton year, they have had a supply of American cotton on hand of 6,109,000 bales, with a 10-year average consumption in foreign countries of a little in excess of 7,000,000 bales.

The exports do not in any true sense reflect the consumption of American cotton in foreign countries. They have taken out of these stocks of shipped cotton, grabbed up and accumulated there in unusual quantities; they have been eating out of that store of cotton rather than shipping currently as they had done theretofore. With 4 months yet to go in this cotton year, if they continue at the same rate of consumption of American cotton, there will not be a very large reduction in the consumption of American cotton abroad notwithstanding the very material reduction in exports. For the 8 months, while there has been a reduction in exports of over 2,000,000 bales, the reduction in consumption has been only about 700,000 bales.

There has been some discussion about an increase in acreage planted to cotton in foreign countries. The figures of the acreage for 1934-35 are not yet available. Nobody has the figures. Nobody claims to have the figures, neither the Bureau of Economics with all its reporting agencies nor the New York Cotton Exchange service with whatever agencies it has.

In other words, in the foreign countries they do not have the up-to-date methods of reporting acreage that we have through our trained agencies in this country. The only real test is production, so far as accurate figures are available.

I assert, however, upon information given to me by the Bureau of Economics, that there has been no material increase in planted acreage in 1934 as compared with 1933 in any cotton-growing country in the world except Brazil. Moreover, the peak of acreage planted to cotton in the world was reached in the 1925-26 crop. After 8 or 9 years of decreased acreage, in 1933 the acreage was increased to about that of 1925-26. The acreage increase in the United States that year was in higher percentage than it was in all foreign countries.

As a result of high prices about that time every country converted to cotton planting all the acreage that was suitable for it that could be spared from food production, except alone Brazil. China has increased somewhat. During the last few years, not particularly this year, they have had an increasing trend, it is said, because a large area previously planted to cotton was not reported. They did not have the facilities for exporting it and it was not commercially used. China is not a commercial exporting country. It exports practically no cotton.

There has been an increase, of course, in Russia since their 5-year plan was put into operation; but our agencies, after a field survey, report that they have little, if any, additional acreage which they can put to cotton that is suitable for economical cotton production. Because of the cost of irrigation on most of their cotton lands now, their costs are relatively high compared with the costs of other countries.

Egypt and India are our two chief competitors in the matter of the exportation of cotton. Last year, judging by production, which gives us the only available figures, there was a decrease in cotton production not only in Egypt and in India, but in all foreign countries combined, including Brazil, with its large increase. All of them put together had slightly in excess of 2 percent less cotton produced last year than was produced in 1933. Still we hear all this alarm and all this great scare, as if foreign countries had just discovered the value of cotton. They have been increasing steadily, just as America has been increasing steadily over the years. There is no way to prevent it. They are not now engaged in a production race. In 1933 they increased their acreage 10 percent in excess of their average acreage for 10 years, but that increase was in no sense due to our cotton program. We did not have any cotton program for plow-up of excess until the cotton in all these countries had been planted and was in a state of cultivation like ours.

They had no information of the restriction program, and therefore of necessity their increase was not the result of the control of cotton production in this country. I have just presented a statement showing that last year, with knowledge of the cotton-production control, their production was less than the preceding year.

Mr. BAILEY. Mr. President—

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

Mr. BANKHEAD. Yes; I yield.

Mr. BAILEY. The Senator relates his statistics to 1 year. I have before me the report of the United States Department of Agriculture, Cotton Leaflet No. 3, issued October 25, 1934, which gives the foreign cotton production as follows:

1920-21, 7,671,000 bales.  
1921-22, 7,400,000 bales.

And it runs from that time—1921-22—to 1933-34, 13,053,000 bales.

I am unwilling to consider the figures on the basis of 1 year. I think we should base our argument on the fact that since 1920 the foreign production has increased from 7,671,000 bales to 13,053,000 bales in 11 years.

Mr. BANKHEAD. Yes; and America has increased her production in about the same ratio.

Mr. BAILEY. No; I beg the Senator's pardon.

Mr. BANKHEAD. I do not mean compared with our control years, 1933 and 1934.

Mr. BAILEY. No; in 1920-21 the American production was 13,429,000 bales. In 1933-34 the American production was 13,047,000 bales, which is practically the same. Those are the statistics of the Agricultural Department, and they are the statistics with which we must deal.

Mr. BANKHEAD. Mr. President, the Senator evidently does not get my point.

Mr. BAILEY. But does the Senator get the force of these statistics from the Department of Agriculture?

Mr. BANKHEAD. Undoubtedly foreign production has increased since the days when the war started. The Senator went back and took his base before that time.

Mr. BAILEY. It has increased from 7,600,000 bales to 13,000,000 bales.

Mr. BANKHEAD. I get the Senator's statement. The point I am making is that the assault on the cotton-control program by the Senator from Maryland and others on the theory that it is responsible for the increase in foreign growth is not supported by the facts. The Senator from North Carolina has just proven the point I have in mind. We are not debating this subject in a controversial way. We are trying to get at the facts, both of us being friends

of the cotton farmer. The Senator has just pointed out, and correctly, that there has been a trend toward increase in foreign production of cotton since the end of the World War; but that trend had begun before that time, and it was not a steady increase. The principal part of that increase was in 1933-34, and our bureau reports that it was due not so much to increase in acreage as to unusually good weather conditions through the cotton-growing countries.

Mr. BAILEY. I am sure the Senator did not mean to suggest that I had made such an assault.

Mr. BANKHEAD. No; I said we were engaging in this debate as joint friends of the cotton farmer.

Mr. BAILEY. In January, when the matter came up, I took pains to point out that the increase in foreign production related to a time far back of the control program.

Mr. BANKHEAD. I agree to that.

Mr. BAILEY. The Senator will bear witness to that.

Mr. BANKHEAD. Oh, to be sure; and I distinctly stated that we were working toward the same end, to develop the facts and deal with the program, both of us as friends of the cotton grower. I clearly understood the motive of the Senator; but I was glad to have a statement made by him supporting the position I had taken on the subject.

Mr. President, cotton is not the only commodity which is in trouble about its exports. I do not know why a lot of these people who do not study cotton much and who never get any cotton money in their pockets, desire to pick on cotton. They seem to think it is a plaything to be picked on here all the time. That is the reason why I am speaking this morning. I am getting a little tired of hearing so many statements made by some people who, I know, do not know anything about cotton. In the first place, our cotton people understand their problem. They are going through a temporary reduction program; but, if I can have my way, I will say to all concerned that I would enact permanent legislation under which, year after year, the cotton farmers could adjust the size of their crop to the consumptive demands of the world.

If we are losing our export business—and we are losing a great deal of it in all agricultural and industrial commodities—if our markets are disappearing, I desire to ask in the name of common sense and reason why we should not boldly, as brave business men, in the interest of our constituents, meet that situation and deal with it, if we can, just as business men have always dealt with their problems of readjustment to fit changing conditions in their respective businesses?

I have no thought of any arbitrary price for cotton. The Senator from Maryland talks about reducing the present price. Our export trade in cotton has not shrunk or been reduced as a result either of supply or of the price. On the 1st day of August, when the new crop starts to the market, we shall have a supply of American cotton of between eight and a half and nine million bales to furnish an apparent world consumption of around 12,000,000 bales. So no one can insist that as a result of our 2 years' effort to reduce the burdensome carry-over we have reduced the supply to a point which endangers a reasonable price for cotton.

The truth is that in the pre-war period, when we had a parity price for cotton as compared with the things which the cotton farmer bought, 12½ cents, we had during those 5 years an average carry-over of 3,200,000 bales—plenty of margin to meet any change in the size of the crop, due to weather conditions, whichever took place in the history of this country. With that fair relation of supply to demand, we secured parity prices. How can any thoughtful person expect us to receive parity prices when we still have, with the reducing consumption, almost a year's supply to meet the requirements of the mills of the world using American cotton?

So the supply is there. The distinguished Senator from Maryland seems to have the thought that the present price of cotton is an obstruction to the export of our cotton; and he, as I understood him, wants America today to go back to the old gold-standard currency. I call his attention to

the fact that France and Italy and Germany, old gold-standard countries which were formerly among our very largest consumers of American cotton, have almost discontinued the use of our cotton. England, a former large customer, is now securing her cotton from the cheap labor of India and Egypt, two silver-using countries controlled by her. Under her trade agreements with her colonies, England has displaced American cotton with Egyptian and Indian cotton. France and Italy and Germany, as consumers of our cotton, have almost disappeared from the map, due, as we are told not only by the economists in the Department of Agriculture but by representatives of those countries who have been in America trying to buy cotton, to our antidumping laws, which do not fit the conditions which they fitted at the time the laws were passed.

Now, by virtue of our devaluation of the gold dollar, our taking approximately 40 percent out of it, those countries still on the old gold standard have, as measured by weight of gold, prices about 40 percent higher than we have. So when they undertake to ship goods to this country in payment of cotton as they have heretofore done—of course, in the old days they shipped more gold; now they have not the gold; now they cannot spare the gold—they are left in a position, under the change in the currency situation, which has taken them away from us as customers of cotton; and our raw cotton trade, instead of going to our old customers, is now largely going to Japan.

What has cotton control to do with that? A representative of one of those countries stayed here for several months, and came and talked to me, and talked to different agencies of the Government; and in those conversations he stated—he stated it positively to me, and I heard that he made the same statement to others—that they would not object to a price of 15 cents a pound for cotton. Their problem was securing American dollars; and as a result of the difference in their gold-standard currency and ours they could not sell here cheaper than they sold at home, although they were willing to do it in order to get our cotton; but they could not do it without violating, as construed—a technical violation, if you please—the antidumping law.

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

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

Mr. BANKHEAD. Yes.

Mr. LONG. The Senator says the great trouble with these foreign countries is getting American dollars. What we needed was a free-silver law in order to open up the trade with India and China. What we needed was a currency or money which was more universal. Is not that one of our main troubles?

Mr. BANKHEAD. Mr. President, while I had not intended to digress into the currency question, I may surprise the Senator from Louisiana with the statement that I am in full accord with that view.

Mr. LONG. Fine!

Mr. BANKHEAD. All the cotton-producing countries competing with the United States are really on the silver standard—Mexico, China, India, Brazil. Whether they are theoretically upon that standard or not, it is their only money; it is the money their people are used to. It is the money which circulates among them, and with silver cheap they can produce more cheaply than can those countries which have a higher-valued dollar.

While I live probably 2,000 miles from a silver mine, it is my humble judgment that instead of starving the American farmers into low prices our country could render no better service than to raise the cost of production of cotton in those countries by bringing about an increase in the price of silver.

I think one of the most beneficial things we could do in a proper and legitimate way in carrying out the constitutional functions given to Congress would be putting the costs of production of our competitors nearer than they are now to our own cost of production, all of which grows out of the very low price of silver. As a result of the interruption of

the Senator from Louisiana, I have digressed to say this much; but I say it with great earnestness and sincerity.

Mr. President, I have occupied the floor longer than I had expected to, due in large part to the interruptions and colloquies. But the price of cotton is about 11 cents, and some people want it to go still lower. The fact is that last year, when cotton was selling at 13 cents a pound, we exported more cotton than we have been exporting since the price has gone down. We are not troubled in our exports from the standpoint of the price of our cotton.

Mr. BAILEY. Mr. President, may I interrupt the Senator on that point?

Mr. BANKHEAD. Certainly.

Mr. BAILEY. As I understand, it is the world price that relates itself to and governs exports, and the world price is the gold price; and the present gold price of a pound of cotton is not more than 6½ cents. So the argument that cotton is selling high could not possibly agree with the conclusions which are intended to be derived from that argument. Is not that correct?

Mr. BANKHEAD. That is correct. I am glad to have the confirmation of the Senator.

Mr. BAILEY. The 6½-cent cotton of today compares with 11¼ cents in American money, but the world price of cotton has changed about a cent. The Senator from Alabama said the price was 5½ cents in 1932 and 6½ cents now. Is that approximately correct?

Mr. BANKHEAD. That is true, so far as gold is concerned.

Mr. BAILEY. The American price of cotton is due to the valuation of the dollar, and because we consider the price in terms of American dollars rather than in terms of gold, but prior to the devaluation we always spoke of the price of cotton in terms of the gold price.

Mr. BANKHEAD. That is correct. I am glad to have the Senator's statement in that regard. Instead of the present price of cotton being reduced, it should be increased to the parity price of 15 cents a pound.

Mr. President, as I stated, we shipped more cotton when the price was higher than we do now. We hear no objection from prospective buyers on account of the price, because, as indicated by the able Senator from North Carolina, the price is around 6 cents a pound as measured in gold, the medium of foreign exchange.

Everything farmers buy has gone up. Here we have an argument for lowering the prices of what they produce and sell, when nobody interested in this subject, and who has gone into it, insists that the present price of cotton, 4 cents below parity, has anything to do with the loss of our exports.

I should like to have someone tell me, the Senator from Maryland, or anyone else who is making this argument, why our country lost practically all of its exports of wheat in 1932. We had a carry-over of 360,000,000 bushels, the largest in the history of this country and the price went down to 35 cents a bushel. In the face of that low price for wheat—and this was under the former administration—and without any suggestion of a control program or a reduction in the size of the crop, our export business simply disappeared.

I had hoped the junior Senator from Virginia [Mr. BYRD] would be here. I want someone to tell me why we have lost nearly all of our business in the export of apples. Heretofore that comprised one of the largest exports of agricultural commodities.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Alabama yield to the Senator from Maryland?

Mr. BANKHEAD. I yield.

Mr. TYDINGS. I think I can answer in part in reference to apples.

Mr. BANKHEAD. I yield to the Senator.

Mr. TYDINGS. As a matter of fact, we have a favorable trade balance with France. France is one of the largest importers of American apples. So much gold was being drained

from France to pay for her unfavorable balance of trade with the United States that the French Government not only put a tariff on apples but they put an embargo on apples, so that even if we were willing to ship apples to France, after a certain amount of shipments had gone into that country, no additional apples could be shipped there.

The reason was obvious. It was because we were pursuing the philosophy, ever since the World War, when our condition changed from what it was before the war, that we could sell to countries without buying from them. That cannot be done.

Mr. BANKHEAD. I am in full accord with the statement of the Senator from Maryland; but we have a clear-cut statement from the Senator from Maryland also that we did not lose our exports of apples on account of any control or reduction program, or on account of the price of apples.

Mr. TYDINGS. I must take issue with the Senator. When we adopt high tariffs, that is in effect a control of all exports.

Mr. BANKHEAD. I am talking about a control of production. That is the program the Senator and those who agree with him are criticizing.

Mr. TYDINGS. When we control imports, as we do indirectly through the tariff, we automatically control the exports, because of the control of imports. The two things go hand in hand. No nation in the world can sell to another nation unless that nation buys something. Money is only an incident to the transaction, a yardstick, a measurement; that is all. What really happens is that nations swap goods, and only the difference, the balance of trade, as it is called, is paid in money. What we are really doing is swapping products, and consequently we cannot export products unless we import products.

If we were to bar all importations into this country whatsoever, our exports would fall overnight to almost the vanishing point.

Mr. BANKHEAD. The Senator from Maryland cannot provoke any argument from me on that subject. I think we are in full accord in our views about the necessity of turning from our present nationalistic spirit. But, as I have heretofore insisted, with his splendid intelligence, with his knowledge of the cause of the loss of exports in wheat, and apples, and other things, the Senator must concede, as a straight shooter, that the argument that is being made that cotton growers alone of all who produce agricultural commodities and all industrial commodities have lost their foreign trade as a result of a program of control, or the operations of the Agricultural Adjustment Administration cannot be sustained.

The Senator knows, and he has just stated it, and I agree with him, that our problem is not a problem of the adjustment of supply to demand but our problem is the trade wars going on throughout the world—the tariff-rate barriers. I know the Senator from Louisiana does not like that and does not agree with me in that statement. I agreed with him once, but I differ with him in this. The tariff-rate barriers, the quotas, the trade agreements between different nations, have brought down our commerce, industrially and agriculturally; and, as I suggested once before, we have that condition confronting us. By action of the American Congress alone, as I see it, we are not able to restore the former free-trade relations with the nations of the world.

I know that we precipitated the tariff war; I know that we brought about retaliatory tariff measures as a result of our former tariff program. There is no sort of doubt of that in my mind. But that has been done. We did it. America did it. We provoked the battle. The foreign countries have been fighting us ever since. They are in the ring now, nearly all those nations, ready to carry forward a masterly battle with us and with other nations.

Having provoked them into the ring, where they now are, with their arms up ready to hit, and have been hitting, I say that the American Congress, although it started the row, cannot afford to stand there now and drop its hands and permit the other countries to strike mortal blows.

I do not know what we Americans can do except what we are trying to do through the reciprocal-trade agreements. I

do not think the Senator from Maryland [Mr. TYDINGS] would advocate pulling down our tariff rates in any general way, and stand by and see our country flooded with imports and at the same time get no advantages by trading and shipping our goods into the countries which are shipping theirs here. We have that serious problem and that is what we have to deal with. It will take patience, it will take policy, it will take great diplomacy, and it certainly will require great statesmanship; but, so long as we have that condition over which we have no control, I appeal to the common sense, judgment, and the fairness of my colleagues here whether we should recognize that situation in the business of agriculture, or blindly go about the old system of uncontrolled and unlimited production, with full knowledge that the markets are gone.

I submit, instead of abandoning this program because of the loss of exports and the loss of markets, knowing that it is because of the tariff barriers and other causes I have mentioned, that the fair and just thing to do is to meet the situation and deal with it as the facts require, regardless of any theories or formulas abstract in their nature. We have got to deal with a condition which confronts us; we have to deal with facts which confront us. If our markets have diminished, we ought to do as the steel corporation does and as the automobile industry does—recognize the situation and readjust accordingly. That is more important when we are losing markets than it is when we have got steady markets or gaining markets.

That is our problem, Mr. President. I have spoken longer than I had intended. I appreciate the indulgence of those who have listened. I was anxious, at least, that certain phases of this problem should be brought to the attention of Members of the Senate.

Mr. WALSH subsequently said: Mr. President, I was absent from the Chamber when the junior Senator from Alabama [Mr. BANKHEAD] finished his able address. I desired to have inserted in the RECORD following his address some letters which I have received dealing with the condition of the cotton-textile industry; and I ask that those letters, together with a press statement by me, may be inserted in the RECORD following the address of the Senator from Alabama.

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

The letters referred to are as follows:

STATEMENT OF SENATOR WALSH ON THE COTTON-TEXTILE SITUATION

I have from the beginning stated that the problem of cotton and other agricultural products is an economic problem and cannot be solved by any political artifice.

The desire to help out the cotton farmers and other agriculturalists is laudable, but the means to that end which have been employed are not only not fundamentally constructive but are fundamentally destructive to the general purchasing power of the country.

The combined exactions of the N. R. A. and the A. A. A. have converged in the textile industry, resulting in the collapse of cotton exports. The N. R. A., beneficial as it was in many respects, could have been sustained by this industry; but the A. A. A. provided the crushing blow.

Why is it to be wondered at that the cotton-textile industry is in dire distress, when the cost of production has suddenly risen to mountainous proportions, domestic consumption has slumped, foreign trade has diminished, and competitive imports are constantly increasing?

What are the causes of the threatened collapse of the cotton-textile industry, and what, if anything, can be done to help this industry?

The following factors contributing to present unfavorable conditions may be enumerated:

1. The processing tax has added a substantial increase in the cost of cotton cloth, averaging as much as 20 percent to the price, which has increased 100 percent. This has resulted in both sales resistance and substitution of other fabrics by the public. The N. R. A. has also been a contributing element in increasing costs of production, but which the industry could bear because of other benefits.

2. The continuing increase in imports of cotton cloth from Japan and the absorption by Japan of the export trade heretofore possessed by the industry in the Philippine Islands and South America has reduced the demand both in the domestic and foreign markets.

3. Continually increasing production has glutted the market, with the result that there has been no adjustment of production to consumption.

What are the remedies?

The checking of the accumulation of surplus goods can be eliminated through the efforts of the industry itself by amending

its code. The N. R. A. board within a few days has authorized a curtailment plan for 3 months, and it is expected this step will be taken.

The second factor can be remedied by the industry bringing pressure to bear on the N. R. A. to exercise the power granted under the N. R. A. law, which provides that where operations in an industry under the code are being restricted or handicapped by imports, authority may be exercised to the extent of placing limitations or even embargoes upon imports.

The first difficulty mentioned may be eliminated by repealing the A. A. A. law or, as has been proposed, by the President allocating some of the funds appropriated under the work-relief bill in the nature of reimbursements as a substitute for the processing tax.

Unless some such action as outlined above is taken in the not too distant future, an increasing degree of distress will inevitably befall the general purchasing power of the millions dependent directly or indirectly on this industry, all of which will make for a substantial set-back to recovery.

In discussing this problem, I have refrained from discussing the further additional handicap under which the cotton cloth textile industry of the North labors. It is the differential in wages which favors the southern section of the industry, which now represents the largest group of producers. The textile code provided for a minimum wage which affected comparatively few employees, but left uncontrolled the competition in all other classifications of wages. It is estimated that the wage differentials in certain classifications of employment between the North and the South reaches from \$2 to \$7 more in the North than in the South. Adjustment of this serious wage differential is not easy of accomplishment. The industry shows no disposition to unite under any wage agreement that could be incorporated in the code. It is possible that the N. R. A., when reenacted, may launch in some branch of the Federal Government the power to force equality in wages that is such an important element in the cost of production in this industry. Even if the authority were granted, it would require courageous statesmanship to resist the united and militant opposition of the southern textile interests.

Drastic action must be taken at once, if this industry is to be saved, and the first step is to eliminate the processing tax, which is indefensible.

MANUFACTURERS' AND EMPLOYERS' ASSOCIATION OF TAUNTON,  
Taunton, Mass., April 2, 1935.

HON. DAVID I. WALSH,

The Senate Chamber, Washington, D. C.

DEAR MR. WALSH: The city of Taunton as you are undoubtedly aware, at one time, and until quite recently, maintained a moderate number of textile manufacturing plants employing approximately 6,000 people; today there are but 2 plants left employing between 600 and 700. Last week the plant owned by William M. Butler and son and known as the "Hoosac Mills", closed its doors. Owing to the processing tax it was impossible for them to continue. Until recently the Hoosac Mill has been running with two shifts employing 250 to 300 people. This means a loss of a pay roll of approximately \$4,000 per week to the city of Taunton. The writer is aware that our representatives are doing all in their power to have this tax repealed.

The above facts are presented to you with the hope that such evidence as this when presented to the proper committee will have some influence, if not entirely repealing the tax, perhaps have a tendency to reduce it somewhat.

Very truly yours,  
MANUFACTURERS' AND EMPLOYERS' ASSOCIATION OF TAUNTON,  
FRANK L. LOCKLIN, Secretary.

PATTEN BROS.,  
Fall River, Mass., April 1, 1935.

HON. DAVID I. WALSH,

United States Senator, Washington, D. C.

SIR: We, together with many others in this territory, certainly think it is time the cotton-processing tax was removed in order that the cotton-mill industry might have an opportunity to remain in existence a few years longer.

Massachusetts, certainly for the past 15 years or more, has been driven to the wall by legislation affecting its principal manufacturing industries. For instance, the various conditions brought about by State legislation has killed the shoe industry here, as it has driven the greater portion of it out of New England, and particularly out of Massachusetts. The same fate seems to await the cotton-mill industry, not only in Massachusetts, but in every State in New England, and something should be done to remedy the situation before it is too late.

It does seem as though the lawmaking bodies of this State, as well as of other New England States, have shut their eyes to conditions for the last 15 years, during which time these conditions have been steadily growing worse, and now since the Federal Government has taken matters into its own hands, in trying to legislate business, the end of the cotton-mill industry seems to be in sight.

Soon after the N. R. A. was organized, the cotton-mill industry thought it had helped the cotton-mill business to a great extent. However, it was only a fictitious improvement, therefore could not last. This whole N. R. A. scheme was simply hatched by companies that were broke. They went to the Government for assistance, and the Government in attempting to help them, of necessity stepped on the small business man. Washington can

hedge all it pleases but the N. R. A. is killing the small industrialist. The whole scheme is rotten and wrong from the beginning and therefore cannot be made to work satisfactorily nor permanently. The final result will be a debt on which the industrialists will be forced to pay the rest of their days. The millions of dollars the N. R. A. has already cost is probably beyond computation.

There is certainly no more sound reason for a processing tax on cotton, or on wheat, than on any manufactured article being made by an industry that is broke. For instance, to give what occurs to me as the simplest of illustrations, it certainly would not sound very reasonable to put a 2-cent processing tax on every bundle of wet wash done by the laundries, when the laundries as a whole are in a bad condition, most of them not making any more than enough to meet running expenses, therefore unable to lay aside a dollar for replacements, to pass out to the man who sells them their supplies, or machinery, so that the manufacturer might realize a profit at the end of the year, to offset the lack of business he receives from the laundries, on which he depends for existence.

When the politicians wake up to the fact you cannot bring back prosperity by increasing the price of food by legislation, we may get some relief. When legislation causes the price of meat to be raised, the result is every family in the country has its meat sliced thinner, so that less is consumed, because the public is getting no more dollars in its pay envelop with which to buy it. This increasing the price of meat 100 percent causes 120,000,000 people to eat less of it, or go without it, and brings meat into the country in shiploads. The same applies to butter. Less of it is bought, and the general public substitutes a manufactured article.

When we get done trying to squander the taxpayers' money in an attempt to bring back prosperity, there may be some relief for the workingman and the business man, and a return of prosperity for all.

In 1917 and 1918, when those in power at Washington took a dollar bill and marked three dollars across the face of it, or did what amounted to the same thing, they caused a condition that brought about our depression. In other words, the depression was brought about in no other way, and what Washington has been doing the last 2 years will bring about another depression in the future that will make the present one seem insignificant.

The experimenting that has been done by the Government has certainly not helped us out of the depression as yet, simply because all Government employees, from the letter carriers to the high officials, are getting the same rate of pay they were drawing during the years of supposed prosperity, while the small industrialists, and the men who earn the dollars to pay the bills, or to pay the salaries of Government employees, are the ones who find work scarce, and those who have work are not getting enough to exist on.

We do not know how long it will take the politicians to realize that the members of one industry cannot go to Washington and ask for legislation to help them, without stepping on the neck of another industry—in fact when one industrialist goes to Washington to ask for such legislation, he does it with that intention in mind.

We trust the cotton-mill industry will experience relief from the processing tax before more harm is done.

Respectfully yours,

A. R. PATTEN.

FEDERAL MILL, INC.,  
Lockport, N. Y., April 1, 1935.

Senator DAVID I. WALSH,

Washington, D. C.

DEAR SENATOR WALSH: I note that you have had inserted in the CONGRESSIONAL RECORD a letter from Mr. Charles F. Adams, protesting against the increase in cost of food, and it occurs to me that you might be interested in the enclosed tabulation showing the so-called "farm-benefit payments" to various States, and the cost of the processing taxes to each State.

From this you will note (column 5) that the estimated benefit payments to the farmers of Massachusetts amount to \$367,000 per year.

On the other hand, the processing taxes (column 6) cost the people of Massachusetts \$16,354,000.

These costs do not include an average cost of 55.9 cents per capita additional processing taxes covering sugarcane, sugar beets, and peanuts. If these figures were included, it would show the cost of processing taxes to the people of Massachusetts well over \$18,000,000.

I was interested in a recent bulletin of the Federal Reserve bank showing an increase in retail sales of food of something like 11 percent, but a reduction in retail sales of furniture of something like 10 percent. I am giving these figures of retail sales from memory, but they are approximately correct. This, of course, means an increase in the cost of food, the benefits of which very largely go to western farmers, with a corresponding reduction in the purchase of manufactured goods which in turn naturally must reduce employment.

Very respectfully yours,

FRED J. LINGHAM.

P. S.—I assume you understand that the proposed A. A. A. amendments are intended to still further increase the cost of food through marketing agreements which would naturally be entered into only for the purpose of raising prices of farm commodities.

Also, a bill has been presented in the House (H. R. 6199) for the definite purpose of increasing the basis of assessing processing taxes.—F. J. L.

WALTHAM BLEACHERY & DYE WORKS, INC.,  
Waltham, Mass., March 29, 1935.

Hon. DAVID I. WALSH,  
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: As president of the first bleachery in the world, and in behalf of all the employees of this company, may I add to the protests of the present conditions in the textile industry in this country.

I have just returned from New York, after having made a thorough canvassing of practically all of the largest commission houses in this country. The conditions are appalling. Between the N. R. A. control, the continued spread of wages between the North and the South, processing tax, and the lack of proper protection against the importations of textiles into this country, even though raw materials emanate in this country, the textile industry in the United States is about to collapse in its entirety. This is not only my personal opinion but the expressed opinion of men that have a comprehensive knowledge of the textile industry.

As bad as the domestic market actually is, our exports of cotton and textiles are far worse.

The importations, particularly those of Japan, have not only replaced our domestic outlet but the low prices have caused total destruction and collapse of prices on merchandise to the extent that the industry as a whole is panic stricken. Therefore, under the circumstances, business at any price is the slogan, and it means that each successive bidder steps down deeper into a bottomless pit of desperation.

The word which apparently emanated in the agricultural section at Washington a few weeks ago that cotton would not continue to be pegged at 12 cents caused a new and unlooked-for calamity. Now we are told that the processing tax shall be increased rather than totally eliminated. More embarrassment.

Unless we know something—and we hope at least a word of encouragement—as to the immediate future plans of the United States Government we cannot intelligently proceed.

A word from you at this time would be more than appreciated. In desperation I ask that something be done to turn the tide, that we may be enabled to continue to operate and give deserving employees a chance to exist—faithful, deserving employees, many of whom have been in our employ for over 50 years.

Respectfully yours,

WALTHAM BLEACHERY & DYE WORKS, INC.,  
JAS. WM. McQUISTON, President.

HAMPTON Co., INC.,  
Easthampton, Mass., April 2, 1935.

Hon. DAVID I. WALSH,  
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: The Cotton Textile Institute has submitted to all its members figures on the importation into this country of cotton piece goods from Japan from January 1928 through February of 1935. The increase over that period is astounding. Since the N. R. A. and the processing tax have been in effect Japan's imports to this country have increased at a rate that now threatens the existence of our whole cotton-textile industry. In 1934 the imports of cotton piece goods from Japan were 650 percent greater than in 1933. In the single month of February 1935 there was more than a 500-percent increase over the imports for the whole calendar year of 1933. Unless some action is taken immediately to stop these importations, the damage to the cotton-textile industry will be permanent and irreparable.

It is our opinion that the processing tax on cotton should be eliminated and that legislation should be passed setting a definite limit on imports of cotton piece goods from Japan during any calendar year. If the cotton-textile industry is expected to bear the increased costs occasioned by the National Industrial Recovery Act, then the administration should give it protection against cheap foreign goods.

We appreciate your active interest in behalf of the cotton-textile industry, and we ask that its problems receive your continued support and attention.

Very truly yours,

HAMPTON Co.,  
By JOHN H. FINN, Secretary.

WATERHEAD MILLS, INC.,  
Lowell, Mass., March 28, 1935.

Hon. DAVID I. WALSH,  
Washington, D. C.

DEAR SIR: You are doubtless aware of the extreme danger to our textile business caused by the tremendous increase in Japanese importations. The following figures are taken from the report published by the Cotton Textile Institute:

Total Japanese imports of bleached and dyed cotton cloths

|                                | Square yards |
|--------------------------------|--------------|
| January 1934.....              | 30,378       |
| April 1934.....                | 537,000      |
| September 1934.....            | 683,000      |
| November 1934.....             | 927,000      |
| December 1934.....             | 2,210,000    |
| January and February 1935..... | 24,000,000   |

The Rhode Island State Legislature has passed a resolution very similar to the following one:

"Resolved, That the Congress of the United States be urged to pass an act which will restrict the importation into this country of any textile article from any country in a greater volume than the average annual volume of importation of that article from such country during the 5 years 1930-34, inclusive."

I cannot urge you too strongly to use your influence to aid our textile industry.

Very truly yours,

WATERHEAD MILLS, INC.,  
LINCOLN CLARK,  
President.

NAUMKEAG STEAM COTTON Co.,  
Salem, Mass., April 2, 1935.

Hon. DAVID I. WALSH,  
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: While I know you are aware of what is going on, the situation in regard to the importations of cotton piece goods from Japan into this country, commencing with December 1934, has reached such serious proportions that it is necessary for the industry to concentrate upon measures to be taken promptly to check this flood of textiles now coming into this country at prices which are so much below our own costs of production as to constitute a thoroughly demoralizing influence in our markets, the effects of which will extend not only to the price structure of the cloths which are being imported but to similar lines also.

This rapid increase in the imports of cotton piece goods from Japan is strikingly shown by the following figures:

|                          | Total from Japan | Total from all countries |
|--------------------------|------------------|--------------------------|
|                          | Square yards     | Square yards             |
| Year of 1928.....        | 1,710,000        | 61,295,000               |
| Year 1929.....           | 1,217,000        | 61,185,000               |
| Year 1930.....           | 1,016,000        | 35,517,000               |
| Year 1931.....           | 770,000          | 34,732,000               |
| Year 1932.....           | 789,000          | 29,436,000               |
| Year 1933.....           | 1,116,000        | 41,348,000               |
| Year 1934.....           | 7,287,000        | 41,533,000               |
| Month December 1934..... | 2,210,000        | 4,353,000                |
| Month January 1935.....  | 3,341,000        | 6,682,000                |
| Month February 1935..... | 5,744,000        | 9,746,000                |

It is apparent from the above figures that unless controlled the imports from Japan alone during the present calendar year will exceed our total imports from all countries during the prosperous years of 1928-29. Tariff walls present no barrier to this merchandise made under labor costs and standards of living which are far below those of our own country, and the present procedure, under section 3 (e) of the National Industrial Recovery Act, is wholly ineffective to afford the protection which the act was designed to provide.

The most effective way of stemming this tide of imports would appear to be by setting a quota which shall limit importations from any country to not more than the annual average of the years 1928-32, inclusive.

It may be that we can secure some relief through a summary procedure under section 3 (e) which we are proposing to the National Industrial Recovery Board, but clear-cut relief is likely to be dependent on new legislation to establish such limitations.

We are putting these facts before you in the hope you can devise some method of correcting the situation, which really is desperate.

With best regards, very truly yours,

ERNEST N. HOOD, Treasurer.

FITCHBURG YARN Co.,  
Fitchburg, Mass., April 1, 1935.

Senator DAVID I. WALSH,  
Washington, D. C.

MY DEAR SENATOR: I have written you recently, and want to acknowledge your replies in reference to the textile situation. The industry today, as I know you are fully familiar, is in a panic, and serious consequences are going to be the outcome unless drastic action is taken by the administration, to say nothing of the curtailed purchasing power, even with restricted spindle and loom hours creating large surpluses in all ends of our business.

The following tabulation, I know you will understand, adds more fuel to this situation:

|                          | Total from Japan | Total from all countries |
|--------------------------|------------------|--------------------------|
|                          | Square yards     | Square yards             |
| Year 1928.....           | 1,710,000        | 61,295,000               |
| Year 1929.....           | 1,217,000        | 61,185,000               |
| Year 1930.....           | 1,016,000        | 35,517,000               |
| Year 1931.....           | 770,000          | 34,732,000               |
| Year 1932.....           | 789,000          | 29,436,000               |
| Year 1933.....           | 1,116,000        | 41,348,000               |
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| Month December 1934..... | 2,210,000        | 4,353,000                |
| Month January 1935.....  | 3,341,000        | 6,682,000                |
| Month February 1935..... | 5,744,000        | 9,746,000                |

You will note from the above that in the last 3 months Japan has imported approximately 11,000,000 square yards of cotton piece goods, over 25 percent of the total importations of all last year from all countries; and they will keep it up, as I understand their merchandise, even on the basis of present prices, is profitable to Japanese manufacturers and the Government; and I cannot help but feel that the suggestions that have been made to keep theirs and other import countries' quotas in line with the years 1930, 1931, and 1932, as a maximum might give our industry a chance.

Irrespective of all of the data and effort that is being made for removal of the processing tax, I personally cannot feel that this is going to be a cure-all for our industry, and still feel that the stimulus that we need is control of imports, as above stated, and the absolute impounding of at least 50 percent, with the Government holding the 6,000,000 bales of cotton for an indefinite period and the balance to be impounded until the cotton market reaches at least 15 cents a pound.

Statistics and figures show that due to the monetary and exchange situation we have lost a big part of our export business; but with the present indications of the gold-bloc countries devaluing their currencies, I believe that you will see a return of a big portion of our export demand for cotton, as there are not big surpluses of cotton in other cotton-producing countries, and our cotton, or a big percentage of it, is still wanted; and a serious gesture along the above lines, I feel, with a proper devaluation of currency, would start foreign buying, which would materially lift and improve the present situation.

If you agree, your efforts along the above lines would certainly be appreciated from our point of view.

With kindest personal regards.

Yours very truly,

FITCHBURG YARN CO.,  
J. W. LYMAN,  
President and Treasurer.

THE ASSOCIATION OF COTTON TEXTILE  
MERCHANTS OF NEW YORK,  
New York, February 19, 1935.

Imports of cotton piece goods from Japan.

To all members:

Rapid extension of the Japanese foothold in our domestic markets for cotton goods is indicated in the following records of the Department of Commerce, recently made public:

United States imports of cotton cloth from Japan

|           | Total        | (a) Bleached piece goods | (b) Printed, dyed, and colored |
|-----------|--------------|--------------------------|--------------------------------|
|           | Square yards | Square yards             | Square yards                   |
| 1934..... | 7,287,000    | 6,044,000                | 1,243,000                      |
| 1933..... | 1,116,000    | 257,000                  | 859,000                        |
| 1932..... | 789,000      | 51,000                   | 738,000                        |
| 1931..... | 770,000      | 100,000                  | 670,000                        |
| 1930..... | 1,016,000    | 48,000                   | 967,000                        |
| 1929..... | 1,217,000    | 170,000                  | 1,038,000                      |

The progressively increasing volume of these imports is better shown by a comparison of the monthly figures for 1934:

|                | Total        | (a) Bleached piece goods | (b) Printed, dyed, and colored |
|----------------|--------------|--------------------------|--------------------------------|
|                | Square yards | Square yards             | Square yards                   |
| January.....   | 30,378       | 3,960                    | 26,418                         |
| February.....  | 86,458       | 72,529                   | 13,929                         |
| March.....     | 333,535      | 266,215                  | 67,320                         |
| April.....     | 537,342      | 482,056                  | 55,286                         |
| May.....       | 823,932      | 641,681                  | 182,251                        |
| June.....      | 312,173      | 179,948                  | 132,225                        |
| July.....      | 386,543      | 295,603                  | 90,940                         |
| August.....    | 388,672      | 332,360                  | 56,312                         |
| September..... | 683,302      | 589,432                  | 93,870                         |
| October.....   | 567,014      | 372,311                  | 194,703                        |
| November.....  | 927,343      | 812,507                  | 114,836                        |
| December.....  | 2,210,325    | 1,995,243                | 215,082                        |

December imports from Japan equal the total yardage of any two previous 12-month periods and are only slightly less than the gross total from that country for 3 preceding years of 1931, 1932, and 1933. The continuance of this development is seen in the appended memorandum of shipments to consignees in the United States cleared from Japanese ports since the beginning of 1935. Whether these are to banks, import houses, or to domestic distributing firms, an equivalent amount of domestic yardage production is being displaced. At the moment the most important classifications are bleached piece goods and gingham, but the extension to other fabrics and articles is freely predicted.

Price has been the controlling factor in establishing this condition, since qualities, patterns, and colors of domestic goods have in many cases been duplicated. With landed prices for the Japanese products 20 to 30 percent under the domestic market, already highly competitive, there is no practical way for our industry under current

regulations to compete on a price basis. Our higher standards of living mean labor costs 10 times higher under the code and shorter hours of operation. To preserve employment opportunities under American standards it is vital that the impending flood of Japanese cotton goods into domestic consumption channels be promptly diverted and cost equalization established.

Confronted with a similar situation some months ago Great Britain was quick to establish quotas for her various colonies and thus preserve the markets essential to prevent the scrapping of her factories and large increases in her unemployed. According to Mr. Arno S. Pearse, a noted British authority, "Japan produces cheaper than any other country and the difference in price is so marked (from 25 percent to 50 percent) that the European industrialist has in many cases given up hope of overcoming it." We are now more vulnerable than any of the European countries and our tariff walls are no longer effective in equalizing the different standards of life.

The influence of greatly increased domestic costs under the N. R. A. and consequent higher prices in our cotton-goods markets has been an easy stimulant to the Japanese drive for American business, coupled with the protective limitations adopted in many formerly important world markets where the doors are now barred to them. It is not our habit to be alarmists, but we are convinced that these developments present a serious threat to the well-being of our industry and all connected with it, as well as to the highest public interest. We believe that prompt governmental action is necessary to cope with the situation which is growing progressively worse.

W. RAY BELL.

COTTON INDUSTRIES EMPLOYEES' ASSOCIATION,  
Houston, Tex., April 1, 1935.

Senator WALSH,

Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: The Galveston News of recent date carried an A. P. dispatch indicating that you had called for a Department of Commerce study as to why Japan was increasing her trade with South America.

Very likely such a study will reveal many important matters never brought before the Department and to the attention of our lawmakers.

As one of the officials of the Cotton Industries Employees' Association, which has units located all over the Cotton Belt, I have had the opportunity of giving close study to this situation, and if I can assist in any way in presenting you with statistics, data, etc., please do not hesitate to call on me.

The present agricultural program of the A. A. A. is being severely criticized here in the South for its short-sighted theories of pegging the price of American cotton above that of the rest of the world, which has resulted in the Government taking over huge surpluses under their loan program. This naturally takes "free" cotton from normal channels of trade, and it is almost impossible for exporters, etc., to furnish the needs of our former foreign customers. European and Asiatic buyers of American raw cotton are being forced by this present program to become price conscious rather than quality conscious, and to seek their requirements of raw cotton from foreign producing countries who have annually increased production in view of our enforced reduction.

The law of supply and demand clearly indicates that the price of cotton with the world supply as it is is not worth 12 cents. With other producing countries offering their cotton at world prices, it is only natural that they should sell theirs and attract to their shores such large consumers of cotton as Japan and China.

Every month of continuance of the present program causes further loss of our former cotton customers, as they are gradually changing their machinery to accommodate exotic growths rather than American cotton.

As a Senator from an industrial State, with factories which have always considered the South a wonderful outlet for their finished goods, please consider what will happen down here when the Government is forced to take its protective arm from the farmer's shoulder and turn him back to the soil. In Texas and Oklahoma 90 percent of the cotton produced normally goes into export channels, for which the producer has always secured a consumer's dollar with which to buy from the East. We must export our cotton in order to maintain economic stability, and we cannot maintain our export markets if the A. A. A. pegs the price and takes the cotton from trade channels.

Your consideration of this matter will be of vital interest not only to the South but the industrial area you represent, and I would certainly appreciate your views on same.

Sincerely yours,

F. P. LORDAN,  
Chairman Houston-Galveston Division.

JANUARY 9, 1935.

Hon. PAT HARRISON,

United States Senator,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In a spirit of constructive analysis I offer these thoughts for your consideration:

You and I know that the production of cotton, at best, is always an unknown quantity. It is not a commodity the production of which is solely within the will of man to command, as is the case in the mining of metals or coal or in the industrial output of

factories. Agricultural production ever faces the uncertainty of the unforeseeable and/or uncontrollable in natural elements, such as too much or too little moisture, adverse temperatures, and the ravages of insects and pests.

Any plan devised or devisable with the purpose of affecting the price of cotton must reckon in terms of world supply and world demand.

World supply and world demand are, in turn, made up of five parts, to wit: First, world carry-over of all kinds; second, combined foreign production; third, United States production; fourth, foreign consumption of all kinds; and, fifth, United States consumption. Of these five factors there are four unknown quantities, assuming only world carry-over as knowable.

Of these four unknown quantities, if we are to consider American crop control as predeterminable, then there are still left three unknown quantities, which must be guessed at with the view of determining to what figure the American crop must be controlled.

But even here, in the process of arbitrarily determining what the American crop shall be, a definite conclusion must be reached, based upon the three unknown quantities, to wit: Estimated forecast of domestic consumption, estimated forecast of foreign consumption, and an estimated forecast of all foreign crops. While these prospective figures may be guessed at, no one can contend that they can be definitely predetermined or controlled, and two of them are entirely outside of the jurisdiction of the United States.

Any plan that has for its design the purpose of raising cotton prices by the means of reducing the cotton supply, and that relies for this purpose upon the curtailing of the American crop, must, of necessity, reckon in terms of total world supplies, of which only the world carry-over is knowable. From these conditions it has been obvious that even a drastic sacrifice of American production would affect world supplies by only a small percentage.

It is also noteworthy that, even after the very material sacrifice of American production, there has resulted only a slight increase in the real comparative price of cotton, when we eliminate the factor of dollar devaluation and further eliminate the artificial bolstering effect of the 12-cent loan.

I do not believe that any student of cotton economics can consistently hold that the price of cotton today, even in terms of the devalued dollar, would be 12 cents a pound in the absence of any Government loans. If we are to look at the truth fairly and squarely, we have to recognize that if the present cotton market were given over to the free action of supply and demand, that the price for cotton would be materially below 12 cents. But even if we take the figure as high as 12 cents per pound, and then convert this into terms of the dollar before devaluation, we would have a price of about 7.20 cents. It is probable that if the cotton market were given over to the free action of supply and demand, that the price for cotton would be more nearly 10 cents per pound than 12 cents. In this case the real comparative value would be about 6 cents per pound. If we then place this figure alongside of the price for cotton prevailing just before our abandonment of the gold standard, we would find that the price for cotton has actually declined. If, on the other hand, anyone wishes to contend that the free market price for cotton today, in terms of the devalued dollar, would be even as high as 11 cents per pound, then, in that event, the comparative price would be 6.60 cents per pound, which is about the same price as that prevailing just before we abandoned the gold standard.

I am, of course, aware that, under the existing influence of the 12-cent loan, actual cotton has sold on a basis higher than 12 cents. This is because the impounding effect of the loans has worked to artificially increase the "basis." This condition can be quickly understood and better visualized by likening the line of the loan level to that of the sea level and by likening cotton to an iceberg floating in the sea, from which merely a peak of the iceberg protrudes above the sea level, while the bulk of it is well beneath the sea.

In the spirit of intellectual integrity I think it is proper that these comparative figures be given due weight if we are actually to understand how much of the rise in price has been due in reality to the curtailment program exclusively and how much to dollar devaluation. I think this is necessary in the consideration of any cotton program that is designed even in the sole assumed interests of our cotton farmers, because we cannot continue dollar devaluation indefinitely.

The fact appears inescapable that the recent rise in price nearly directly corresponds to the devaluation of the dollar.

Sincerely yours,

GRENVILLE MELLEEN, *Gulfport, Miss.*

Copy sent to Senator WALSH.

SHOE LACE AND BRAID INSTITUTE,  
*Providence, R. I., March 29, 1935.*

HON. DAVID I. WALSH,  
*Senator from Massachusetts, United States Senate,*  
*Washington, D. C.*

MY DEAR SENATOR: Knowing of your interest in legislation designed to restrict or control textile imports from Japan, an enclosing copy of a letter to Robert L. O'Brien, Chairman of the United States Tariff Commission, which outlines the shoe-lace industry's attitude toward Japanese competition, and shows clearly how Japan has taken advantage of the increased costs under N. R. A. to aggressively push their shoe laces into the United States market.

Several of our mills are located in your State of Massachusetts, and account for about 15 percent of the total production of the industry. More than 80 percent of the industry is centered in New England, with the State of Rhode Island accounting for 60 percent of the total. We therefore urge in your efforts to obtain a constructive protection against Japanese imports for the textile industry as a whole, and for the New England textiles in particular, that you will include the shoe lace industry among those several branches of the textile industry for which any specific legislation may be enacted.

Yours very truly,

SHOE LACE AND BRAID INSTITUTE,  
L. K. LOOMIS, *Secretary.*

SHOE LACE AND BRAID INSTITUTE,  
*Providence, R. I., March 22, 1935.*

ROBERT L. O'BRIEN,  
*Chairman United States Tariff Commission,*  
*Washington, D. C.*

DEAR SIR: In behalf of the shoe-lace industry, which for the past 20 months has been suffering from imports of shoe laces from Japan at prices far below the domestic cost of production, the Shoe Lace and Braid Institute hereby requests that shoe laces be included among those textile products for which the administration may enact specific legislation to prevent further increases of general textile imports from Japan at prices demoralizing to domestic industry.

Industry facts: The Shoe Lace and Braid Institute is the national trade association for the shoe lace industry which is located in several of our States, including Rhode Island, Massachusetts, Connecticut, New Jersey, New York, Pennsylvania, Kentucky, Ohio, North Carolina, Missouri, and Illinois. The industry is centered in Rhode Island, whose manufacturers account for 60 percent of the entire production in the United States. Wage earners number from 2,700 to 2,800.

The industry produces about 7,000,000 gross laces a year, representing annual sales of approximately \$4,000,000. Sales fall into two general classes. (1) Bulk laces to shoe factories (5,000,000 gross laces), and (2) paired laces for replacement purposes (2,000,000 gross laces or 1,000,000 gross pairs). At present the Japanese are exporting only the paired laces to this country, and it is in the paired-lace-replacement market that the domestic industry is suffering from low-priced Japanese competition.

Beginning August 1, 1933, the industry operated under the minimum wage, hours of labor, and productive machine-hour provisions of the cotton textile code until March 12, 1934, at which time it went under the code for the narrow-fabrics industry, as approved on February 27, 1934.

Japan's opportunity since N. I. R. A.: Until August 1, 1933, at which time labor and overhead costs increased through this voluntary cooperation with the N. R. A., the industry was able to compete with foreign-made goods, under the 90-percent duty provided by paragraph 1529-a of the Tariff Act of 1930 (braids or laces made on a braiding machine). Consequently, previous to and throughout 1932 and the first 6 months of 1933 there were only scattered imports of cotton shoe laces.

Increase in imports: However, in the summer of 1933 Japanese manufacturers saw the opportunity afforded in the American market through rising costs under the N. I. R. A. and A. A. A., and started to export paired shoe laces to America in large quantities. Imports of Japanese shoe laces continued to grow at a rapid rate all through the last 6 months of 1933 and throughout 1934, reaching a volume of 111,000 gross laces for the year 1934. Thus the industry, despite a 90 percent duty on its product, has witnessed imports of Japanese shoe laces grow from 420 gross laces in July 1933, to an average of almost 10,000 gross laces per month during 1934. (See attached schedule no. 4.)

Price comparisons: The average value of a gross of Japanese paired laces is 0.64 yen, or about 18 cents at the prevailing rate of exchange. The 90-percent duty and import landing costs bring the price to the importer up to 38 cents per gross laces. Several wholesalers in New York City are offering the Japanese laces at 40 cents to 45 cents per gross laces. Yet the domestic cost of production on similar laces averages between 55 cents and 65 cents per gross laces. Such price competition as that is severe, and employers and employees in this industry are suffering accordingly.

Imports of 111,000 gross laces represent about 6 percent of total domestic paired production for 1934. Although 6 percent may appear small in percentage, it should be pointed out that the destructive feature of Japanese competition is the low price at which the laces sell throughout the country. The mere quotation of low prices on a few thousand gross of paired Japanese laces in the various metropolitan centers serves to break paired shoe lace prices to jobbers and shoe finders in those centers. Each sale of a Japanese lace at a price below the costs of production of a domestic lace instigates through severe price competition the cutting of prices by domestic producers, which cutting becomes cumulative and eventually results in a serious dislocation to the price structure of the entire industry.

The severe price competition offered by the Japanese product is not of the healthy type experienced in many other industries in which a low-priced product from abroad stimulates total consumption both of the domestic and the imported product at an average price scale lower than that which existed before the foreign compe-

tition. In the case of the shoe lace, competition from abroad is primarily destructive, and each foreign lace sold in this country eliminates the sale of a domestic lace.

A natural corollary of the administration's policies of the last 2 years, which has resulted in increased costs to domestic manufacturers, is a compensating increase in protection against foreign competition, especially that from Japan, whose yen has depreciated more than other currencies, including that of the United States dollar. The institute is prepared to furnish further statistical data

concerning the shoe lace industry, including costs of production of laces similar to the Japanese laces, and other pertinent data which the Tariff Commission will probably need if and when Congress authorizes a specific investigation of the effects of Japanese competition on domestic textile industries.

Yours very truly,

SHOE LACE & BRAID INSTITUTE,  
L. KENYON LOOMIS,  
Secretary.

Imports of Japanese shoe laces, United States, all ports of entry  
[Unit: Gross laces. Converted from dollar figures available at customhouse, New York City]

| Month             | 1933   |                         |               | 1934   |                         |               | 1935   |                         |               |
|-------------------|--|-------------------------|---------------|--|-------------------------|---------------|--|-------------------------|---------------|
|                   | Imports as recorded under par. 1529 (a) of the 1930 Tariff Act |                         | Total imports | Imports as recorded under par. 1529 (a) of 1930 Tariff Act |                         | Total imports | Imports as recorded under par. 1529 (a) of 1930 Tariff Act |                         | Total imports |
|                   | Imports consumed   | Imports into warehouses |               | Imports consumed   | Imports into warehouses |               | Imports consumed   | Imports into warehouses |               |
| January           |  |                         |               | 5,550  | 1,635                   | 7,185         | 4,750  | 520                     | 5,270         |
| February          |  |                         |               | 12,065   | 3,610                   | 15,675        | 0  | 475                     | 475           |
| March             |  |                         |               | 2,560  | 900                     | 3,460         |  |                         |               |
| April             |  |                         |               | 2,100  | 3,775                   | 5,875         |  |                         |               |
| May               |  |                         |               | 12,685   | 3,160                   | 15,845        |  |                         |               |
| June              |  |                         |               | 1,750  | 6,490                   | 8,240         |  |                         |               |
| July              | 420  |                         | 420           | 5,470  | 6,970                   | 12,440        |  |                         |               |
| August            | 1,040  | 3,895                   | 4,935         | 12,300   | 13,080                  | 25,380        |  |                         |               |
| September         | 235  | 1,640                   | 1,875         | 1,850  | 3,965                   | 5,815         |  |                         |               |
| October           |  | 2,010                   | 2,010         | 325  | 2,165                   | 2,490         |  |                         |               |
| November          |  | 1,720                   | 1,720         | 3,420  | 0                       | 3,420         |  |                         |               |
| December          | 5,465  |                         | 5,465         | 5,465  | 0                       | 5,465         |  |                         |               |
| Total gross laces | 7,160  | 9,265                   | 16,425        | 65,720   | 45,750                  | 111,470       |  |                         |               |

BARNARD MANUFACTURING Co.,  
Fall River, Mass., November 27, 1934.

HON. DAVID I. WALSH,  
Washington, D. C.

MY DEAR SENATOR: Unless the processing tax is eliminated, and the southern manufacturer is obliged to pay the same wages for the same amount of work required for each operative, less the differential of \$1 per week, it will only be a few years when the active spindles in New England will be less than 4,000,000.

In 1923, there were 16,247,100 spindles in New England. At one time, there were about 4,000,000 spindles in Fall River alone, and today, from the best information available, there are only about 1,000,000 spindles running.

Yours very truly,

J. EDWARD NEWTON, Treasurer.

P.S.—We are enclosing a copy of a letter sent to Mr. Louis McHenry Howe, Secretary to the President.

BARNARD MANUFACTURING Co.,  
Fall River, Mass., November 26, 1934.

MR. LOUIS MCHENRY HOWE,  
Secretary to the President, Washington, D. C.

DEAR MR. HOWE: For the last 10 years the cotton mills in New England have been closed down one by one, because the southern mills could manufacture cotton cloth at a lower cost, due principally to lower wages paid their employees and working them longer hours.

When President Roosevelt took office he said through the N. I. R. A., "All cotton mills in the United States shall run 40 hours per week and the minimum pay in the southern mills will be \$12 per week, and in the North, \$13." This differential of \$1 was because the southern workers living expenses were that much less per week than the northern workers.

The experienced employees, such as loom fixers, card grinders, fancy weavers, and so forth, are being paid in the northern mills from \$6 to \$10 per week more than the southern mills are paying for the same work, saying nothing about giving their employees more work to do, which is called the "stretch-out." Now, if we have to continue to pay this increase in wages over the southern mills, we cannot sell our goods, because our cost is too high.

Why not apply the differential of \$1 per week not only to the minimum wage, but all the way up to the maximum?

In 1923, there were in New England over 82,000 more spindles than in the cotton-growing States today, "according to the report of the Department of Commerce of October 1934." The South has over 8,800,000 more spindles than the North. The active spindles in the South are over 9,000,000 more than in the New England States, and unless the wages paid in the southern mills are rectified, and they eliminate the "stretch-out" system, I am quite positive that there will be six cotton mills in Fall River that will have to liquidate, and this will also apply to a large number of other mills in New England. In fact, there are three mills that have started to liquidate in the last 6 weeks, that are located in New Bedford and Rhode Island.

One thing that will help the cotton industry more than anything I know of, is to eliminate the processing tax. Cotton goods

will then be bought at much lower prices which will stimulate buying to a great extent.

We know you are widely interested in the city of Fall River, and hope you can bring these facts to the attention of the President's Textile Board.

Yours very truly,

J. EDWARD NEWTON, Treasurer.

CATLIN YARN Co., INC.,  
Boston, March 20, 1935.

HON. DAVID I. WALSH,  
United States Senate, Washington, D. C.

DEAR SIR: A word of approval for the effort you are making to relieve the textile industry in New England.

You can see at Clinton in the carpet mill and in Lancaster examples of the plight of this State, and razed buildings and vacant plants in Lowell, Lawrence, Fall River, and Woonsocket are eloquent danger signals that cry out for help if the industry is to be saved for Massachusetts.

Probably you are burdened with data, but only this week I have learned of velveteens offered by the Japanese in the New York market at one-third the selling price of New England manufacturers.

Does not the administration realize the necessity for quick action if Mr. Wallace is to continue to receive the processing taxes with which to pay the farmer for not growing cotton?

If you have an opportunity, I wish you would write me your candid opinion as to the possibility of getting any relief.

You can count me as a new recruit to the list of Walsh Republicans.

Yours very truly,

GEO. J. KNAPP, JR.

THE ACHESON HARDEN Co.,  
New York, May 8, 1934.

Senator DAVID I. WALSH,  
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: We are taking the liberty of enclosing herewith copies of correspondence we have received recently in reference to the importation of cheap cotton handkerchiefs into this market from Japan. These importations have already caused us to curtail our operations at our Passaic, N. J., plant, where we have been employing upward of one thousand people steadily on making handkerchiefs. Our pay roll amounts to over \$600,000 a year; a sizable figure for a small community like Passaic.

This serious menace of cheap handkerchiefs coming into this country from Japan is causing our industry a great deal of concern and is not helping us to aid the Government in its recovery program. In fact, it is operating quite to the contrary. It is also causing us to be very cautious about placing forward commitments for our raw materials.

We thought you might be interested in receiving some data on this subject for your information and records.

Yours very truly,

FRANK A. HARDEN,  
President the Acheson Harden Co.

[Copy of letter received from Hibben, Hollweg & Co., Indianapolis, Ind., one of our largest customers in the Middle West]

APRIL 28, 1934.

ACHESON HARDEN Co.,  
470 Fourth Avenue, New York, N. Y.  
(Attention Mr. Sturgess.)

DEAR MR. STURGESS: You will probably be interested in seeing a sample of a Japanese handkerchief that is to arrive in New York about May 20, men's, colored border, size 15 by 15, 4 colors, assorted, to the dozen, green, brown, lavender, and blue, 25 cents per dozen f. o. b. New York City, packed 1 dozen to the bundle, 10 dozen to the paper package.

There are three designs in addition to the enclosed. The price is quite attractive for a man's 5-cent handkerchief, but the material is nothing to brag about. This has been offered to us through our New York office in 100 dozen lots, or more, of a number. It is possible that you already know this item; but if not, I feel sure you will be interested.

We also received from our Chicago friends a sample of the white handkerchief enclosed, which is supposed to be of 70/58 Japanese cloth put up in bundles, supposed to be first quality at 28 cents per dozen.

The sample they sent us is far from being a first in my estimation, as the piece I have kept is worse looking than the half I am sending you. This same party is quoting a 60/48, 17½ by 15½ cut, men's white, at 26½ cents.

Always know that you are interested in what is going on down here.

With kindest regards,  
Yours very truly,

FRED C. DICKSON,  
Receiver, Hibben, Hollweg & Co.  
By WILSON J. HERRINGTON.

Below is extract from a letter received on April 28 from our representative in Philadelphia, Mr. H. R. Baldwin, reading as follows:

"I have lately been up against very hard competition on my staple men's white cotton handkerchiefs because of handkerchiefs made by the Japanese and imported into this country. I wish you would do all in your power to have the duty raised on these handkerchiefs and keep them out of our country. They surely will cut down our sales if allowed to be imported."

H. R. BALDWIN,  
Representative for the Acheson Harden Co.

The following is copy of a letter received from our Mr. C. J. Norsch from New Orleans:

"Jaubert Bros., of New Orleans, have received a sample of a Japanese men's white handkerchief with printed border, cut 15 by 15, quoted at 25 cents per dozen; a pretty good-looking item."

C. J. NORSCH,  
Representative for the Acheson Harden Co.

P. S.—The above quotation is about 33½ percent below our cost.

STEDMAN HANDKERCHIEF MANUFACTURING Co.,  
Asheboro, N. C., April 21, 1934.

Mr. FRANK G. BARRY,  
Handkerchief Industry Code Authority,  
95 Madison Avenue, New York City.

DEAR MR. BARRY: I wired you yesterday in regard to the Japanese goods that were being unloaded in this country, and also I acknowledge receipt of your telegram in prompt reply.

While I was aware that Japanese imports were causing a little uneasiness in some industries, we had not come in competition with their handkerchiefs until this week. We found that they sold one of our customers 2,000 dozen 64 by 60's, which had a finished size of 17 by 18, and doubtless this would mean that they were originally cut at least 18 by 19. These goods were sold at 30 cents per dozen. I have received information this morning by wire where another customer has bought a quantity of the Japanese handkerchiefs, and they are actually boasting about the size of these goods and the price that they have been getting. They seem to get quite a kick out of it and do not seem to realize what it would mean to the American industry if a thing of this kind is permitted to continue. They are packing their goods in 5 dozen blue papers instead of the usual 10 dozen papers.

I am pleased to note that the association has taken steps to secure cooperation from the Government with regard to Japanese imports, and trust that it will not require the necessary slow routing to get the proper action. With 2,000 dozen Japanese handkerchiefs placed with one small dry goods jobber and others that I happen to know about buying proportionate quantities, it would certainly indicate that it would be quite possible for them to land several hundred thousand dozen of their goods and dispose of them before we were aware of what was taking place. If this is permitted, all of us might just as well throw up our hands and turn the business over to the Japanese to handle. With our high labor costs and their ridiculously low costs there is no chance for us to meet this foreign competition. If the Government has this matter put before them forcibly, no doubt they will see the seriousness of

the condition and take the necessary steps to work the matter out for the protection of the American manufacturer.

I shall be glad for you to give me what information you can concerning this matter.

With best of good wishes to you from the writer, we are,  
Yours very truly,

STEDMAN HANDKERCHIEF MANUFACTURING Co.,  
S. B. STEDMAN.

MAY 7, 1934.

Senator W. WARREN BARBOUR,  
United States Senate, Washington, D. C.

DEAR WARREN: Mr. George C. Fisher, handkerchief buyer for the S. S. Kresge Co., was in our office this afternoon. He stated that he had been offered in the market this morning, from a Japanese source, a men's cotton handkerchief made from a 68 by 72 cloth, finished, 17 inches square, with 1½-inch rayon initial embroidered on same, at 42½ cents per dozen. We have a similar article in our line at the present time which costs us 53 cents per dozen.

He was also offered a men's plain white cotton handkerchief, from the same source, made from a 64 by 60 cloth, finished, about 17 inches square, at 25 cents per dozen. This is an exact duplication of a handkerchief which we are running and which costs us 37 cents per dozen.

You can see by these that the Japanese are underquoting our costs by approximately 20 percent.

Mr. Fisher stated he would not buy any Japanese handkerchiefs, as he thought that it would be an inadvisable thing to do, in view of the economic situation in this country at the present time and the efforts that the Government is trying to make toward helping reemployment and restoring some measure of prosperity. All buyers, however, may not be as patriotic as Mr. Fisher is.

I am handing you the above information for your files and records for future reference.

FRANK A. HARDEN,  
President the Acheson Harden Co.

WATERTOWN, MASS., April 1, 1935.

Senator DAVID I. WALSH,  
Washington, D. C.

DEAR SENATOR: Over the past month or two I think I have noticed greater amounts of Japanese goods being used in the State. I am not able to check up on the figures, but the closing of New England mills is a pretty clear indication that something is wrong. Probably the so-called "Jap threat" is one of the contributing factors.

If a basic aim of the new deal is to raise the price structure in our internal affairs, I cannot see why Japan should be allowed to dump her low-cost goods onto our market, as she is apparently doing. I rather think that Japan, blocked somewhat by other major nations, has concentrated on us. What can be done about it?

Please let me congratulate you on your sensible stand on so many of the outstanding issues of today.

Sincerely,

FREDERICK T. LARRABEE.

BOSTON, April 12, 1934.

Hon. DAVID I. WALSH,  
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: Enclosed is an article on textile exports. This situation is getting constantly worse as time goes on.

Very truly yours,

H. C. DUMAINE, Jr.

[Telegram]

FLORENCE, ALA., April 4, 1935.

Hon. DAVID WALSH,  
United States Senate:

We appreciate your efforts in behalf of the textile industry, which, under present conditions, will not survive much longer the process-tax labor conditions, and all the various restrictions under N. R. A. are making it impossible for us to continue operations much longer, and hope through your efforts these can be entirely eliminated; if not, the textile industry is in a hopeless condition.

M. W. DARBY,  
Treasurer Cherry Cotton Mills.

SETTLEMENT OF SPECIAL CLAIMS WITH UNITED MEXICAN STATES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934, which was, on page 5, line 23, after the word "duties", to insert a comma and "at which time all powers, rights, and duties conferred by this act upon the Commission shall terminate."

Mr. KING. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

## AMENDMENT OF THE MERCHANT MARINE ACT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 619) to amend section 27 of the Merchant Marine Act, 1920, which were, on page 1, line 3, after "1920", to insert "(U. S. C., title 46, sec. 883)"; on page 1, line 6, after "to", to insert "the transportation of"; on page 1, line 7, to strike out "and" and insert "or to motor vehicles with or without trailers, and with their passengers or contents when accompanied by the operator thereof, when such railroad cars or motor vehicles are"; on page 1, line 9, to strike out all after "route" down to and including "tariffs", in line 11; on page 1, line 11, to strike out "or vessel"; on page 2, line 5, to strike out "or vessel"; and on page 2, line 8, to strike out "ferries and vessels are" and insert "ferry is built in and."

Mr. VANDENBERG. I move the Senate concur in the House amendments.

Mr. ROBINSON. Mr. President, what is the bill?

Mr. VANDENBERG. This is a bill passed by the Senate to relieve shipping on the Great Lakes from an unintended stricture which was involved in the original Merchant Marine Act of 1920. It has the approval of all the departments. It was passed by the Senate and has now been passed by the House with a further restriction.

Mr. ROBINSON. What is the restriction which the House imposed?

Mr. VANDENBERG. As the Senate passed the bill it applied to only three situations in the United States. As the House passed the bill it applied to only two. The Vermont situation has been eliminated from the jurisdiction of the bill. The measure was proposed by the Senator from Oregon [Mr. McNary].

Mr. COPELAND. Mr. President, I think the bill is entirely satisfactory.

Mr. ROBINSON. Very well.

Mr. VANDENBERG. I renew the motion that the Senate concur in the amendments of the House.

The motion was agreed to.

## REPORT ON SUGAR EXCHANGE TRANSACTIONS (S. DOC. NO. 44)

Mr. BAILEY obtained the floor.

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

Mr. BAILEY. I yield.

Mr. COSTIGAN. Mr. President, I have asked the Senator from North Carolina to yield for the purpose of presenting a report and asking to have it printed as a Senate document.

Several weeks ago the able Senator from Michigan [Mr. VANDENBERG] introduced a resolution calling for a report by the Secretary of Agriculture on what was known and widely discussed as the December 1934 "sugar squeeze" as a result of speculation in Cuban sugar futures on the New York Coffee and Sugar Exchange. The report of the Secretary of Agriculture has been recently filed with the Senate. It contains useful information with respect to the operation of the Sugar Act of May 1934, and I feel it worth while to ask unanimous consent to have it published as a Senate document.

A printed estimate of the moderate cost of publication has been secured. The dependable and informative nature of the report is vouched for not only by the integrity and fairness of the Secretary of Agriculture but also by the participation in its preparation of Dr. Joshua Bernhardt, a competent economist and an exceptionally qualified sugar expert who some 10 years ago was chief of the sugar division of the United States Tariff Commission. I make the request at this time that the report, with an illustration, be printed as a Senate document.

The PRESIDING OFFICER. Without objection, the report, with the illustration, will be printed as a Senate document.

Mr. COSTIGAN. Before I surrender the floor, Mr. President, I feel I should say from my intimate experience throughout with the details of the sugar law enacted last May that in my judgment the distinguished Chairman of the Finance Committee [Mr. HARRISON] recently, through what I

conclude was a misunderstanding, has been unjustly charged with having caused to be inserted in that law in some unexplained concealed fashion a clause which prevents the construction of Puerto Rican refineries.

The provision for the limited importation of off-shore direct consumption sugars from such sources as Puerto Rico, Hawaii, and the Philippine Islands was not one for which the Senator from Mississippi appears in any respect separately or specially responsible. It was incidental to the feature of the law which provided for quotas on imports and on continental United States sugar productions in order to prevent the overloading of the domestic sugar market with surplus sugar far exceeding domestic demand, with ruinous effects on sugar prices and on farmers engaged in the production of sugar beets and sugarcane. That provision permits the importation of island sugar in refined form in the largest quantities imported from the respective regions in any of the previous 3 years. This limitation should be contrasted with the relatively less favorable condition imposed on Cuban imports of direct-consumption sugar, which the same law fixed at 22 percent of the Cuban quota. In view of the complexities of the legislation and the importance and far-reaching nature of the conflicting interests of sugar producers and refiners in the United States and in other sugar regions under the American flag, the requirements in that legislation, which is experimental and temporary, impress me as not open to reasonable criticism.

The entire subject of off-shore quotas and imports of direct-consumption sugar was openly discussed and dealt with during the progress of the legislation and I take this opportunity as I did when the legislation was enacted, to express appreciation to the Senator from Mississippi [Mr. HARRISON] for his helpful and impartial attitude toward the legislation, both as Chairman of the Finance Committee and on the floor of the Senate.

## THE COTTON INDUSTRY

Mr. BAILEY. Mr. President, I know we ought not to delay the proceedings of the Senate, and I am not inclined to do that sort of thing. I do not, of course, intend to say anything that would wound the feelings of my good friend from Alabama [Mr. BANKHEAD], but he has brought forward the matter of cotton and has made a great impression upon my mind. I am very greatly obliged to him for what he has said. I do not know that I have any controversy with him, but, since he has brought the matter forward, I feel rather inclined to the view that it is quite timely that something further be said upon the subject. I regret to do it, because I do not wish to be put in the position of delaying the consideration of the pending legislation, and I am doing so only because the subject has been presented very ably by my friend the junior Senator from Alabama.

I wish to remark, first of all, that I am deeply alarmed by the situation with respect not only to raw cotton as produced by the farmers of the South but with respect to the cotton textiles which are produced in the North and the North Atlantic States and in the Southern States. There is no question, Mr. President, but that we are losing the world market for raw cotton. I have the data here before me, and I intend as briefly as possible to show just the progressive trend of that loss covering a long period. There is no question whatever, in my mind, that if we shall lose a large proportion of the world market for American cotton the loss will amount to an economic catastrophe. It will not only affect the 2,000,000 cotton producers in the cotton-growing States but it will directly affect the entire American population, because the 13 or 14 cotton-producing States constitute a third of the territory of our country, a third of its population, and a third of its market.

We have enjoyed a large portion of the world market in raw cotton for a long period. As late as 1890 we had 70 percent of the entire world market in cotton. That meant, of course, practically the clothing of 70 percent of the people who wear clothes in the world. But today, no long period having elapsed since 1890, only 40 years, one man's active lifetime, we produce and sell less cotton than the other nations. To make an approximation, the 70 percent which we

had in 1890 has been reduced to about 45 percent and is being still further reduced.

There is no reason why we should be in doubt about these matters. The Department of Agriculture has fully informed us. Here is Cotton Leaflet No. 3, issued October 25, 1934, by the United States Department of Agriculture, in which we are informed as to the production of cotton in foreign countries and how it is being increased.

In India, for example, the "cotton acreage has ranged from 11,835,000 acres in 1899", 36 years ago, "to 28,403,000 acres in 1925", an increase of two and a half times. The cotton production in India has risen from less than a million bales, until they were expecting this year 6,000,000 bales, but, due to drought, the crop was cut to five and a half million bales. Nevertheless, there has been an increase of over 500 percent within the period of the lifetime of practically every Senator here. The leaflet states as to Egypt:

During the last 40 years Egypt's annual cotton acreage has fluctuated between 1,036,000 acres in 1895 to 2,162,000 acres in 1930.

An increase of 100 percent, or 1,000,000 acres.

The figures are given as to Russia:

Russia planted 4,843,000 acres of cotton in 1934.

And I have here a publication issued, I understand, under the auspices of the Soviet Republic, which bears the title "Economic Review of the Soviet Union", and is published by the Amtorg Trading Corporation, of New York City. I quote from this publication:

During the past several years there has been a considerable increase in the area sown to cotton and the production of cotton fiber in the U. S. S. R. This growth has resulted both from expansion of old cotton-growing districts in central Asia, Kazakstan, and Transcaucasia \* \* \* and the development of new cotton regions in the Ukraine, Crimea, North Caucasus—

And so forth.

Thus the area sown to cotton in central Asia and Kazakstan rose from 837,400 hectares in 1928—

And a hectare represents 2½ acres—

to 1,491,600 in 1932, while that in Transcaucasia increased by 90 percent.

Here are the figures as to the production in Russia:

In 1913, 230,000 tons of cotton; in 1933, 410,000 tons.

Thus it will be seen that the production was nearly doubled.

I have also here the facts as to Brazil. Brazil is very rapidly expanding her cotton acreage and her cotton production. It leaped from about 500,000 bales last year to 800,000 bales, and those who are best prepared to inform us tell us that Brazil is capable of an almost unlimited expansion of her acreage. The plateaus from which the rivers flow into the Amazon furnish abundant opportunity for the development of cotton land.

I believe I can see something in that matter of real significance. The South enjoyed for so many years a monopoly of the production of cotton because it was surrounded on three sides by deep water. I question whether anywhere else on the globe can be found a great farming area that is surrounded as is the Cotton Belt by such seaports. Going down the Mississippi there are Memphis and Vicksburg; on the Gulf there are Houston and Galveston, Corpus Christi, New Orleans, and Mobile; and on the Atlantic there are Savannah, Charleston, Wilmington, and Norfolk—a great collection of deep-water seaports that open to all the world that tremendous agricultural territory as no other portion of the earth is opened.

Water transportation, I am informed, is about one-tenth the cost of rail transportation. It is safe to say that practically every bale of cotton produced in the Cotton Belt, except a small area within the center of the belt, is within 300 miles of a great port and therefore easily to be transported to all the markets of the world.

That is a natural advantage which tends to give us a great monopoly in a raw material of universal use. That is the biggest stake in America. I would not undertake to say what was the very best thing the American people had,

but I am satisfied that any group of economists would say that, economically speaking, the capacity to produce cotton in a great area and transport it throughout the world from ports in close proximity to the farm is one of the supreme advantages of the American Republic.

Mr. WALSH. Mr. President—

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

Mr. BAILEY. Certainly.

Mr. WALSH. Will the Senator state whether or not there has been a decrease in the consumption of cotton throughout the world?

Mr. BAILEY. No; there has not been.

Mr. WALSH. I should like to invite the attention of the Senator to some figures which have been brought to my attention in reference to imports of cotton. The Senator from North Carolina and other Senators from the Southern States, and Senators, including myself, from Northern States where cotton textiles are manufactured, have been protesting against imports of cotton cloth.

Mr. BAILEY. I am coming to that.

Mr. WALSH. I should like to have the Senator confirm these figures, if he will. Information has come to me that 2 years ago the amount of cotton we exported to Japan was approximately 60 percent of its consumption, and that 40 percent came from outside of the United States; but at the present time the amount of American cotton imported into Japan is only 25 percent of its consumption and the amount of cotton which is produced elsewhere is 75 percent. I am glad the Senator is going to approach that subject. I should like to know if he has any explanation for that decrease.

Mr. BAILEY. I shall dwell upon that feature just a little, but I wish to develop further the value of this remarkable location of our cotton-producing belt with respect to the ports which transport the raw material to all the world markets. It lies in the fact that the chief export of the American people for over 100 years has been cotton. The statistical fact is that 22 percent of the total exports of the United States are constituted in just one item, and that is raw cotton. Mr. Peek, of the Export-Import Bank, recently developed the fact that the total net balance of trade in favor of the United States for 100 years in the sum of \$34,000,000,000 is accounted for altogether in the fact that within 100 years we have shipped abroad \$34,000,000,000 worth of cotton. But for that we would be today, as we were once, a debtor nation, and I suspect would always be destined to be a debtor nation.

Mr. President, I do not care to go at great length into the statistics. I think there may be an opportunity to do so when the remarks would be appropriate to pending legislation, when I should feel much more free to speak. A product of the soil of America, the creation of the labor of human beings who constitute our population, which has brought to us \$34,000,000,000, which has made possible one-third of the American market, is of infinite value to the Republic, not just to the South. Now that we see that we are losing this great export market for raw cotton, it ought to be a matter of the utmost concern not only to the legislator but to every human being in the land. It is an amazing thing for us to have had this advantage for the space of four generations and now to be content to remain quiet or to be disposed to lay the flattering unction to our souls that it is not going to happen, when as a matter of fact it has happened, it is happening, and its culmination is not far distant.

Mr. President, I do not believe we are losing this export market for cotton because cotton is selling at a "high" price. The gold price of cotton today is about 6½ cents per pound, and that is below the cost of production. It is not selling at a high price. The argument made here this morning about the pay of the man who produces the cotton, it being suggested that we would have to get down upon the level of the farmer or worker in Egypt or India or China or Brazil in order to maintain this market, is not well

founded for the simple reason that cotton now is produced in the South by labor which is paid no more than is paid to the laborers in the countries I have mentioned.

I do not hear anyone say that many of the tenant farmers of the South are in any respect worthily paid. If in 12 months of labor they get the means to keep body and soul together they are considered fortunate, and every man from the South knows it. When all that a man gets out of his labor in this world is the mere means of keeping body and soul together, I take it he has reached the irreducible minimum of compensation for his labor. I think Senators from the Southern States will bear witness that I do not overstate that fact.

I do not think that is the point of our attack. I desire to go into this matter with a view not to the worker or the farmer, but with a view to the American Union and our economic civilization. We are either going to sit quiet and do nothing about cotton and let the world take the market and confine us to the production of 5,000,000 or 6,000,000 bales where we ought to produce 14,000,000 to 15,000,000 bales, or we are going to address ourselves to the problem. I do not hesitate to say that if it appears necessary to pay a bounty for the production of export cotton, the bounty to be the difference between the world price and the parity price, it would be a magnificent investment for this country to pay the bounty. If we spend billions of dollars to build up the industries of America, it could not be said to be unjust that we should spend millions more saving agriculture in America and preserving the world market for our raw materials.

Alexander Hamilton changed the course of the country with his report on manufactures at the beginning of the nineteenth century. He directed the minds of the American legislators to the necessity for a public policy which would foster industry, and America became for a hundred years industrially minded. If America for the next hundred years becomes agriculturally minded, no mistake will be made.

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

Mr. BAILEY. Certainly.

Mr. BLACK. Of course, when Mr. Hamilton turned the minds of this country toward industry, and suggested the tariff, he also called attention to the fact that in order to compensate the farmer it was necessary that some kind of bounty be paid, just as the Senator has suggested.

Mr. BAILEY. Precisely; and that leads me to make the remark that we resolve the present agricultural problem in terms of parity prices. Parity means that the farmer's dollar shall buy in the market as much as he gets when he sells his goods. The buying power and the selling power of the farmer's dollar should be the same; but that cannot be as long as the farmer buys in a protected market and sells in a world market. Water does not run uphill. The only correction is a bounty on his exports.

I have said all that I intended to say on this point. I desire now to say something about the textile phase of the matter.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. THOMAS of Oklahoma. Has the Senator considered the cotton problem from the standpoint of the fact that the countries producing cotton in competition with America are upon silver standards, which means exceedingly cheap money?

I have before me the New York Times, in which I find these figures, and I will place them before the Senator for his consideration:

Mexico, just to the south of the United States, has for its unit the silver peso. The par value of the peso was 84.40 cents. That monetary unit has depreciated until yesterday it was worth only 27.85 cents, which shows that the Mexican dollar—let us call it that—is worth today less than one-third what it was worth before it fell in value. That

shows that the Mexican is today receiving for his cotton, in terms of pesos, more than three times what he received before the Mexican peso was depreciated.

Today, the Mexicans are getting in excess of 45 cents a pound in Mexican money for their cotton; and just across the Rio Grande the Mexican farmers are prosperous, while just north of the Rio Grande they are in depression and the bread line.

Take the next country, India: India has the silver rupee. Originally the rupee was worth 61.79 cents. The rupee has depreciated until today it is worth only 36.34 cents, a depreciation of almost 50 percent.

Take the next country, Japan: Japan has the yen for its unit of money. Originally the yen was worth 84.39 cents. Today the yen is worth only 28.12 cents.

Take Brazil, for example: Originally the milreis of Brazil was worth 20.25 cents. It has depreciated to 6.20 cents.

The same thing is true of every competing country. These countries on silver standards have depreciated their currencies, which means that the farmers of those countries are receiving from two to four times in cents, in their money, what they originally received; and these cents and dollars, so-called, pay their taxes, their interest, and their debts just the same.

So the facts are that in the countries which compete with us the farmers are receiving high prices for their cotton on, of course, a depreciated-currency standard. In America the depreciation in the value of the domestic dollar is not as much as 25 percent.

Does not the Senator see in this situation a possible solution for a further aid to cotton farmers of the South?

Mr. BAILEY. I will answer the Senator briefly. I do not. Perhaps I can. I sit not far from the Senator from Oklahoma, and if I sit at his feet longer, I hope I may master this question as he has. Meanwhile I will ask him a question. Did he ever read the story of the six blind men who went out to examine the elephant? Each one came back with a different tale. I do not know but that there is considerable of analogy between those blind men and the Members of the Senate—I would not say any one particular Senator, but all of them put together. Each one has a different view.

Mr. BARKLEY. I did not know an elephant had more than one tail. [Laughter.]

Mr. BAILEY. There were six tales in the case of this elephant.

Mr. President, I was about to say something about the textile business. We are not only losing the foreign market for our raw material in cotton, but we are also losing our domestic market for our manufactured goods. How can an American manufacturer pay \$21 a bale more for cotton than the Japanese manufacturer pays, and then compete with him in the domestic market? That is precisely the fact.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. BAILEY. Yes.

Mr. THOMAS of Oklahoma. Is it not a fact that Japan is buying her raw cotton from our competing countries, taking the cotton to Japan and processing it into fabricated articles, and then bringing the completed, finished product to America and selling such goods in competition with our textile mills in America?

Mr. BAILEY. That is true, and that is what I wish to stop; and while the Senator is on that point, I may add that Japan has made a bargain with India whereby she takes a certain number of bales of cotton produced in India upon the agreement on India's part to buy 400,000,000 yards of Japanese manufactured cloth.

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

Mr. BAILEY. One minute—then I will yield to the Senator from Alabama. My point is that the economic base in America is such that no cotton-manufacturing establishment in the land can hope to sell its goods in the domestic markets, and by reason of this handicap are also losing the world market. Now, we are losing the world market for the

raw material on the one hand, and we have lost the world market for the manufactured product on the other.

Mr. WALSH. As illustrated by Japan.

Mr. BAILEY. Yes.

Mr. WALSH. There is a reduction in the amount of exports of cotton, and an increase in the imports of cotton cloth to our own country.

Mr. BAILEY. And I very greatly fear this consequence, and I think it is well worthy of grave consideration: If we maintain the present course, we shall be reduced to the necessity of selling the cotton of the American farmers through the mills of the Japanese.

Mr. WALSH. I am inclined to agree that if we keep on that is the course we shall follow.

Mr. BAILEY. For years we had to depend upon Great Britain, but Japan now exceeds Great Britain in manufactures of cotton. We cannot sell our cotton textiles abroad. Japan can sell hers. We must deal with Japan in order that there may be a market for the product of the men who toil on the farm in North Carolina and elsewhere. They have no other world market, as matters are going.

To my mind, that constitutes one of the gravest of all our problems. It is a present thing, but it will intensify with every month. Shall we wait until the culmination, and then proceed to the policy of palliatives, and create work for those people by public appropriations, or shall we take steps to arrest the fatal process while it is going on?

I now yield to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I am interested, of course, in the Senator's discussion about the condition of the cotton-textile industry. Personally, I think it is more important to find a new outlet for cotton-textile goods than for raw cotton, because in the former case we get the benefit of manufacturing in this country. I desire to complete the record on one statement the Senator made, however, so that there will be no misunderstanding about it.

Mr. BAILEY. I shall be very glad to have any correction.

Mr. BANKHEAD. That is with reference to the cost which the manufacturers have due to the processing tax of \$21 a bale.

Mr. BAILEY. I know what the Senator is about to say.

Mr. BANKHEAD. I assume the Senator has overlooked the fact that the textile mills get a drawback for that \$21 a bale on all exported textiles.

Mr. BAILEY. I agree with that. Now let us turn that right around. When we sell cotton goods in the home market we pay \$21 a bale more than the Japanese do for the raw cotton; and that has opened the door of every home throughout America to the competition of the foreign manufacturers of cotton goods with the American manufacturers, and we stand today in the presence of the solemn fact that the mills are closing day by day throughout the land. That requires instant action.

Mr. WALSH. Mr. President, the Senator cannot use language strong enough to describe the distressed condition of this industry and to indicate that it is bound to collapse completely if something is not done very shortly.

Mr. BAILEY. Mr. President, I am dwelling on this matter out of order, as I conceive it—I realize that it is not technically out of order—wholly because the able Senator from Alabama [Mr. BANKHEAD] brought the subject forward in a very fine way, with a great deal of intelligence; and, as he talked, these things occurred to me about which I had wished an opportunity to speak. By the time he concluded I decided that I would bring the matter forward.

I spoke about the dependence of 2,000,000 farm operators and their families, 10,000,000 people.

I hesitate to think what will be the consequences as the people find their means of livelihood paralyzed around the cotton mills in New England, in Rhode Island, and the other States there, and all down the Atlantic coast, 400 cotton mills in my Commonwealth, hundreds more in South Carolina, and a great number in Georgia, while, on the other hand, and without any invidious word whatever, the people of the Kingdom of Japan are making a livelihood in this

business, while American citizens hold out helpless hands to their Government and beg for daily bread.

Mr. THOMAS of Oklahoma. Mr. President—

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

Mr. BAILEY. I yield.

Mr. THOMAS of Oklahoma. Of the 2,000,000 and more people who live in Oklahoma, 1,000,000 depend on cotton for their livelihood. Naturally, I am just as much interested in the cotton problem as is anyone upon the floor of the Senate.

Mr. BAILEY. I am sure of that.

Mr. THOMAS of Oklahoma. I think the Senator will agree with me that the farmers of North Carolina, as well as the farmers of Oklahoma, are forced to produce cotton in competition with the farmers of Mexico, Chile, Peru, Brazil, Argentina, India, China, and other cotton-producing countries. Those countries are all upon a cheap-money standard, a silver standard. In the United States we are on a gold standard. The United States on a gold standard, a high-money country, with a high-valued dollar even yet, is forced to compete in the production of cotton and in the processing of cotton with numerous nations on a silver standard, which is a cheap-money standard.

Now my question. If something could be done in a proper and legitimate way to raise the value of silver, such program would raise the value of the monetary units in the cotton-producing countries, and then if we could reduce the value of our dollar would not such program tend to bring about a more settled and harmonious basis on which we could compete with these silver-using nations? Does not the Senator believe that such a program would afford at least partial relief for the cotton farmers of the United States?

Mr. BAILEY. Mr. President, I will answer the Senator from Oklahoma. I do not think that the American Republic, as great and powerful as it is, has the power to increase the cost of production in India. Let us assume that we lift the value of silver to \$1.29 an ounce—and that is the objective of the Senator from Oklahoma. They could at once move off that base and get on a lower one. That would be a process of deflation for those people; it would probably drive them off any money base whatsoever.

I am willing to entertain a possibility, but I do not feel that I am remotely competent and very respectfully I question whether the Congress of the United States has the slightest capacity to affect the costs of production around the world. I am willing to have us attend to our own business here, but I do not know that we can affect such things in other countries.

Mr. THOMAS of Oklahoma. Let me suggest to the Senator that some 2 years ago silver was selling for 24 cents an ounce in the world market.

Mr. BAILEY. Yes.

Mr. THOMAS of Oklahoma. At that time the Indian rupee was tied to the British pound, and the rupee was a very cheap piece of silver so far as its metallic content was concerned; but being tied to the British pound, the value of the rupee was governed by the value of the British pound.

In the past 2 years silver has risen from 24 cents an ounce to 61¼ cents an ounce. By virtue of that rise in the price of silver the silver in the Indian rupee today is practically worth its face value; and if silver continues to rise in value, say 10 more points, then the silver in the Indian rupee, which is their unit of money, will be worth more than its face stamped value. That will force the Indian government to make a readjustment of their financial unit, which is one reason, obviously, why Great Britain is opposed to the American silver program. Great Britain does not want the silver in the Indian rupee to rise to the point where that coin will be worth more as bullion than as a stamped coin.

Mr. BAILEY. The Senator says we would drive the people of India to some sort of readjustment. I agree, and they would make that adjustment to suit themselves. They would

not make it according to the terms fixed by the Congress of the United States.

I would rather deal with something a little bit nearer home, the cotton growers all over the South. I believe we can handle this matter on our own base, without undertaking some sort of a monetary operation with a view to determining the cost of production in Japan or India. I think that is a matter they will determine, not we. I do not understand how we could drive them to an economic organization or regime which they were unwilling to assume. We might take steps to injure them in some way, but that is almost inconceivable. We want to help the peoples of the world, as I understand. I am not entertaining the idea of any retaliation. I would not proceed to deflate the money of the people of India, just as I would resent it and did resent it when other nations pursued policies tending to deflate the situation in the United States. It is wrong wherever done; it is wrong for the United States to do it to the other fellow, and when we do it, let us remember there is retribution in history.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield again?

Mr. BAILEY. Certainly.

Mr. THOMAS of Oklahoma. The Senator suggests that he wants to keep closer home, but the fact is that India and China together contain about one-half the population of the earth, and those two countries afford the greatest outlet for American cotton. Six out of 10 bales that we used to sell went to clothe half the people of the world, residing in China and India.

Mr. BAILEY. And the Senator proposes to provide an outlet for American cotton in India and China by making their money dearer, and that is an impossibility.

Mr. THOMAS of Oklahoma. Mr. President, I propose to use more silver in an effort to help the cotton farmers of the South and the people of the United States.

Mr. BAILEY. I take it from the Senator's remarks that he has retaliation in mind. I am not going to speak or act in terms of retaliation.

Vengeance is mine; I will repay, saith the Lord.

I will leave that to Him. I want to act in a reasonable and a constructive way, and with a decent regard for the rights and the welfare of human beings in whatever clime and in whatever condition they may live. I am not in for war of any sort, commercial or otherwise.

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

Mr. BAILEY. I yield.

Mr. HATCH. I merely wish to suggest to the Senator from Oklahoma that elements of self-defense are sometimes involved, are they not?

Mr. THOMAS of Oklahoma. Mr. President, if the Senator from North Carolina will yield, from 1920 until 1933 some influence or power raised the value of our dollar from 64 cents to \$1.67. The smart financiers in the United States apparently did not know what the trouble was, and have not yet found out. I suggest that when we do find out, perhaps we may be able to take the entire world into consideration and make necessary adjustments so as to promote the general welfare of the people of our own country.

Mr. BAILEY. If those financiers have not found it out, it has not been the fault of my honored and able friend from Oklahoma. If they had read the RECORD, they would have understood it.

Mr. THOMAS of Oklahoma. I do not have much help here or elsewhere.

Mr. BAILEY. It does not take much help. When the Senator from Oklahoma tells them the truth and all about it, all they have to do is to read the RECORD, and I am willing to let them do that.

Mr. President, to resume the course of my argument, and with a view to taking my seat, I have brought out here just the facts about the loss of world trade in raw cotton notwithstanding our incomparable advantage through producing a superior article and have extraordinary shipping facilities. I have also brought out the fact that at the present

moment we are losing our export trade in manufactured cotton.

We have heard it said on the floor of the Senate more than once that the people of Japan have shipped into this country within 60 days of 1935 more of textiles than they did in the 12 months of 1934. We cannot stand that. We cannot see our mills closed. We must take steps to prevent it. Certainly we are not asking much for ourselves when we say that every cotton-mill wheel in the United States shall turn for the benefit of American workmen with respect to the domestic trade rather than for the benefit of any other workers whatsoever. That is not retaliation. That is intelligent self-interest. That is common sense.

I conclude with just this: I have a statement here of the index numbers of the quantum, price, and value of the foreign trade of the leading countries for several years. I shall start with the figure "100" as the standard in 1929. United States export trade was at 100 in 1929. Today it is at 56. The United Kingdom's trade, 100 in 1929. In 1933 they were at 64 and today they are at 70. Compared with us constantly going down, they are constantly going up. France, 100 in 1929. France in 1933 had gone down in her export trade to the point of 60. Italy, 100 in 1929, and now 53. And Germany, 100 in 1929, and now 65.

The United States has made less of recovery of her lost foreign trade from 1929 to 1934 than Great Britain or France or Italy or Germany.

Take that in the matter of price, the matter of value, take it with respect to imports and exports, and Senators will be amazed to see how the other nations have been recovering their lost foreign trade while we have been losing our own.

I had reason the other day to examine and submit to the Committee on Agriculture statements of the losses of foreign trade in the matter of agricultural products, and in every product that we ship abroad we have suffered severe losses in the last 12 months.

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

Mr. BAILEY. I yield.

Mr. BARKLEY. Does the Senator think that our attitude previous to that time toward other nations which resulted in obvious retaliations against us by them has had any part in the loss of our markets?

Mr. BAILEY. I am glad the Senator asked that question, and I hope I may plead it by way of exoneration for not taking my seat sooner. I heard a great deal and read and thought a great deal about the effect of the Smoot-Hawley bill. I am sure that is what the Senator from Kentucky has in mind. I think it did build up a tremendous resentment throughout the whole world against us. I think it was one of the most unfortunate pieces of legislation that ever was enacted. I remember reading the statement of the leader on the other side that once that bill was passed we would be out of the depression in 30 days, and if I am not mistaken, it is certainly my recollection, that within 30 days after the bill had passed at least 30 foreign nations had retaliated against us. I do not think, however, that the present situation relates to that altogether. I think the present situation is one of universal competition in the most intense degree. Whatever may have been the causes 3 and 4 and 5 years ago, those of us who are now responsible have got to deal with the consequences as they are. We cannot go back and correct what was done in 1930. We have got to take the step with the situation as it is, and I have brought forward this matter of cotton and textiles and agricultural exports only because I see not only no recovery in those respects, but ever-increasing disaster, and I am deeply convinced that we ought to address ourselves to these things while the fatal process may be arrested.

I ask to have printed in the RECORD at this point the report from the League of Nations Bulletin on World Trade and Official Reports of the Respective Countries with regard to the index numbers of quantum, price, and value of the foreign trade of leading countries.

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

The matter referred to is as follows:

*Index numbers of quantum, price, and value of the foreign trade of leading countries*

|                                      | Imports |       |       | Exports |       |       |
|--------------------------------------|---------|-------|-------|---------|-------|-------|
|                                      | Quantum | Price | Value | Quantum | Price | Value |
| <b>United States:</b>                |         |       |       |         |       |       |
| 1929                                 | 100     | 100   | 100   | 100     | 100   | 100   |
| 1930                                 | 85      | 82    | 70    | 81      | 90    | 73    |
| 1931                                 | 75      | 63    | 48    | 67      | 69    | 46    |
| 1932                                 | 60      | 49    | 30    | 52      | 59    | 31    |
| 1933                                 | 66      | 49    | 33    | 52      | 62    | 32    |
| 1934 (10 months, January to October) | 65      | 57    | 37    | 56      | 72    | 41    |
| <b>United Kingdom:</b>               |         |       |       |         |       |       |
| 1929                                 | 100     | 100   | 100   | 100     | 100   | 100   |
| 1930                                 | 98      | 88    | 86    | 82      | 96    | 78    |
| 1931                                 | 101     | 71    | 72    | 63      | 86    | 54    |
| 1932                                 | 88      | 66    | 59    | 63      | 80    | 50    |
| 1933                                 | 90      | 63    | 56    | 64      | 78    | 50    |
| <b>France:</b>                       |         |       |       |         |       |       |
| 1929                                 | 100     | 100   | 100   | 100     | 100   | 100   |
| 1930                                 | 108     | 85    | 91    | 89      | 96    | 86    |
| 1931                                 | 106     | 70    | 74    | 76      | 80    | 61    |
| 1932                                 | 89      | 59    | 52    | 59      | 68    | 40    |
| 1933                                 | 93      | 54    | 50    | 60      | 62    | 37    |
| <b>Italy:</b>                        |         |       |       |         |       |       |
| 1929                                 | 100     | 100   | 100   | 100     | 100   | 100   |
| 1930                                 | 93      | 87    | 80    | 95      | 84    | 80    |
| 1931                                 | 80      | 67    | 54    | 99      | 68    | 67    |
| 1932                                 | 72      | 53    | 38    | 77      | 58    | 45    |
| 1933                                 | 73      | 47    | 34    | 79      | 50    | 39    |
| <b>Germany:</b>                      |         |       |       |         |       |       |
| 1929                                 | 100     | 100   | 100   | 100     | 100   | 100   |
| 1930                                 | 89      | 87    | 77    | 95      | 94    | 89    |
| 1931                                 | 74      | 67    | 50    | 86      | 83    | 71    |
| 1932                                 | 70      | 50    | 35    | 59      | 72    | 43    |
| 1933                                 | 69      | 45    | 31    | 56      | 65    | 36    |

Source: League of Nations' Bulletin on World Trade and Official Reports of the Respective Countries.

#### ON THE COMPLAINTS OF THE DEMOCRATS

Mr. LONG. Mr. President, I had not intended to interrupt this discussion on the cotton question. It grieves me, however, to see the lack of understanding of some of my Democratic colleagues on the cotton question and on other questions.

To begin with, we do not need the market of Japan for cotton. We do not need the market of India for cotton. We do not need the market of England for cotton. The United States today needs 25,000,000 bales of cotton. I am not going to explain why, because I have taken too much time on other days to tell Senators why. There is a demand in the United States today for 25,000,000 bales of cotton. That is not only true of cotton. That is true of other commodities. The people of the United States in order to be in a normal condition today need to consume 25,000,000 bales of cotton.

My friend the Senator from Massachusetts [Mr. WALSH], where they make toothbrushes and shoes, finds that on the streets of Boston today they are selling a Japanese toothbrush and they are selling foreign-made shoes. Notwithstanding the fact that they are making them in Boston they are selling the foreign-made goods in Boston.

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

Mr. LONG. I yield.

Mr. WALSH. Only this morning my attention was called to another commodity which is being imported into this country from Japan in very large and increasing quantities, and which is manufactured in my State and in other States of the Union. It is a very simple article—shoe laces. The amount of shoe laces imported from Japan to this country in July of 1933 was 420 gross per month. This past year the average of shoe laces imported from Japan to this country was 10,000 gross per month.

It may interest the Senator to know that although there is a tariff duty of 90 percent on those shoe laces and though the importers paid that tariff duty and paid the Japanese manufacturer, these shoe laces are sold in the chain stores of this country for 1 cent a pair, while no manufacturer in this country can produce them and sell them at less than two pairs for 5 cents.

That is in addition to what has been said here so ably a short time ago by the Senator from North Carolina [Mr. BAILEY] about the imports of cotton cloth, which has re-

sulted in creating a condition that I have never seen before in the 20 years of my public life—an entire industry panicky.

I have letters which I put into the RECORD today in which they refer to the possible collapse in the near future of this industry. I hope Senators will read these letters. I sat in with a group of industrialists from the Southern States which are supposed to have advantages over the northern producers, 2 weeks ago Saturday, who stated that if something is not done in 3 months there will be 500,000 textile employees added to the welfare rolls of this country.

I am glad the Senator from Louisiana [Mr. LONG] is raising his voice to help us get some action and obtain remedies to prevent the collapse of this industry. If it comes it is going to seriously impair the whole recovery program, because if this industry collapses the many industries depending upon it will collapse.

Mr. LONG. The Senator described conditions affecting that industry. The facts are that nearly every American industry is in that same condition, which will be found if we will just dig deep enough. What is the trouble? We have a very difficult time getting Senators to be consistent. The first trouble is that our markets have been taken away from us. The second is we are not consuming in America what the people of America are begging to have. We have enough people in America today who would consume every product which is raised or manufactured. At the most, Mr. President, the foreign business never did amount to more than 10 percent of the American business, and it never was that much. Of our entire business in America that which was due to foreign trade was never in excess of 10 percent. That is a recognized figure. But we undertook to carry on a certain foreign trade. I never have been so wild about that foreign trade, although I am from a cotton country.

I have never been very wild about our foreign trade, because I have realized that the time was coming when Egypt was going to plant cotton; so was Russia; so was Turkey; so was Brazil. There is no question about the fact that long before I came to the Senate we imposed a tariff on long-staple cotton, and I stated on this floor when I was trying to get a tariff on oil that the time would come when we would have a tariff on short-staple cotton; and that time is coming. Southern Senators need not fool themselves. We will have to put a tariff on cotton, just as certain as we are living. Short-sighted southern statesmen who have been clamoring for free trade, in the imaginary belief that always there would be cotton which had to have a free-trade market, will wake up, if they have not already awakened, and find out that other countries are going to be able to produce cotton cheaper than can America.

Now, getting to the point that the Senator from Massachusetts covered, certainly foreign nations are underselling us. Why? Their currency is one thing; the lower cost of their labor is another; the lower cost of their water transportation is another.

As an example, we have had the Interstate Commerce Commission operating in the United States, but it has never been known, since it was created, to lower a freight rate. Yet Senators keep wanting to put matters under the Interstate Commerce Commission. For 11 years I was a member of the Louisiana Railroad and Public Service Commissions, and never did I have occasion to go before the Interstate Commerce Commission when the net result was other than to get a higher freight rate in the interior of the country.

At Waterloo, Iowa, as an example, there was formerly, as I believe the Senator from Missouri [Mr. CLARK] told us here one day, a great cream separator establishment. Why did it not continue? When the Panama Canal was constructed such an advantage was given to coast points that the interior could not meet the transportation cost.

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

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I gladly yield, and more readily to the Senator from Missouri than anyone else in this body. [Laughter.]

Mr. BARKLEY. Why the discrimination?

Mr. CLARK. I will say, so far as the illustration used by the Senator from Louisiana is concerned, that at Waterloo, Iowa, they formerly had not only a cream-separator factory but also a gas-engine factory and 8 or 10 other great factories which were put out of business, largely by the construction of the Panama Canal.

Mr. LONG. That is my understanding. I remember having read a speech of the Senator from Missouri about the cream separator, but I assume it applied to many other businesses.

The Interstate Commerce Commission, Mr. President, has practically destroyed the railroads in the interior of the United States with their rate-making and railroad-regulating policies. They have raised the interior freight rates to the point where one can hardly carry on business, notwithstanding the fact that somehow or other the railroad rates have been adjusted on the coasts to meet water competition, and they have, none the less, made a profit. We just fiddle around—

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

Mr. LONG. I yield.

Mr. DICKINSON. Before the Senator leaves the tariff issue—

Mr. LONG. I am coming back to it.

Mr. DICKINSON. I wish to refer to subsection (e) of section 3 of the National Recovery Act, which reads as follows:

(e) On his own motion, or if any labor organization, or any trade or industrial organization, association, or group, which has complied with the provisions of this title, shall make complaint to the President that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of any code or agreement under this title, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he shall, in order to effectuate the policy of this title, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under this title.

So the responsibility is laid down at the door of the White House.

Mr. LONG. The point is that that is about the only half-sane provision which was written into that entire law.

Mr. DICKINSON. I concur in that view.

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

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

Mr. LONG. I yield.

Mr. BARKLEY. Can the Senator from Louisiana or the Senator from Iowa tell us whether any such complaint as is referred to in the language quoted as a basis for action on the part of the President has been filed with him?

Mr. LONG. Yes; I can tell the Senator; and I want my Democratic and Republican friends to listen, because it is "A plague o' both your houses" when it comes down to just what they did. We followed that up; we put in the N. R. A. law the provision that the President could lift higher the tariff wall or prescribe an embargo in order to prevent foreign-made goods or materials from breaking down the American market. Then, after we had gotten that finally signed, the ink had hardly become dry when the administration came along with the reciprocal tariff law to allow them to lower the wall. I never did know why we had to bite them both off. We gave the President the power we found to be necessary to raise the tariff wall, and the next thing we gave him the right to lower the tariff wall. In other words, it is kind of like the old man who said he did not know whether Peary discovered the North Pole or not, because Peary did not meet anybody coming back from there. [Laughter.]

So we have two kinds of authority in the hands of the President, one going to the left and one going to the right, and he zigzags. We are zigzagging. At one time we go to the left and the next time we go to the right. It brings to mind the story of the colored man out on no man's land. The captain had told him to zigzag and zigzag, and when he came back he had been shot up pretty badly; and the captain said, "Did I not tell you to zigzag?" He replied, "Yes, Captain; but I believe I must have zagged when I ought to have zigged and zigged when I ought to have zagged." [Laughter.]

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

Mr. LONG. I yield.

Mr. BARKLEY. I asked the Senator a moment ago whether he or the Senator from Iowa could point to any case where an application under the National Industrial Recovery Act had been filed with the President upon which action could be taken. I am asking for information, and if the Senator knows of a case where a complaint has been made to the President and he has refused to institute the investigation provided for or the action provided for, I should like to know it.

Mr. WALSH. Mr. President—

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

Mr. LONG. I yield to my friend from Massachusetts.

Mr. WALSH. I understood that the President did act upon one petition presented to him and did limit the amount of imports of cotton rugs, which are manufactured both in the South and in the North. I know his attention has been called by the textile manufacturers to the increasing importations of cotton cloth from Japan and its effect on reducing the sales of the domestic producer in the domestic market. It is possible the matter did not reach the President's attention until shortly before he left Washington.

Mr. BYRNES and Mr. BARKLEY rose.

Mr. LONG. I do not want to yield any further to have other Senators engage in arguing among themselves. I should like to conclude my speech, as it will be very short.

Mr. BARKLEY. With that understanding, I will not ask the Senator to yield any further.

Mr. LONG. I do not want three Democrats to become engaged in an argument, because I do not want the harmony of the party disturbed. [Laughter.] I am trying to reconcile them; I am trying to strike a note of harmony on the Democratic side. As the Chair knows, I am a leader of the Democratic Party; I am one of its titular leaders at this time and expect to be for a while yet. [Laughter.]

Mr. CONNALLY. Did the Senator say "kickular" leader?

Mr. LONG. Yes; both "kickular" and titular; I have been on the receiving end of the former. [Laughter.]

However, the Senator from North Carolina tells us that we lost the world market for one reason; the Senator from Massachusetts tells us that we lost the domestic market. In other words, we gave the President authority which I did not want him to have. It was foolishness to have intrusted him with such authority; if we did not know how to exercise it, we ought not to have expected him to know how to exercise it. I never did believe in that kind of legislation, and I do not believe in it now. I think it is unconstitutional. I care not that the Supreme Court by a 5-to-4 decision approved the first flexible tariff law provision; if I had been on the Supreme Court it would have been 5 to 4 the other way, because that law, in my opinion, never was constitutional, and many United States Senators felt the same way about it; but we finally wound up by giving the President more authority. He has a right to protect the domestic market, and he has a right to open up the foreign market. According to what has been said on this floor, he closed the foreign market and then closed the domestic market, and we lost them both. That is what we Democrats allege to be the fact.

I am not going to say that there was a mistake in the statements of the Senator from North Carolina and the Sen-

ator from Oklahoma and the Senator from Massachusetts, because I think all of them are stating the facts, and they are proving about what some of us reasonably sane believers in a sound tariff policy said on the floor of the Senate when we embarked upon this game to go both ways and lose both routes.

Mr. BARKLEY. Mr. President, I do not want to ask the Senator to yield and interrupt his remarks, but I should be glad if he would yield to me for a moment with reference to the matter to which the Senator from Massachusetts called attention.

Mr. LONG. I yield.

Mr. BARKLEY. I think, in order to be fair, it ought to be stated in the RECORD that only on the 28th day of March was a complaint filed with the President on the part of the Cotton Textile Institute. That complaint was referred to the Tariff Commission and is now pending before the Commission. That was only about a week ago, and up to that time no other complaint had been filed with the President with respect to cotton cloth.

Mr. WALSH. I did not know the exact date, but I did know that complaint had been made. I myself, on March 16, wrote an open letter to the United States Tariff Commission calling attention to the situation.

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

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

Mr. LONG. I yield.

Mr. DICKINSON. I wish to suggest that the language of subsection (e) of section 3, which I previously read to the Senator, provided that "on his own motion" action may be taken. If the situation suggested by the Senator from Massachusetts exists in various industries, action can be initiated on the part of the President himself; he does not have to wait.

Mr. LONG. That is true, but the President might not find the trouble. As it stands the President has a right to correct it without somebody else asking him to do it, but the President might not find it out. The fact of the case is that if I was down on Mr. Astor's \$5,000,000 yacht I probably would not find out about it either. If he were out in the cotton fields, he would learn about it. We cannot expect a man to find out something when he has no opportunity to be told about it. I am making that defense for the President.

Mr. FRAZIER. Mr. President—

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

Mr. LONG. I yield.

Mr. FRAZIER. In reply to the question of the Senator from Kentucky, let me say that the question of the importations of rye has been taken up with the President, having first been taken up with the Tariff Commission.

Mr. BARKLEY. Does the Senator speak of rye in the grain or liquid form?

Mr. FRAZIER. Rye, I said. It is called rye in our section of the country, and it is in grain form.

Mr. BARKLEY. Whatever it is, if it is from Kentucky it is of a superior quality.

Mr. FRAZIER. Rye is being imported from Poland and other countries in quite large quantities. We found there was a 30-cent bounty paid by the Government of Poland. We found previous to the last tariff law that where imports are coming in and a bounty being paid upon them, the Secretary of the Treasury can raise the duty equal to the amount of the bounty plus the already existing duty. We took it up with the Treasury Department, but could not get any satisfaction. We were told that the Antidumping Act was not being violated, but they ignored that provision of the tariff law in regard to bounty.

The only argument as to why they did not undertake to stop the imports of rye from Poland on which a bounty was being paid, and thus forcing down the price of rye in this country, so the farmers could not make any money out of it, was that we sell more products to Poland than we buy from

them, and therefore it was not desired to disturb that trade arrangement. Poland is now delivering rye at New York ports at about 54 cents a bushel, which is far under the American cost of production. It could not be done unless a bounty was paid there by the Polish Government.

Mr. LONG. I thank the Senator from North Dakota. There is just this difference between the two policies in this respect. Poland pays the farmer a bounty to ship products to a foreign country. We pay our farmers a bounty to bury them. That is the difference. Poland pays a bounty to ship rye from Poland to the United States. We pay a bounty to burn it up. That is the difference. We pay a man for hogs if he proves he did not raise hogs. We pay a cattle raiser for cattle he did not raise if he proves he did not have as many cattle this year as he had last year. We pay for the cotton if the cotton farmer shows he plowed it under. That is the difference between the two systems. As a result, today there are being shipped into this country Polish rye, Japanese shoestrings and toothbrushes, foreign-made shoes, and the American workingmen—not 11,000,000 of them, as we have been told by the statistics—

Mr. LEWIS rose.

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

Mr. LEWIS. No, Mr. President. I was under a misapprehension. I was assuming the eminent Senator from Louisiana was about to take his seat. I would not deprive the Senator of a continuance of his discussion.

Mr. LONG. One reason I have not concluded my speech is because the Senator from Illinois has just come into the Chamber and I was kindly repeating a part of it because I was anxious that he should understand it.

Mr. FRAZIER. Will the Senator yield again?

Mr. LONG. Certainly.

Mr. FRAZIER. According to figures which come from one of the departments of the Government, a little over 51 percent of the imports last year, 1934, were agricultural products—51 percent of all the imports brought into the United States.

Mr. LONG. Fifty-one percent of the imports?

Mr. FRAZIER. Yes; 51 percent.

Mr. LONG. In other words, we are trying to cure the condition of an overplus in our American market, but what have we done, according to the figures the Senator from North Dakota has given me? I know he has made a study of the matter. Of all the imports into the United States, 51 percent are raw agricultural products. I was told in my home city of New Orleans that one of our distinguished statesmen clapped his hands and jumped up in jubilee when he saw them bringing in again the meats of Argentina and the wheat of South America. In our own State of Louisiana we were killing cows and paying the people to get rid of the surplus.

What I was trying to bring out when I yielded to numerous interruptions was this thought. Here is our trouble. I do not need to go anywhere except to invite attention to all that has been said here and what has been pointed out here. We need to protect the American market for our domestic products. I mean by that, we need to protect our domestic market. That has to be done first. The country must control its own market.

With 11,000,000 men out of work, as it is said we have, though I maintain it is 21,000,000 to 22,000,000 men out of work, and I shall prove it by figures in just a moment—with all these men out of work, increased idleness is being enforced in this country due to the fact that foreign competition is allowed recourse to the American market so we not only cannot reemploy the American men who are now walking the streets, but they cannot themselves expect to be supported very long by their brothers who are employed, because what markets we have left are being taken away from the laboring men of America. The laboring men of America cannot get work to make American products to sell to the American people themselves, due to the simple fact that Japan can take a bale of American cotton, ship it to Japan, manufacture it, and send back the manufac-

tured articles to the United States and undersell anybody in the United States on such manufactured products.

That is the kind of situation we are facing. We keep talking, as my friend from Maryland [Mr. TYDINGS] was talking yesterday, about world trade, notwithstanding the fact that if he would look around in Baltimore he would find that foreign countries are selling in the department stores of Baltimore the very products which would put his own people to work in Baltimore if it were not for the fact that foreign competition undersells the American producer.

That is one point. We need to protect the American businessman in the American market, so that he can sell in his own market what he produces.

We cannot put an elephant through a keyhole. That cannot be done. It is not possible to make 200 fit into 100, nor is it possible to make 200 fit into 5. We have a debt structure in this country of \$252,000,000,000. We have \$6,000,000,000 in currency. That debt structure has practically destroyed interchange in commerce among the Americans themselves. We have been crying not only for the foreign market—I will come to that in a moment, because I agree with what the Senator from Oklahoma [Mr. THOMAS] said—but in order that we can have an interchange in America there has to be something done in two ways:

We have got to provide a means to lower the debt structure. An indebtedness of \$252,000,000,000 means \$2,000 for every man, woman, and child. It is an impossibility for the American people ever to pay \$252,000,000,000 of debt with \$6,000,000,000 of currency with which to pay it. That is an impossibility.

India, China, Japan—60 percent of the people of the world—use silver as the yardstick for money. If we want to get into those foreign markets, we have got to take up America's own metal, silver, which primarily was an American product, and get this country to a point where it does not fiddle around with silver, but where once and for all silver shall be a medium of exchange as it was prior to 1873, when it was unconstitutionally taken out of the category of passable money.

These are the three primary objects. Then comes a fourth and overpowering object, which is as follows: The American people still have nearly all the wealth they ever had. I read Mr. B. C. Forbes' article on America's Wealth Which Has Disappeared. As a matter of fact, our wealth has not disappeared. The land has not disappeared. The buildings have not disappeared. The railroads have not disappeared. The wealth of the earth, the wealth in the earth, the wealth on the earth, the wealth in the water, is all still here. The raw materials are still here and all other things are here in abundance. America today, substantially speaking, from the standpoint of its intrinsic worth, is worth just as much as it ever was.

However, Japan does not know there is a depression in America. Japan thinks there must be mighty good times in America, because the markets of America seem to be open to the products of Japan. Japan thinks this country must have prosperity, judging by the amount of materials she has been selling to the United States, whereas our wealth is actually here but it cannot be assimilated and used for American commerce. Why?

I started out by saying that we needed today for domestic consumption 25,000,000 bales of cotton. Where do we need it? We need it to put bed sheets on the beds in this country where they have not any sheets and have not had them for years. We need it to put some new mattresses on the beds that have not had them. We need it to put some rugs on the floors of the people who have stopped buying rugs because they cannot buy them. We need it for window curtains. We need it to make five or six dresses available for every female child and two or three suits of clothes for every male child in this country. There is a demand in the United States today that would consume 25,000,000 bales of American cotton if Americans could buy cotton; but we may go on with all the other things I have mentioned, and if Congress neglects one thing, nothing is going to do any good. The income is not in the hands of the consumers. The man who needs to buy

shoes has not the income with which to buy shoes. The man who needs to buy clothes has not the money with which to buy clothes. The man who needs to rent a house has not the money to pay rent. There is the income, there is the property, there has been the prosperity, but until Congress decides that it is going to do something to provide that the income and wealth of America shall be placed back in the hands of the people who could consume American products we shall not be able to buy our own domestic products, and we shall gradually be reaching out, trying to buy some product made by slave labor because our own domestic earnings are insufficient to buy the products produced by our own labor.

So Congress has been fiddling, and the President has had us fiddling. The President sends us down a new instrument, and we put a bow on it, and we put a few more strings on it. We send him one instrument to play to lose the foreign markets, and we send him another instrument to play to lose the domestic markets, and they are both rigged up that way, and America has not 11,000,000 unemployed; America today has twenty-one and a half million unemployed breadwinners. I will prove that statement.

In 1929 the income of the American farmer was just twice what it is now. The American farmer is, at the very least, 50 percent unemployed; and if we consider that 22,000,000 American farmers, having only one-half their former income, are thereby, on the basis of income, 50 percent unemployed, we have 11,000,000 industrially unemployed, and we have 11,000,000 agriculturally unemployed; and at the very least from twenty-one to twenty-two million American breadwinners are in the unemployed ranks today, as a result of what? As a result of the fact that those very people cannot find the means of buying the very things they need, which they are desirous of producing, but which this abominable conglomeration and derangement of the alphabet is supposed to correct, and which it is not correcting, and never will correct.

The next bill we shall pass here will afford no relief. The Senator from Oklahoma [Mr. THOMAS] was one of my compatriots when we were trying to legalize the use of silver as money. We fought here for a good while to try to have that done; and one day, while I had gone to New York, and my friend from Montana [Mr. WHEELER] and my friend from Oklahoma [Mr. THOMAS] were left here, I read in the New York newspapers that they had compromised the matter, and that the President had called my friend the Senator from Oklahoma [Mr. THOMAS], who was really our leader on the inflation question, to the White House in order to make peace with him and to provide what we needed in the way of currency. I was so happy when I read of the fact that the Senator from Oklahoma had been sent for by the President—I was up there in New York by myself—I was so happy when I read that good news that I felt that something good was coming from this business.

Lo and behold, we came in here, and I guess the Senator from Oklahoma got all he could. I am a better horse trader than he is. I think I would have hung out a little longer and got a little more; but he came in here and got a pretty good-sounding bill. He got a bill that authorized the President to remonetize silver if the President wanted to do it; he got a bill that authorized the President to expand the currency if the President wanted to do it; and he got a bill that authorized the President to cure the whole thing, top, side, and bottom, provided the President wanted to do it; but we started out with \$6,000,000,000 of merchantable money, and today we still have about \$6,000,000,000 of merchantable money; have we not?

Mr. THOMAS of Oklahoma. It is less than five and one-half billion.

Mr. LONG. It is less than five and one-half billion? Then we lost something instead of gaining anything.

Mr. THOMAS of Oklahoma. Mr. President—

Mr. LONG. I yield to the Senator.

Mr. THOMAS of Oklahoma. We have lost three-quarters of a billion dollars of money since we started to make money more plentiful.

Mr. LONG. The next time we have a trade, I am going to get the Senator from Oklahoma to let me go down there with him. [Laughter.] We may not gain anything, but the only thing we shall lose will be ourselves. In other words, we came along here with the President yielding to us. He was supposed to have put his chin in his hand and said, "Well, boys, you have the votes in the Senate. I am going to yield", and we started out with \$6,000,000,000 in money, and today we have three-quarters of a billion dollars less money than we had before we made that compromise.

So the thing for us men to do is to stay out of the White House. Do not fool with a man who is smarter than you are, Mr. President! Never do that. I feel like telling again where I got that instruction, but I wore it out here on the floor of the Senate. I was taught by my grandfather that a man should never let another man stay around who is smarter than he is. If you hire a man to work for you who is smarter than you are, he will have you working for him if you keep him around very long. So the thing for Congress to do is to decide that it will write out that A is A, and B is B; not that A is A provided the President wants it to be A, not that B is B provided the President says it is all right, but the Congress ought to write out that A is A and B is B. Otherwise, what good are we going to do? We started with \$6,000,000,000 of money, hoping we would get about twelve billion—and that is about what we ought to have in this country right now; at the very least, we ought to have twelve billion—and, instead of that, we have three-quarters of a billion less than we had when we started out.

Mr. MOORE. Mr. President—

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

Mr. LONG. I do.

Mr. MOORE. I was wondering if the Senator from Louisiana had introduced a bill, or a series of bills, to correct all the evils of which he speaks.

Mr. LONG. Yes.

Mr. MOORE. I should like to vote for them if I knew what they were. I do not like to sit here and listen to this list of evils and do nothing about it.

Mr. LONG. If the Senator from New Jersey will vote for it, that is another vote we will get. I have not quite enough votes yet. That is a good diversion, however. I did not expect to get the Senator's vote so early. If my logic has changed him, I intend to keep talking, so that I will change another one.

Mr. MOORE. If it can be called logic. I am a new Senator, and I should like to get somewhere without wasting time.

Mr. LONG. The Senator ought not to be so optimistic. I have been here 3 years, and we have been going back the other way every day I have been here; so the Senator is overoptimistic.

Mr. MOORE. Perhaps that is the reason.

Mr. LONG. Mr. President, instead of having started out with \$6,000,000,000 and having it sweated down to less than five and a half billion dollars, we have a right to expect to go the other way; and we shall have to go the other way if we are going to do any good in the United States.

There is another bill here which I should like to call to the attention of my friend from New Jersey. We have a soldiers' bonus bill here. That would not only pay the soldiers' bonus but it would give the country \$2,000,000,000 more money that is sadly needed by other enterprises. That is one of the bills that ought to be passed; but what are we doing? We are passing a \$5,000,000,000 joint resolution authorizing the President of the United States to spend \$5,000,000,000 more between now and the next election, or during the election, whichever time you call election time. We are giving him \$5,000,000,000. Where is that \$5,000,000,000 coming from? The Treasury Department is going to issue bonds. That \$5,000,000,000, if the bond interest should amount to 4 percent, will mean that much more annual interest to be paid out of a constantly decreasing stock of money. We shall have to turn the little five and a half billion dollars over in order that we may pay the

interest on that amount of money that we are going to spend, represented by bonds that we are going to owe. So where are we going?

The Senator from Maryland [Mr. TYDINGS] is complaining. He is a Democrat. The Senator from Massachusetts [Mr. WALSH] is complaining. He is a Democrat. The Senator from Alabama [Mr. BANKHEAD] is complaining. He is a Democrat. The Senator from Oklahoma [Mr. THOMAS] is complaining. He is a Democrat. I am complaining. I am a Democrat. Are we going to stand here and complain and complain and complain and confess that what we did last year was wrong, and what we did year before last was wrong, and what we are doing now is wrong, and keep going deeper into the chasm of distress and bankruptcy and national insolvency? Are we going to keep yelling, "We are going to ruin! We are going to ruin! We are going to ruin!" and marching just as fast into the jaws of hell as our feet can carry us? Is that what this logic means?

Why have the speech of the Senator from Maryland that it is all wrong and have his vote the other way? Why have the speech of the Senator from Alabama that the thing is all wrong, and have his vote the other way? Why have them tell us that when we authorized the President to raise the tariff wall and let the foreign goods come in and when we authorized him to restore the foreign markets he closed them up, and then vote to give the President power to do something else? Why does not the Congress of the United States take unto itself responsibility?

There was a time, when we hired a captain and sent him out with a ship and he tried for about 3 or 4 years to make a voyage and could not make it, that we would go back and decide to hire another captain and see whether or not he could make the trip; but this is not even that good a chance. This is a case in which the Congress of the United States was given by the American people a duty to perform, and the Congress of the United States held up its hands and said, "Oh, no; the President does not think we are competent to perform this duty assigned to us by the Constitution of the United States. He does not think we know how to handle this thing. He told us to give him the authority to handle it in order that it might be handled more expeditiously, and we have given that authority", with what results? Not the results I am complaining about today, but the results that the Senator from Alabama [Mr. BANKHEAD] is complaining about, the results that the Senator from Maryland [Mr. TYDINGS] is complaining about, the results that the Senator from North Carolina [Mr. BAILEY] is complaining about, the results that our party is complaining about. Those are the kind of results of which I think the Congress should take stock and should reckon with itself on whether or not we ought to begin to see reason or make a serious effort at legislation.

We have not adopted any legislation since we Democrats came into power. I want to repeat that statement, for fear somebody may contradict it. We have not passed any legislation since the Democrats came into power.

It may be said that we passed the N. R. A. Act. That is not legislation. That was a bill authorizing the President to do something if he wanted to do it. He could have taken the standing Army and done the same thing. He did not need to have an act of Congress, in my opinion. One method would have been just as constitutional as the other, and, according to my belief, the Attorney General thinks that it would have been just as constitutional for the President to have taken the standing Army and do as he has done as it would have been for us to pass the N. R. A. bill, because the minute the N. R. A. law got to the Supreme Court of the United States, where it was going to be held unconstitutional, the Attorney General withdrew the case from the court in order to keep the court from passing on the law.

Mr. President, that is the kind of expedient we are condemning. I am afraid that my leader, the Senator from Arkansas [Mr. ROBINSON], who came into the Chamber after I had started speaking, may think that I am criticizing the administration. I am simply summing up the criti-

cisms which have been made against the administration, and giving my explanation of them.

To sum up, we are all complaining. The whole Democratic Party is in revolt against its own administration. We are all complaining that the N. R. A., and the A. A. A., and all other derangements of the alphabet have failed to deliver the goods. We are all complaining that our domestic markets are lost. We are all complaining that our foreign markets are lost. We are all complaining that we have not the means of reducing the debt. There is a constantly rising tide of complaint. And what is the recourse? The recourse is for the United States Congress, in session duly convened and assembled, to take unto itself the duty devolved upon it as a result of the Constitution of the United States, and enact legislation pure and simple, specific and to the point, arbitrary, if you may call it such, providing—

No. 1. That the wealth and income of the United States shall be spread among the people.

No. 2. That there shall be enough money to discharge the debt structure.

No. 3. For the protection of our domestic markets.

No. 4. For getting what we can from the foreigners after these others things are done.

LOUISIANA'S CONTRIBUTION THAT HAS SPREAD INTO A PLAN FOR AMERICAN RESTORATION

Mr. LONG resumed and concluded his speech begun by him on yesterday, which entire is as follows:

*Wednesday, April 3, 1935*

Mr. LONG. Mr. President, I desire to take about 5 minutes to present to the Senate something which has required 5 years of very serious study, and which, before we close the doors, I hope to have called to the attention of the Senate.

This morning, in the city of Washington, it is raining mud. The clouds are not sprinkling rain water alone; the rain water is mixed with mud resulting from the dust gathered hundreds of miles west of the Mississippi River. That condition, I understand, extends as far as the Atlantic coast.

In the years 1927 and 1928, when Congress had before it the question of flood control, any number of plans were tentatively proposed; and finally Congress adopted what was known as the "Jadwin plan." I was called to Washington as the Governor-elect of my State because of differences existing in the Louisiana delegation; and we agreed, with certain reservations, to undertake to secure the passage of the Jadwin plan, hoping later to secure its amendment.

In 1928, in the State of Louisiana, we undertook, through the State government, after I had become the Governor, to propose to the United States a plan for flood control. In other words, we proposed a comprehensive plan to care for the water in order that the lands of Louisiana should not be used as a floodway for the waters of the North, particularly in the springtime when the ice and snow begin to melt. So we got up a rather comprehensive plan which we called the "Louisiana plan." Later it was named, I think, the "Jacobs plan", because Mr. Jacobs was our chief engineer.

As a result of the presentation of that map, the Congress of the United States and the War Department later were led to make a study of the problems of the waterways, also the matter of irrigation and of navigation and of the generation of power; and this year a comprehensive study of the whole question was completed. It was presented in a volume which I have in my hand, which is entitled "Projects for the Development of Rivers and Harbors, Summarized From Reports by the Corps of Engineers to the Congress."

There is presented here, in the first part of this pamphlet, a map charting the country, with proposals for the control of all the waters, all the rivers, and improvements for the purpose of handling rainfall and the ice and snow which melt in the spring; so that in carrying out the Louisiana plan of 1928 and 1929 the engineers have proposed to the Congress of the United States arresting, impounding, and scattering the flood

waters of the North throughout such States as Montana, North and South Dakota, Nebraska, Kansas, Oklahoma, Colorado, Minnesota, Iowa, Missouri, Arkansas, and various States east of the Mississippi River.

That plan is so comprehensive that if it had been adopted a few years ago we should not now be concerned either with our problems of unemployment or with the dust storms or with the growing distractions now visited upon the West, and various pests which the people of that section are constantly fighting.

In order that we may understand a little about the necessity for this program, since many persons have allowed themselves to believe that it is only a flood-control problem, I wish to undertake to give to Members of the Senate just a few figures relating to phases of this subject which all of them may have taken the time to explore.

The great trouble in the West today is that there is no readily available water level. The water level in the Dakotas used to be almost up to the surface. In other words, in that western part of the country a number of years ago, when you dug a well you would strike enough water a few feet from the surface of the earth to furnish a family with whatever well water might be needed.

The water level has fallen in North Dakota in a period of from 10 to 25 years from 6 feet below the surface to 34 feet below the surface. In other words, years ago you could have dug down 6 feet and gotten well water; today you would have to dig farther than 34 feet to strike water.

In South Dakota the water level was a mere matter of inches below the surface. In from 2 to 25 years the water level of South Dakota has gone down from inches to 70 feet, and in South Dakota today one would have to dig a well 70 feet deep, or deeper, in order to strike water that could be used for supplying family needs.

Even in the State of Minnesota the water level has gone down from 5 to 24 feet; in Nebraska, from 4 to 26 feet; in Iowa, from 7 to 21 feet; in Kansas, from 2 to 13 feet; and in Missouri, from nothing down to 26 feet in some cases.

Mr. President, as a result of this falling of the water level, draining the lands of the North, the country around Louisiana, Mississippi, and Arkansas has been constantly inundated by the floods caused by the melting of the snow and ice in the North in the springtime. That has been a growing scourge, by reason of the fact that as the Northern States began to cut their timber and to drain their lands, and to provide for a quicker handling of the rainfall, that much quicker did the waters gather in the rivers of Louisiana, Mississippi, south Missouri, and Arkansas, quickly causing scourges, rather than flowing in an orderly way over a space of months.

As the people of the North began to cut their timber and to drain their lands, and to promote various and sundry projects, they took from their own territory, from a water level that was almost at the surface in some States, or within a few feet of the surface, the water sadly needed there if they were to protect themselves from having it fall to a level as deep as 75 feet below the surface of the earth.

We have found that the Northern States, and particularly the Western States, and even the city of Washington, are in need of their own water.

The State of Louisiana did this country the service of calling this matter to the attention of the Congress and to the attention of the War Department, so that now there has been perfected a complete chart of waterways, flood control, irrigation, navigation, and I might say an almost physical panacea for the faults which now afflict the whole United States along the line of dust storms, drought, and flood scourges.

I want to get this map, which has been presented to the Congress, printed in the RECORD, which will require an order of the Joint Committee on Printing, and before completing the few remarks I may wish to make in the next few moments, I want to ask the Senator from Florida [Mr. FLETCHER] to give me his attention. This map which has

been prepared in the course of long studies at a cost of \$60,000,000, I wish to have printed as a part of my remarks, and with my explanation in the CONGRESSIONAL RECORD. I offer the map, with the understanding that in order that it may be printed I will have to have an order from the Joint Committee on Printing.

Mr. FLETCHER. Mr. President, I may say to the Senator that if he will submit the map to the committee we will consider it. I do not know whether it is practicable or feasible to print it in the RECORD.

Mr. LONG. Yes; it is practicable. As a printer, I can tell the Senator that it will be all right.

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

Mr. LONG. I yield.

Mr. McCARRAN. I wonder whether the Senator would incorporate a request for the printing of a record dealing with snow surveys in the North and West. It is most comprehensive, and is illustrative of the point the Senator is bringing out, and I think the information would be most advantageous. However, I believe both these things should be printed as a public document rather than as a part of the RECORD, because I find, from such little experience as I have had with such matters, that the printing of a public document is much less expensive than inserting a matter of this kind in the RECORD.

Mr. LONG. I will say to my friend the Senator from Nevada that I will be glad to have the report to which he has referred printed as a public document or in the RECORD. But the map which I hold in my hand can be drawn down to about one-half the size of a page of the RECORD, and I believe this study would be more beneficial than any information that could be read by the Members of the Congress, and it is very necessary at this time.

Mr. McCARRAN. Mr. President, whether my proposal is in keeping with that of the Senator from Louisiana or not, I think both requests should go to the Joint Committee on Printing and that they should follow the matter up.

Mr. LONG. Mr. President, I ask that this map and the matter referred to by the Senator from Nevada be referred to the Joint Committee on Printing to determine whether they can be printed in the RECORD or not.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, if I may have the attention of the Senate for just a moment further, there has been a clamor on the part of the people of the West for irrigation from a time when the memory of man runneth not to the contrary. That whole problem may be solved from this study made by the War Department. There is a way made for a complete solution for every drought trouble and for every irrigation problem, as well as a plan for a complete power system throughout the length and breadth of the United States, from coast to coast, and from the Great Lakes to the Gulf. There is a complete plan for year-round navigation.

The study comprehends such things, for instance, as taking the Red River, which is a scourge to Louisiana, and is not a scourge to Texas, and diverting the Red River so that its waters would flow down through the State of Texas, where it is needed, and so that it would find its way through the Sabine River, rather than constitute a flood scourge to the State of Louisiana.

Under the proposed plan the flow of the Tennessee River could be controlled. The flood waters of the entire water system of the United States would be harnessed rather than allowed to become a scourge. It is a plan for affording the needed power for any project that may be necessary in the United States. It is a thing which ought long since have been completed, and the study ought long ago have been perfected; but it never would have been made if it had not been for the plan of the State of Louisiana.

The entire plan would cost the United States only approximately \$9,000,000,000. The mere mention of such a sum a few years ago might have caused us to shudder, but the resulting intrinsic increase in value, the amount of taxes which would be received in a relatively short period of time, would make the cost of this entire project seem rather small.

I might say to the Members of the Senate that someone handed me a table yesterday showing that from George Washington down to Woodrow Wilson our entire appropriations for all our wars and everything else amounted to \$24,000,000,000. Our appropriations for 1934, 1935, and 1936 aggregate about \$24,000,000,000. So, inasmuch as our appropriations for 3 years total as much as the appropriations for some-hundred-odd years, I am sure that for a program that would develop this country from one end to the other a little expense of \$9,000,000,000 is infinitesimal.

The dust storms will not be abated through the temporary expedients which I understand are being projected again. As the Senator from Iowa termed it, temporary pacification is not going to do any good in dealing with the scourges with which the country is afflicted.

I am saddened by the fact that we are about to authorize the spending of \$5,000,000,000, God knows where, in about the way the last five billion was spent. They will patch a little over here and patch a little over there, mess around a little over here and a little over there, put a few poor devils to hanging around the courthouse to get their doles, and others to plowing up and destroying gardens and getting other doles, whereas instead of going around aimlessly and without purpose we could take up this great matter of internal improvement, settle all these scourges, and turn every menace into a blessing. The waters which have flooded the South would promote year-round navigation for us all; it could irrigate the West, restore the flood level of the water, and good could be drawn from every scourge and every menace. None the less, aimlessly, without purpose, relentlessly, and, I might say, without cause and without plan, we will fritter away \$5,000,000,000 more and let a complete matter of this kind remain almost like a body of death, never mentioned, the plan never completed, a plan which would be almost a complete panacea not only for unemployment but for every other scourge which now afflicts us.

So I hope the map will be deemed proper by the Joint Committee on Printing, that they will allow it to be printed, and that Senators may see fit to give it some study tomorrow.

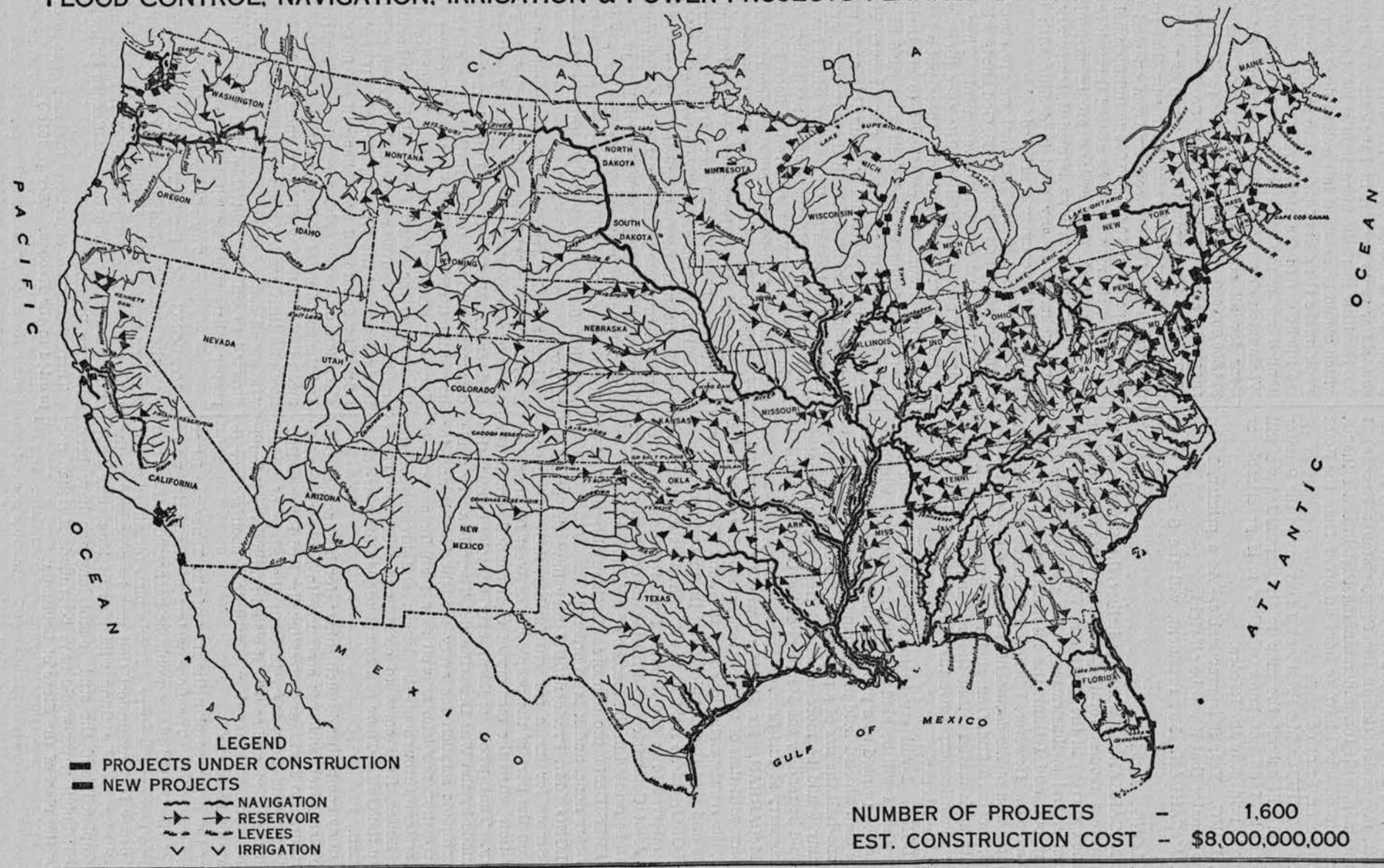
There are other reports which are submitted, one of which is by the Mississippi Valley Committee of the Public Works Administration, of October 1, 1934. I will not undertake to discuss it, Mr. President. I merely make reference to that document, without taking further time of the Senate. I hope that it may reach the study of Senators and perhaps those of higher authority. I mean I hope that it will reach the study of the Senate and of higher authorities who control legislation. I do not mean that except as a compliment to the report of the War Department. If it should be considered by Senators, I hope they will see fit to call it to the attention of people who prescribe and control legislation and the spending of money in this day and time. By that I mean that in this day when we understand that we here are now and then passing upon some perfunctory matter, those who are in control of prescribing what our minds should be directed to will see that this kind of study will reach its proper sphere where activity may be had.

Thursday, April 4, 1935

Mr. LONG. Mr. President, I wish to conclude and complete the remarks I made yesterday on flood control, navigation, and irrigation, by sending to the desk the map to which I have heretofore referred, which has been approved for publication in the CONGRESSIONAL RECORD by the Joint Committee on Printing.

There being no objection, the map was ordered to be printed in the RECORD. (See p. 5016.)

### FLOOD CONTROL, NAVIGATION, IRRIGATION & POWER PROJECTS PLANNED BY THE ARMY ENGINEERS



## REPLY TO CRITICISMS OF THE PRESIDENT OF THE UNITED STATES

Mr. LEWIS obtained the floor.

Mr. COPELAND. Mr. President—

Mr. LEWIS. Does the Senator desire to have me yield to him?

Mr. COPELAND. I want to go on with the bill at the earliest moment.

Mr. LEWIS. Mr. President, I have no desire to enter into the discussion of the polemics of the tariff or oriental economics. I wish to bring to the attention of the Senate a printed document which I dare say has found its way in the mails to some of my colleagues, and no doubt others who have not seen the document may find it on their desks.

I produce a circular headed "New York Chamber of Commerce, 65 Liberty Street, New York, N. Y." This circular assumes to criticize and comment on the legislation of this and the other body and to set forth what it assumes to be some future course of consequence. But this organization, which by its name would be assumed to be wholly an American organization of gentlemen, a commercial agency of the country, with deference to their Nation and respect to the officials of their land, concludes by saying:

The framers of the Constitution planned to have the Members of Congress decide how the money for which they taxed the people should be spent. This was done up to March 4, 1933. Since March 4, 1933, the Members of Congress have shirked this duty and have turned billions of dollars of the people's money over to the political accident in the White House for him to juggle as suits his whims.

This is a declaration from one of the great commercial bodies of the United States, which sends this slanderous assertion, lacking both decency and manner, depositing it in the mails, and addressing it to United States Senators, referring to the President of the United States in the exact words I have just read, referring to "the political accident in the White House for him to juggle as suits his whims."

Mr. President, at a time like this, when there is a disposition to evince disrespect for all law and a tendency on the part of certain organizations to disrupt the whole Government, at a time when there is no regard being paid to the fundamental institutions of the land, to have a great commercial body of this nature prepare a document solemnly and with deliberation casting such reflection upon the President of the United States, and upon the office of President of the United States, and send it across the land, to designate that office with the expressions of contempt they boldly offer, is a matter worthy of our most serious consideration. It should call for reflection by us as to the manner of these institutions, which, starting out to condemn what they feel is legislation adverse to their private interests, proceed to hold up to contempt and contumely the office of the President with the slanderous observation that the Congress has turned over money to him to do as his whims might dictate and his desire suggest.

I do not exactly know what the expression was intended to convey. It will leave the impression upon the public mind, of course, that the Congress shirked its duty, voted large sums of money derived from taxation against the people, and turned the funds thus appropriated into the hands of one whom they designate "the accident in the White House."

Mr. President, I do not presume it matters much to the President himself that there should be those with so little decency and such flagrant ill manners as to have written a declaration of this nature, and so lacking in common patriotism as to have mailed it through the mails to their countrymen. But one would assume that such a commercial band of the order these men are assumed to be would not have done such a thing, which tends all the more to bring into contempt the high office of the President to the minds of those who, as we see from the public press, are daily accumulating in number, and here and there from high places of authority call their conventions or their assemblies, hurling their anathemas at the Government, their threats at those in power, and their assertions of complete disturbance and destruction of the whole fundamental institutions of the United States.

I do not exactly know what this body of gentlemen means by saying that up to the 4th of March 1933 there had been nothing done by a President, that everything had been done by Congress, that previous to that date Congress had proceeded to act in each detail and to describe what should be done in directing the course of the Government.

It is well that the country knows the truth. There has been no course taken by this Congress regarding any subject whatever that is not along the line of a precedent which had been established and executed in the exact manner adopted by the present Congress.

What do these gentlemen, a commercial agency, mean by this slanderous falsehood? It is well known as a matter of history by my colleagues sitting about me that those of all political parties voted \$500,000,000 to the discretion of a distinguished President, the then President of the United States, for use by what was known as the "Farm Board Administration." It is well known that through his discretion, trusting to an honor that was not at all impeached by even the slightest suggestion, that money was distributed and applied in such manner as seemed to the best welfare of the country.

In the same manner we proceeded to vest in this distinguished officer the right of changing tariffs on importations according to what he felt to be to the welfare of his country, the duty being sometimes executed through a board, and sometimes by his own individual suggestion. Thus we trusted the former honorable President, who acted according to his honest convictions, and thus, sirs, we have done the same thing in this body in exactly the same way.

When the former President, in his desire to rescue the country from what was a peril in respect to its financial institutions, summoned the banks to let him have 10 percent of the money they could control to place at his service that he might in some manner rescue the banks that were cracking and falling like shattered debris, can anyone complain of his being granted, and using, his discretion? We trusted to his honor. We were conscious that our trust would not be abused. Yet the honorable commercial body which makes this accusation in its official capacity against the present President would lead the modern generation to believe that something had transpired which had no precedent, was in violation of the Constitution, was not only in violation of the Constitution but in desecration of the Constitution of our land, and they are willing to hold up before the whole world the estimate of this great commercial body called the New York Chamber of Commerce when they designate the President of the United States as an "accident in the White House", and call this honorable body the Senate, one which has shirked its duty and violated the Constitution in vesting discretion such as has been referred to in the present incumbent, and such as has been adverted to in the President's honorable predecessor.

Mr. President, I know we cannot restrain the hand that mysteriously, covertly, and anonymously assaults. I know we cannot still the tongue that here and there will asperse the most honest, the most efficient. We recall in the lines of the bard, sir:

No might nor greatness in mortality  
Can censure 'scape; back-wounding calumny  
The whitest virtue strikes. What king so strong  
Can tie the gall up in the slanderous tongue?

But, sir, while we may not be particularly concerned as to the effect on the single individual here or there, we cannot be indifferent to what these gentlemen, in their very high position, are doing to the vast mind of America by engendering lack of respect with regard to our institutions and by encouraging the desires in the hearts of those who are already assaulting our institutions by the thought that persons in high places are ready to have those institutions overthrown, and by rack and ruin lay low the mansions which the fathers have built.

It is because of the effect and influence of such a thing as this document that I ask if these gentlemen, such as they are, shall continue these assaults upon the institutions of the land, what shall we expect from the ignorant, the unfortu-

nate, the miserable, the untutored, and those who are being misled by bad advisers and seriously corrupt counsel in America?

I did not rise to interfere with my friend, the eminent Senator from New York [Mr. COPELAND], to delay the progress of the passage of the bill which has to do with the health of the citizens of our country; but this communication being on my desk today, and no doubt in the hands of other Senators, I felt it should not escape the attention of those who are seeking to build up respect for merit, some regard for our institutions, some obedience to the law, and who wish to give some aid, Mr. President, in upholding the honor of the Republic.

I regret that such publication should have emanated from such a source; but I delight to feel that in this honorable body, whatever may be the differences of opinion as respects that which we call "politics", not one man could be found who would endorse the declarations or approve the policy suggested in this document. It is to the greatest degree ill-mannered and indecent, and must remain so in history.

#### REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

The PRESIDING OFFICER. The question is on the pending amendment.

Mr. COPELAND. May we have the amendment read? We have been basking in the agreeable sunshine radiated by the Senator from Illinois; but now we should return to the food and drugs bill, and I believe the amendment should be read.

The PRESIDING OFFICER. It is the understanding of the Chair that three amendments are to be voted on as one. The clerk will state the amendments of the Senator from North Carolina.

The LEGISLATIVE CLERK. On page 45, line 7, after the word "found", it is proposed to insert a colon and the following—

Mr. COPELAND. Mr. President, permit me to interrupt the reading of the amendment. I suggest that while we are waiting for the Senator from North Carolina to return to the Chamber I might bring up one or two amendments.

Mr. KING. Will the Senator from New York permit me to read two telegrams?

Mr. COPELAND. I yield to the Senator from Utah.

Mr. KING. I have received two telegrams, one from the McKesson Ogden Wholesale Co., of my State, reading as follows:

We urge your opposition to so-called "Copeland food and drug bill", particularly portions requiring formula disclosures, as destroying in many cases property rights built up over many years; also, removal of the advertising control from Federal Trade Commission, where effective procedure has been built up through long experience. Would appreciate very much your support of so-called "Mead bill", as we feel it would be equally effective in protecting consumer. Your urgent consideration will be appreciated.

Mr. COPELAND. Mr. President, I think the Senator will find when he reads the bill, as will also the sender of the telegram, that there is not anything in the bill which requires formula disclosure. It does require that the active ingredients shall be stated by name on the package; but the formula itself, and the secret measures involved in making it, are not required to be revealed to the public or reviewed by the Department.

Mr. KING. I may say to the Senator from New York that I am not sure that the suggestion he has made fully answers the suggestion which has been urged by the sender of the telegram to which I have referred. If all the ingredients of the product are to be stated, or the proportions in which they appear are found, might not that indicate the formula and be subject to the criticism urged by the sender of the telegram?

Mr. COPELAND. The concern which sends the telegram is a drug concern. I call the attention of the Senator, in order that he may reply to his correspondent, to the fact

that where the ingredients are those which are recognized by the Pharmacopoeia, which we mentioned yesterday, there need be no mention of content as to the requirement of the label. If it is something not so recognized, the manufacturer must place upon the package the names of the active ingredients—not the quantities; just the names of the ingredients. The value of the formula to the manufacturer lies in the proportions, his use of the different ingredients, in order that there may be a mixture of his own and one which he thinks will render the product of peculiar value and popular with the user. So I may say categorically that the bill does not require formula disclosure in the sense feared by the sender of the telegram.

Mr. KING. May I ask the Senator whether there is any validity in the statement made by another company, which has wired me as follows:

Will you please give your support to Senator COPELAND's amendments to S. 5, and in particular support his amendment to exempt established proprietary food products made from private formula from disclosing list of ingredients on labels.

Mr. COPELAND. I am sorry to say that that provision is in the bill.

Mr. KING. That is to say, the bill contains the provision which this writer desires?

Mr. COPELAND. It does. I said yesterday that I yielded very reluctantly to that amendment as regards foods because such articles are simply mechanical mixtures. I would not yield when the able Senator from Michigan yesterday wanted the same provision applied to drugs.

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

Mr. COPELAND. I yield.

Mr. VANDENBERG. Will the Senator also make a statement for the RECORD as to the effect of this proposed legislation upon biological products, and the possible interference with the existing Serum Act of 1902, and the existing administration of biological supervision?

Mr. COPELAND. If the Senator will turn to the last page of the bill, page 56, and read lines 6, 7, and 8, he will see that it is provided that the provisions of this bill shall not be held to modify or repeal any of the existing laws of the United States, except as provided by paragraph (a) of section 717. That particular law mentioned by the Senator is not dealt with at all by this bill, and there is no thought of transferring that very well-done function of the Public Health Service to the Food and Drug Administration.

Mr. VANDENBERG. And no new authority over biological products is contained within the bill?

Mr. COPELAND. Not the slightest.

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

Mr. COPELAND. I yield.

Mr. LONG. Are we now under the order of amending the bill?

Mr. COPELAND. If the Senator will wait just one moment for a couple of short committee amendments, I shall be glad to yield to him.

Referring to page 2 of the bill, line 23, the Secretary of War has written asking that the Canal Zone be excluded from the operation of the proposed law. The Canal Zone is under such Federal administration anyhow that I can see no reason why the request should not be granted. Therefore, I move that on line 23, page 2, the period be deleted, and the words added, "and excluding the Canal Zone."

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

Mr. COPELAND. On page 16, line 25, I move to reconsider the vote by which the amendment was adopted which struck out the words "or any other narcotic or hypnotic substance which has been designated as habit-forming by regulations as provided in sections 701 and 703" and which inserted in lieu thereof the words "unless a derivative is clearly not habit-forming." In other words, I desire to strike out the words in italics and let the other words stand.

Mr. VANDENBERG. What is the effect of the proposed change?

Mr. COPELAND. So that a great laboratory like the Parke, Davis & Co., working, as they are, to find substances which have

hypnotic effects and yet are not habit-forming, if they should find one, would not be embarrassed by this language, which prohibits the use of any such thing. This is not now possible, because of rulings of the Food and Drug Bureau, and they are not permitted to make use of them as they desire. If the language is restored and the words in italics deleted as I have suggested, then when Parke, Davis & Co. come to Washington and present evidence that they have discovered a hypnotic which is not habit-forming it will be possible for that product to be put on the market without labeling it "Warning—habit forming."

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered. The question now is on the amendment of the committee, as stated by the Senator from New York, on page 16, line 25.

The amendment was rejected.

Mr. COPELAND. At the bottom of page 30, line 24, after the word "paragraphs", I move to insert "(d)."

Mr. KING. Mr. President, I am not quite clear as to the significance of the amendment.

Mr. COPELAND. It is to permit the laboratory to appeal to the committee which has to do with the making of new regulations.

The amendment was agreed to.

Mr. LEWIS. Mr. President, will the Senator in charge of the bill permit me to call his attention to page 2, line 16, and to make inquiry if it would be satisfactory to him to add the words:

*Provided, however, That the term "drug" is not intended to apply to a medicine prepared and dispensed by a physician in the course of his professional practice.*

Mr. COPELAND. If the Senator will turn to page 17, line 4, he will find this language has been inserted in the bill:

Except when dispensed on the written order of a member of the medical profession.

Also, on page 2, line 5, he will find the words:

The term "drug" for the purposes of this act, and not for the regulation of the legalized practice of the healing arts—

And so forth.

Mr. LEWIS. The Senator feels it is already comprehended and included within the measure?

Mr. COPELAND. I believe so.

Mr. KING. Mr. President, I hope the Senator from New York is correct, but section 402 reads:

A drug shall be deemed to be misbranded—

Then going to subdivision (d) to which the Senator from New York just called attention, it is provided:

(d) Unless the derivative is clearly not habit-forming, and, except when dispensed on the written order of a member of the medical profession.

It seems to me this deals merely with the question of misbranding, but would not comprehend the point made by the Senator from Illinois.

Mr. COPELAND. The matter the Senator from Illinois has in mind is whether or not this measure interferes at all with a written prescription of a doctor.

Mr. LEWIS. The word "drug" is not intended to apply to preparations dispensed by a doctor himself in the course of his professional practice.

Mr. COPELAND. There is nothing in the bill which would interfere at all with the ordinary legal practice of the profession.

Mr. LEWIS. The able Senator does not think it is necessary to add the language I suggested?

Mr. COPELAND. I do not think we need to add a thing to cover what the Senator has in mind.

Mr. LONG. Mr. President, may I offer an amendment now?

Mr. CLARK. Mr. President, I understood the Senator from New York to offer an amendment to add "(d)", in line 24, page 30, and that the amendment is still pending.

Mr. COPELAND. That was just to insert at the bottom of the page, after the word "paragraphs", the letter "(d)."

Mr. CLARK. Yes; I understood that; but I desire to address myself very briefly to that amendment of the Senator from New York.

The PRESIDING OFFICER. The amendment was agreed to.

Mr. CLARK. I did not understand the Chair to state it was agreed to. I desire to submit some observations in connection with that amendment of the Senator from New York. Therefore, I move to reconsider the vote by which it was agreed to.

Mr. COPELAND. I have no objection.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to is reconsidered.

Mr. CLARK. Mr. President, the amendment offered by the Senator from New York calls attention to a paragraph which very conclusively illustrates the vices of the bill, the obscurity and lack of clearness and direction of the bill. Let me read the section, and challenge any Senator, with the possible exception of the stepfather of the bill, as he described himself yesterday, the Senator from New York [Mr. COPELAND], to tell what it means. I read:

(d) If any regulation promulgated by the Secretary under section 301, paragraphs (a) and (c); section 302, paragraph (j); section 304, paragraphs (a) and (b); section 401, paragraph (a); section 402, paragraphs (d), (h), (j), and (k); section 403; section 501, paragraph (e); and section 503, is declared invalid in any court proceeding, the Secretary may promulgate in substitution therefor a temporary regulation consistent with such decision. Such temporary regulation may be promulgated without notice or hearing and shall become effective at and for such time as the Secretary designates, but in no event longer than 180 days from the effective date thereof. On or before the promulgation of such temporary regulation the Secretary shall institute proceedings, as provided in paragraph (c) of this section, for the establishment of a new regulation.

Mr. President, that simply means that whenever any part of the act specified—and I dare say there is not a Senator who can tell what those sections are, or can tell from a reading of this section what he is legislating about—shall be declared invalid by a court, the Secretary of Agriculture, on his mere ipse dixit, shall be permitted, without hearing and without regulation and without review, for a period of 6 months, to put into effect any regulation he may deem consistent with the decision of the court.

I say that is a vicious system of legislation. When Senators, no matter how careful they may be in their study of the bill, are unable to know what they are authorizing the Secretary of Agriculture to do, I say it is a vicious system of legislation for us to sit here and permit this section to be incorporated in the bill.

Mr. LONG. Mr. President, I am not familiar with this bill.

Mr. CLARK. Nobody else is, I will say to the Senator.

Mr. LONG. It is a scientific bill, and I am sure my friend from New York knows the subject. Does this paragraph undertake to say that if part of the bill is held unconstitutional, then, because it is unconstitutional, the Secretary of Agriculture may make any regulation of the subject he pleases?

Mr. CLARK. If the Senator will read subsection (d), turning to a point near the bottom of page 30 and continuing to about the middle of page 31, he will find that it reads:

(d) If any regulation promulgated by the Secretary under section 301, paragraphs (a) and (c); section 302, paragraph (j); section 304, paragraphs (a) and (b); section 401, paragraph (a); section 402, paragraphs (h), (j), and (k); section 403; section 501, paragraph (e); and section 503, is declared invalid in any court proceeding, the Secretary may promulgate in substitution therefor a temporary regulation consistent with such decision.

I have just made the statement that there is not a Senator on this floor who can tell what those sections are; and I dare say that even the distinguished Senator from New York [Mr. COPELAND], who has put in so much time on the bill, would not be able to tell off-hand, without having his memory refreshed by the representative of the Food and Drug Administration of the Agricultural Department, what those sections are. If any regulation, no matter what it may be, under any of those sections shall be declared invalid

by the courts, then for a period of 6 months the Secretary of Agriculture is to have absolute authority, subject to no review, without notice, without hearing, without any court procedure at all, to make any regulation he may see fit. I say that is an extremely vicious system of legislation.

Mr. LONG. Mr. President—

Mr. COPELAND. Mr. President, I desire to reply to the Senator from Missouri, if I may.

If the Members of the Senate will look on page 31, line 3, it will be found that we have there the word "consistent."

Mr. CLARK. In whose opinion consistent? In the opinion of the Secretary of Agriculture?

Mr. COPELAND. If the court decides that this regulation is invalid, and states the reasons why it is invalid—

Mr. KING. Suppose he does not?

Mr. COPELAND. I cannot say about that. The distinguished lawyer from Utah knows better than I do what would happen in that case; but if the court does give the reasons why it is invalid, then and only then can the Secretary of Agriculture promulgate, in substitution therefor, a temporary regulation consistent with such decision. It might relate to some matter of very great importance to the public health, with the need of prompt action.

Mr. CLARK. But, Mr. President, who is to determine what is consistent? The Secretary of Agriculture, without notice of hearing, without review, in his own discretion or at his own whim, is to determine what is consistent with the court's decision. In other words, for a period of 6 months any citizen is absolutely deprived of his rights if the Secretary of Agriculture asserts that his temporary regulation is consistent with the holding before him.

Mr. LONG. Mr. President, I wish to appeal to my friend from New York. This is going further than we have ever gone since I have been here, and we have gone some awful distances. To authorize the Secretary of Agriculture to make a new law because the old one is declared unconstitutional I do not believe would itself be constitutional.

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

Mr. LONG. I yield.

Mr. CLARK. Not only is the Secretary of Agriculture to have authority to make a new law, but, when a regulation which he has made has been declared invalid by a court, immediately for a period of 6 months he is to have unrestrained discretion to make any sort of regulation he pleases, so long as he says it is consistent with the court's decree.

Mr. LONG. To begin with, I do not think this provision is constitutional at all. It does not set out any form. In other words, in order to allow an official to prescribe regulations which shall have the force of legislation, some form must be prescribed so that it may be known that he is acting under powers particularly prescribed. This provision says the Secretary may do whatever he may think is not prohibited by the decision of the court.

I think by such a provision the Senator from New York endangers the passage of this bill, which I desire to see passed. I think we need some legislation along this line, and I am one of the hearty advocates of the bill.

Mr. COPELAND. I have no objection at all to eliminating that language. In order that it may be brought before the Senate, I move a reconsideration of the amendment on pages 30 and 31, the whole of subsection (d); and I make the motion with a view to moving that it be eliminated from the bill.

The PRESIDING OFFICER (Mr. MOORE in the chair). Without objection, the vote whereby the committee amendment on pages 30 and 31 was agreed to will be reconsidered.

Mr. NORRIS. Mr. President, before that is done, I should like to make an inquiry of the Senator from New York.

As I understand the parliamentary situation, there was an amendment pending, which was reconsidered; and the Senator from Missouri was arguing against the adoption of the amendment. Is that correct?

Mr. CLARK. I will say to the Senator from Nebraska that I was addressing myself to the whole section on the proposed amendment adding the letter (d).

Mr. NORRIS. It seemed to me that all it would be necessary for us to do, if it should be thought best to eliminate this language, would be to vote against the amendment. Would not that be sufficient?

Mr. COPELAND. I will say to the distinguished Senator from Nebraska that I have no objection to the elimination of the entire paragraph.

Mr. NORRIS. I may say that the paragraph appears to me to be rather objectionable. If we legislate in that way we shall be doing something that so far we have not done, although it may be necessary for us to take up that question.

As I understand, it is provided in this language that if any part of the section shall be held unconstitutional, the Secretary may make a rule having the effect of a statute. Suppose one judge holds part of the law unconstitutional, and then the Secretary sets up new rules having the force and effect of a statute, and some other judge holds that the Secretary's rules are unconstitutional. Where shall we be then?

Mr. COPELAND. Mr. President—

Mr. NORRIS. As the Senator from Maine [Mr. WHITE] suggests, has the judge's power been exhausted, or can he go still further?

Mr. COPELAND. He can suggest wherein the regulation is objectionable.

Mr. NORRIS. If that is good legislation, and if we have reached the point where, when we enact a law, we must go on the theory that it may not be satisfactory to some judge and he may enjoin its enforcement, why not let him, when he holds it unconstitutional, announce the law that he thinks ought to be in effect? We have to meet with his pleasure anyway before we can get a law that is effective.

Mr. COPELAND. I may say to the Senator that the reason why I personally am willing to yield and eliminate the whole section is because since this bill came before us we added, on page 32, a provision for securing a new regulation. It might happen that the Secretary would not provide a new regulation or modify the one objected to by the court. In that event there would be difficulty about it. It was brought out in the hearings, not alone by the producers or manufacturers but by witnesses from the consumer group, that there should be some way by which an interested industry or representatives of the public might appear before the Public Health Committee or the Food Committee and ask that a new regulation be presented, or that a modification might be made in one already in existence.

Under the bill as we had it before that time, the request for a modification or a new regulation had to come from the Secretary himself; but now there is language in the bill which permits the industry or the public to ask for a change in the regulations. So I have no objection at all to the elimination of the paragraph.

Mr. LONG. As I understand, the Senator from New York has moved to strike out paragraph (d).

The PRESIDING OFFICER. The Senator from New York has moved to strike out subdivision (d). The question is on the motion of the Senator from New York.

The motion was agreed to.

Mr. LONG. I had started to offer an amendment—

Mr. COPELAND. Just one moment, Mr. President, if the Senator please. To implement the provision made by the action just taken, on page 29, line 2, after the word "paragraphs", I ask the insertion of "(d)" and a comma.

The PRESIDING OFFICER. Without objection, the amendment will be reconsidered. The question is on the amendment offered by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. LONG. Mr. President, I call the attention of Senators to page 42, line 1, where I move to strike out the words "other than by radio broadcast."

I ask Senators to listen while I read the sentence there where I undertake to strike out those words.

No retail dealer shall be prosecuted under this section for the dissemination in good faith, other than by radio broadcast, of any advertisement offering for sale at his place of business any article which he does not distribute or sell in interstate commerce.

In other words, no dealer is to be prosecuted for what he sells in good faith and for advertising it, except by radio broadcast. If he publishes in good faith an "ad" in a newspaper, or if he sends out a circular, or sends out a letter, he is not bothered, but if he accidentally sends a word over the radio, he is to be prosecuted for that.

Mr. President, the provision is unnecessary, because if we turn back to another provision of the bill on page 37, subdivision (4), under section 708, we find this:

The dissemination of any false advertisement by United States mails, or in interstate commerce by radio broadcast or otherwise—

and that includes everybody—

for the purpose of inducing, directly or indirectly, the purchase of food, drugs, or cosmetics.

It is to be prohibited under the preceding provision. In other words, it would prohibit false information being spread in any way, by newspaper, radio, or otherwise, and that is all right; I have no objection to that. That covers the radio, it covers a newspaper, and it covers a magazine. But on page 42 it is provided that no retail dealer shall be held responsible for whatever he advertises in good faith except by radio. He must not make a mistake by radio, but he can make any other mistake he wants to.

If it is desired that no mistakes be made, if it is desired that anyone shall be punished if he does not act in good faith, that is one matter; but to hold that a man shall be responsible for what he says over the radio, but that he can put the same statement in a newspaper and not be responsible for it, is an unfair discrimination and there is no basis to support it.

I therefore move that we strike out the words "other than by radio broadcast", for the reason that a preceding section of the bill amply covers all false information and forbids its dissemination. This other provision is simply one to eliminate the radio and place it in a separate category.

I do not give my support to favoring the newspapers in preference to the radio anyway, just as between us Members of the Senate. I have been able to make myself heard over the radio, when the newspapers would not let me be heard, and I am somewhat of the opinion that there is no reason to discriminate. Perhaps my friend, the Senator from New York, has had better luck the other way.

Mr. COPELAND. Mr. President, when this provision was written into the bill last year, beginning, at the bottom of page 41, with the words "No retail dealer shall be prosecuted", there was great fear on the part of the small-town newspapers, the village weeklies, and so on, that the editor or publisher who wrote the advertising might somehow or other find himself in difficulty. At that time we had not included the language about the radio which has been quoted by the Senator from Louisiana. I am in agreement now that there is no reason why this language should not be deleted from the bill.

The idea originally was to take care of the case, for instance, of a small-town newspaper, such as one at Suffern, N. Y., where I live. The Suffern Independent, which is never for me, I may say, so I have no particular desire to advertise it; it is a bitter Republican paper, but, fortunately, its circulation is limited, though unfortunately for the present occupant of the chair [Mr. MOORE] it also slops over into New Jersey—and I use that term advisedly. It was thought that it would be all right to let the Suffern Independent run its advertising, even though it got into interstate commerce, but that we did not want the Rogers drug store in Suffern, perhaps, to devise a remedy for tuberculosis or cancer and be able to go on the radio up at Chester and advertise it widely as the "greatest remedy in the world" for such a disease.

As the Senator has said, this protection is provided for in the other section of the bill to which he has referred. I am very glad to join in the request that the language he has quoted be stricken from the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 42, line 1, it is proposed to strike out the words "other than by radio broadcast".

The amendment was agreed to.

Mr. WALSH. Mr. President, if I may have the attention of the Senator from New York, I have in my hand a letter containing several criticisms of the bill which the Senator has in charge. One of the criticisms refers to the definition of advertising, and the writer states:

There is too broad a definition of the term "advertising" in the bill. For example, "advertisement" is defined to include representation outside the label, such as correspondence between a manufacturer and the director of his research department in the development of a new product, where you are dealing with unknown questions as to the remedial value of a drug being developed.

I should like to inquire whether the criticism is a fair one.

Mr. COPELAND. It is perfectly absurd.

Mr. WALSH. What is the definition of "advertising" in the bill, and where is it to be found?

Mr. COPELAND. It is to be found on page 3, line 17. Undoubtedly the writer of the letter was speaking about one of the old prints of the bill.

Mr. WALSH. I find that the bill provides:

The term "advertisement" includes all representations of fact or opinion disseminated to the public in any manner or by any means other than by the labeling.

Mr. COPELAND. That is the provision.

Mr. WALSH. So that the amendment submitted by the committee covers the objection made by the writer of this letter?

Mr. COPELAND. That is correct.

Mr. WALSH. May I read to the Senator another paragraph from this letter?

Mr. COPELAND. Certainly.

Mr. WALSH. It states:

In the section with respect to seizures of drugs there is a provision which appears wholly unjustified. This provision gives the chief of any district laboratory of the United States Department of Agriculture the power, *without court order*, to go out and seize a product in his discretion. Under the present act no seizure can be made without the consent and approval of the court, by its formal order. There appears to be no reason for modifying the present protective system of a seizure under court order, and for permitting a purely administrative discretionary seizure without court safeguard.

Mr. COPELAND. I fear the writer of the letter had a very old issue of the bill, because if the Senator will turn to page 45, he will find this language at the bottom of the page:

The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the Administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure.

Mr. WALSH. It is quite apparent from what the Senator says that the writer of the letter probably had earlier copies of the bill. Will the Senator state in general whether the provisions which have been subject to criticisms such as this writer has presented to me have been corrected in the later copies of the bill?

Mr. COPELAND. Every criticism which the Senator has mentioned in this colloquy has been fully met by this print of the bill, and no such violations of the feelings and pocket-book of the Senator's constituent, as he indicates he fears, will be suffered by reason of what has been done.

Mr. WALSH. I judge there has been a rather radical change in the text of this bill as compared with the earlier bills which were presented.

Mr. COPELAND. Very radical.

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

Mr. COPELAND. I yield.

Mr. CLARK. If I understood the criticism contained in the letter which the Senator from Massachusetts read, it went to the provision of the proposed law which is still in the draft now before the Senate, which declares in effect that a misbranded article is an adulterated article and may

be considered for purposes of punishment under the law as adulterated; and, if I am correct in my assumption that that is what the correspondence of the Senator from Massachusetts is directed to, then the provision has not been corrected in the present draft.

Mr. WALSH. Does the Senator refer to the first criticism I read to the Senator from New York, or the second?

Mr. CLARK. The second.

Mr. WALSH. That deals with seizures.

Mr. CLARK. That involves the question of seizures.

Mr. WALSH. Yes.

Mr. CLARK. Seizures are authorized for adulterated articles. However, in an earlier section of the bill articles which are only misbranded are declared to be adulterated, by definition, and therefore, in my judgment, that is what the correspondent of the Senator from Massachusetts is directing himself to.

Mr. WALSH. Is it correct that articles which are merely mislabeled may be seized under this bill?

Mr. COPELAND. They may be seized if adulterated.

Mr. WALSH. If adulterated?

Mr. CLARK. They may be seized if declared by definition to be adulterated.

Mr. WALSH. Of course, if they are adulterated, they ought to be seized.

Mr. COPELAND. If both Senators will wait a little bit, that is the thing I am now going to talk about.

Mr. CLARK. Let me say to the Senator from Massachusetts that that is precisely the proposition to which the amendment offered on yesterday by the Senator from North Carolina, which has not been disposed of, was directed.

Mr. WALSH. I was not in the Chamber when that subject was discussed.

Mr. COPELAND. I think if Senators have no other matters to present, the three amendments presented by the Senator from North Carolina might well be considered at this time. Personally, I should be glad to have considered the amendment proposed by the Senator from North Carolina, in which reference is made to page 45, line 7. That is the subject referred to just now by the Senator from Missouri.

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

Mr. COPELAND. I yield.

Mr. REYNOLDS. I was wondering if the Senator from New York would accept the first amendments offered by my colleague, the senior Senator from North Carolina [Mr. BAILEY], in view of the fact that they merely call for the transfer of two lines from one section to another. I refer to page 13, where it is proposed by the amendment of the senior Senator from North Carolina to strike out lines 19 and 20.

Mr. COPELAND. I am familiar with what the Senator has in mind.

Mr. REYNOLDS. And it is proposed to insert the same lines on page 15, under section 402, making an additional subsection.

Mr. COPELAND. The Senator from North Carolina has introduced three amendments, as the junior Senator from North Carolina has said.

Mr. REYNOLDS. The other amendment, the third, of which the Senator made mention, is on page 45, line 17.

Mr. COPELAND. Yes. If the third amendment shall be defeated, as I sincerely hope it may be, I shall have no objection to the passage of the other two. That is the reason why, if the Senator will bear with me, I should like to have us consider the long amendment first.

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

Mr. COPELAND. I yield.

Mr. BAILEY. I have asked that the three amendments be considered together. Nothing will be accomplished unless the third amendment shall be adopted. I think the Senator from New York will agree with me on that.

Mr. COPELAND. I agree with that.

Mr. BAILEY. Very well; then I ask that the three amendments be considered together.

Mr. COPELAND. I have no objection.

Mr. BAILEY. I asked unanimous consent to have that done when I introduced the amendment and it was granted.

Mr. COPELAND. Very well. Then these three amendments in a package are presented to the Senate.

Mr. President, if these amendments, plus one presented by the Senator from Missouri, which is also a blanket amendment, which proposes the transfer of supervision of advertising to the Federal Trade Commission shall be adopted, I shall have no further interest in the bill. The provisions affected by all these amendments are those which implement and make possible the successful administration of the proposed law.

May I ask Senators how they feel about the Senate continuing in session? I think I am sure to speak an hour on this subject.

Mr. CLARK. Mr. President, I suggest to the Senator that since he is going into the whole subject matter of the bill, and since I propose at the conclusion of his remarks, if I can secure the floor, to address myself to a motion to recommit which I intend to make, it seems to me we might as well start in in the morning and make a clean sweep of it.

Mr. COPELAND. I leave it wholly to the Members present to decide what shall be done.

Mr. CLARK. The Senator is now presenting the controversial features in the bill, and I propose to address myself to the same subjects.

Mr. COPELAND. We have come now to the heart of the opposition; and, as I said a moment ago, if these two groups of amendments shall be adopted, I shall have no further interest in the bill. We might just as well stay under the law as it is at present, and there would be no added protection to the public under the provisions of the new bill. Therefore we come to the very fundamental question; and I am willing to be governed wholly by the wishes of Senators on both sides of the Chamber as to whether we shall proceed now, or whether we shall recess until tomorrow at 12 o'clock.

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

Mr. COPELAND. I yield.

Mr. NEELY. May I ask the Senator from Missouri a question? He has stated that he intends to move to recommit the bill. What does the Senator believe could be accomplished by recommitting the bill?

Mr. CLARK. I may say to the Senator from West Virginia that I believe this might be accomplished: The bill might be taken up paragraph by paragraph in the committee, for which an opportunity has never been afforded in the nearly 2 years that the bill has been before the committee, in order to correct such vicious misuse of language as has repeatedly appeared here in its consideration in the Senate, to eliminate some of the jokers which have appeared, some of which already have been eliminated and some of which have not, and to decide on particular questions of policy, such as whether or not the aims expressed in the President's message shall be accomplished by amendment of the existing law which would preserve the great body of decisions which have been made under that law during a period of nearly 30 years, and also preserve the laws now existing in 46 States, based on the present law, or whether it is necessary to write a new law; also the question of whether or not it is necessary to take from the Federal Trade Commission the jurisdiction which it has very efficiently exercised for a period of a good many years, in order to confer greater power on a bureau in the Department of Agriculture, and other questions of general policy. These things have never been thought out in the Committee on Commerce. There has never been an opportunity for any adequate discussion in the Committee on Commerce of any of these very essential propositions. During my service on the committee there has never been any consideration of any draft of the bill which has been presented to the committee at any meeting previous to the meeting at which the motion was made and adopted to report the bill.

Mr. WALSH. Mr. President, the Senator from Missouri is making a very serious indictment of the procedure of the Committee on Commerce.

Mr. COPELAND. O Mr. President, I have no objection. I do not resent it. Let the Senator from Missouri go as far as he likes.

Mr. CLARK. I am perfectly willing to leave that question to any member of the committee. I have been a very constant attendant at the meetings of the Committee on Commerce.

Mr. NEELY. Does the Senator from Missouri believe if the bill were recommitted the changes which he has in mind could be made without impairing the protective features of the bill so far as the public is concerned?

Mr. CLARK. Let me say to the Senator from West Virginia that I am as much in favor of the strongest kind of protective features, so far as the public is concerned, as either the Senator from West Virginia or the Senator from New York or anybody else inside or outside of this body. But I do not believe it is necessary to declare a crutch to be a drug, to declare a misbranded article to be adulterated, to indulge in all sorts of subterfuges and jokers and loose terms such as are contained in the bill, in order to accomplish the purpose defined by the President so clearly and so adequately in his message.

Mr. COPELAND. Mr. President, I absolve every Senator. What I have to say I do not wish to be interpreted as applying to any Member of this body.

I want to know, and I want the Senate to decide, whether the patent-medicine manufacturers who have been exploiting the American people for the last quarter of a century, who have been able to put upon the market alleged remedies for tuberculosis and cancer and syphilis and other diseases well known by the medical profession not to be reached by those remedies—I want to know whether the Senate of the United States is going to take the position that the patent-medicine advertiser and manufacturer, the vilest man on the face of the earth, because he is taking money from innocent people making them believe that they are going to be cured, shall be permitted to continue in those practices.

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

Mr. COPELAND. No; I do not yield. I have already said I absolve all Senators. I am not talking about Senators. I am talking about the hidden influences which reach into this body, not alone as regard "vested interest" and other interests, but also as regards this great big vested interest which has to do with the very dearest and best thing in life—public health and individual health. If we are going to permit this bill to be emasculated and to permit the continuance of advertising in various newspapers of such vile truck as I have before me in a photostatic copy of a newspaper, all taken from one issue of the paper of the 15th of January 1935, I want the Senate to decide it for itself. I ask Senators to read this copy, because in the presence of this audience, made up of fine women and some children, I could not read aloud what I find here.

If the Senate of the United States is willing to have the Federal Trade Commission go on through another 22 years and fail as during the last 22 years to protect our people against such fraudulent things, such vile and outrageous things, I am satisfied to go down with my colors flying.

Every Senator can speak for himself, but if he desires to emasculate the bill and to make it impossible to seize articles which are being sold daily and which cannot be controlled otherwise than by the enactment of such a law—if Senators desire to do such a thing, let them vote to continue to send the advertising to the Federal Trade Commission, and do away with the possibility of seizure in the market of those things which have to do with invasion of the health of our people.

Mr. President, I am sorry I speak so feelingly, but I have a right to speak this way. This problem has been my training for years. I have had occasion to administer a law like this. I know of the difficulties involved. I know the name of every vile patent medicine which is seeking here now, through its influences in legislative halls, to defeat a fine piece of legislation.

Do not think I have any pride of authorship in the bill. I am not going to be distressed as an individual whether we

pass a bill which carries my name or not, but I am going to find out, if I can, how many Members of the United States Senate are willing to perpetuate the conditions which have existed in the United States year after year. I venture to say that the cemeteries contain the bodies of millions of American citizens who have been killed by products which we are seeking to take off the market.

If there are Senators who are so interested in the vested interests, so fearful of disturbing somebody who has been doing this sort of thing, all right, let them vote to destroy the bill, let them vote to prevent seizure, let them vote to send the advertising to the body which has failed for a quarter of a century to do this work.

Talk about sending these matters to the Federal Trade Commission! A lawyer friend of mine who is said to have an income of more than \$100,000 a year confided to me on yesterday about a case in which he was retained in 1922. He said there was a notice sent out by the Federal Trade Commission that his client was disobeying the law. He said that in 1929, 7 years later, his client got a "cease and desist order", and from 1929 until this month he has been able by injunctions to stand off action, and now after 13 years the case is in the circuit court of appeals! If Senators want to "protect" the American people by that sort of procedure, let them do it. I myself do not want to do it.

This bill, about which some persons in the United States are so sensitive, is not a brand new thing. The law at present prohibits the placing upon a label false or misleading claims in any particular. It prohibits false and fraudulent claims, but only so far as the label is concerned; and what is advertising but an extension of the label? No one questions, no one can question, that the Food and Drug Administration shall pass upon the quality of the product, shall pass upon the material upon the label, shall pass upon the material which goes with the package; and what is advertising but an extension of the label and of such printed material?

Mr. President, if there be those here who wish to break down the proposed law, who wish to leave us right where we are after these years of splendid administration of the Wiley law; if there be those here who are unwilling to have that law extended to cosmetics and extended to advertising; if there be those who feel that way about the matter, all right. Let such Senators vote that way. So far as I am concerned, however, I am going to pass this bill as it is, if I can.

On the other hand, if the majority of this body say that it must be emasculated and all the teeth taken out of it, and that we are to be no better off after it shall have been passed than we are at present, I am satisfied to let dear old Dr. Wiley's law stand where it is. That is a good enough law for me if we cannot enact these other provisions which will take care of modern advertising and give us decent protection for the men and women and children of the country. That is where I stand.

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

Mr. COPELAND. I yield.

Mr. WALSH. May I ask the Senator whether there is any question about the members of the committee having had full opportunity to analyze and study the bill before it was reported?

Mr. COPELAND. Ask the Senator from Oregon [Mr. McNARY]. He was a member of the committee.

Mr. WALSH. I am in accord with the views expressed by the Senator.

Mr. COPELAND. I am sure the Senator is.

Mr. CLARK. Mr. President, the Senator from New York once refused to yield, and I do not like to ask him again; but, in view of the inquiry of the Senator from Massachusetts, I do ask the Senator from New York to yield.

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

Mr. COPELAND. I will yield the floor if the Senator wishes to make a speech.

Mr. CLARK. No; I do not wish to make a speech. I do desire the floor later in my own right; but in connection

with the inquiry of the Senator from Massachusetts, the statement I made was that the bill had never been taken up paragraph by paragraph in the ordinary course in the Commerce Committee during the last 2 years of its consideration. I said that on each occasion, when the committee had been asked to consider the bill, they had been asked by the chairman to consider a new draft of the bill, presented to the committee that morning, and that an opportunity was always refused—notably on the occasion when the bill was actually reported—to consider the bill in detail and paragraph by paragraph.

I ask any member of the committee who desires to do so to contradict my statement in that regard.

Mr. COPELAND. Mr. President, I desire to call attention to three volumes of hearings which I have here.

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

Mr. COPELAND. I yield.

Mr. CONNALLY. It was suggested a moment ago by the Senator from New York that probably it might be wise to recess now and go on in the morning.

Mr. COPELAND. Perhaps the Senator thinks adjournment would tend to peace?

Mr. CONNALLY. No; I am trying to help the Senator.

Mr. COPELAND. I do not desire to be helped. I am much obliged to the Senator, but I do not desire the help he proffers.

Mr. CONNALLY. I think we are now right up to the important point of the bill, and there is such a small attendance of Senators that I thought it would be helpful to the Senator from New York to have a larger attendance.

Mr. COPELAND. I am going to get a few things out of my system before we take a recess.

Mr. COUZENS. Mr. President, I hope the Senator from New York will get them out of his system.

Mr. CONNALLY. I do not insist on a recess. I was really seeking to help the Senator.

Mr. COPELAND. Mr. President, I do not know who wrote the original bill. I did not. Senate bill 1944 came down here, and was called the "Tugwell bill." I do not know who wrote it. I was asked to introduce it. That was in June of 1933. I introduced the bill, and I confess that I never read it until October. When October came I realized that pretty soon we must have some hearings, and when I read the bill I was shocked to think I had introduced a bill like that, giving arbitrary power to the Secretary of Agriculture. I am not reflecting on any individual Secretary of Agriculture, but I was shocked to find that I had introduced a bill giving arbitrary power to any official who might hold that position. A subcommittee was appointed, consisting of the Senator from Oregon [Mr. McNARY], the Senator from Arkansas [Mr. CARAWAY], and myself, and we held hearings in December; and here are the hearings [exhibiting volume].

Out of that came another bill. That bill was presented to the committee, and dealt with at considerable length by the committee. It was made clear to me that it was necessary to have some more hearings; and so from February 27 to March 3, 1934, we had some more hearings. Out of that came a bill which was brought here so late in the session that it had no chance to be given consideration.

This year a third bill was introduced.

Mr. WALSH. Mr. President, are those the hearings of this year?

Mr. COPELAND. No; those hearings are last year's hearings. Those were in December 1933 and in February and March of 1934.

Then this bill came along, and there were hearings on it during the month of March, presided over by the Senator from Missouri [Mr. CLARK]. The Senator from Arkansas [Mrs. CARAWAY] was ill, and I sat in the committee by courtesy of all concerned, and I suppose because, as Chairman of the Committee on Commerce, I had some privileges.

Those hearings were printed, and before they were bound a complete copy in sheet form was sent to each member of the committee 1 week before the committee was to meet. With this set of sheets was sent a letter saying that a week later there would be a meeting of the committee to consider

the bill; and a copy of the proposed bill, with the amendments which grew out of it, attached to these sheets, was sent with the letter.

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

Mr. COPELAND. I yield.

Mr. CLARK. So far as the subcommittee was concerned, I think the Senator from New York will agree that the subcommittee was not appointed or empowered to consider the bill. It was appointed simply because the Senator from New York himself did not desire to preside over the hearings; and as a personal matter he requested me to be chairman of the subcommittee and to preside over the hearings. The subcommittee had no authority whatever to consider the amendments proposed or to report on the bill one way or the other.

The Senator from New York has stated that he sent out these galley proofs a week before the meeting of the Commerce Committee, and it is possible that that is true. From my own personal experience, I desire to say that I received the galley proofs 2 days before the meeting at which the Senator insisted on reporting out the bill without detailed consideration in the committee, and that when the Senator from North Carolina [Mr. BAILEY] in the committee proposed that the bill be taken up paragraph by paragraph for consideration, and that an opportunity be afforded to consider the language and the various lines of the sections, the chairman refused to permit that to be done and insisted that the bill must be reported out that day, and, by a vote of 9 to 6, the bill was so reported.

Mr. COPELAND. All of which proves what?

Mr. CLARK. All of which proves my preliminary statement that this bill has never, at any stage in all the hearings which have been held or at any of the times it has been before the committee, been taken up by the Committee on Commerce in the ordinary, customary method for consideration and perfection by the committee, which might have eliminated all of the jokers and catch phrases that are now found in the bill.

Mr. COPELAND. It is very apparent to me that, so far as the Senator from Missouri and the Senator from North Carolina are concerned, they have not had any trouble in studying the bill and finding where the "jokers" are.

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

Mr. COPELAND. I yield.

Mr. CLARK. The Senator from New York a while ago called my attention to one which had escaped me, by offering an amendment to it; and when I read the section and called attention to its legal import, it became apparent that it was so outrageous and so indefensible that the Senator from New York, with the consent of his mentor from the Agricultural Department, agreed that the paragraph should be stricken out of the bill; and it was so done on his own motion.

Mr. COPELAND. I congratulate my mentor.

Mr. CLARK. So do I.

Mr. COPELAND. I had not realized that my mentor was leading me by the hand; but I bow to him, and say that I am glad that he is my mentor. I like to have a mentor like this man, who is interested in the public health and in the public safety and who is desirous of saving the lives of people.

The Senator says that he had these sheets in his possession for 2 days before the meeting of the committee. I took pains to see to it that the sheets were delivered to the offices of members of the committee a week before the meeting, and they were so delivered at every office. If Senators had no time to study the galley proofs before the consideration of the bill was begun by the Senate, we have been going along with the bill on the floor of the Senate all this week, 4 days, and if any Senator was sufficiently interested to study it, he certainly has had the time and opportunity. If he did not care to study it, he was certainly getting letters from home. Among the letters that every Senator received are letters from vile patent-medicine manufacturers, who do not want any regulation. I am happy to say, so far as they are con-

cerned, that they will still have the Wiley law to contend with, even if they should succeed in defeating this measure, which is no more than an extension of that law to cosmetics and to advertising.

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

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

Mr. COPELAND. I do.

Mr. VANDENBERG. I am sure the Senator from New York would not wish to leave the implication that the only critics of the bill and the only persons who have sought to amend it are those who qualify under the description he has just given.

Mr. COPELAND. I absolve the Senator absolutely. I think most of the criticisms which have been offered here have been very worthy and very proper ones. But the fact remains that there is, in effect, a conspiracy on the part of these patent-medicine men—and some of them are sitting in the gallery right now as I speak—seeking to defeat the bill. Then there are certain newspaper interests who are so afraid that they will not be permitted any more to run the vile advertising which I have exhibited, who are so afraid that their dividends will be affected by this attack upon their revenues that they are here in force, and possibly, though I pray not, they may have influence enough to beat the bill.

I know what will be said by every mother in the United States, by every decent citizen who believes in purity of drugs and in proper foods, who believes our people ought to be protected in the use of cosmetics from such blindness as was suffered by the girl whose picture I exhibited, every person who believes that advertising should be truthful and regulated by somebody. I know what a flood of protest will come, so I am satisfied, if I shall be defeated in my efforts to pass the bill, it will be an honorable defeat, and I will be satisfied to accept that sort of a defeat.

Mr. ROBINSON obtained the floor.

Mr. CLARK. Mr. President, I hope the Senator from Arkansas will not now ask for a recess, in view of the fact that the Senator from New York has consumed nearly an hour making a very vicious attack on everybody opposed to his bill. I desire to address myself for a few moments to the remarks of the Senator from New York.

Mr. ROBINSON. Very well. I thought perhaps we could take a recess at this time and resume tomorrow. If the Senator wishes to proceed now, I have no objection.

Mr. CLARK. I wish to make a few remarks in reply to the Senator from New York. In view of the plain implication of the Senator from New York that every Senator who has criticized his bill, or has desired to proceed in an orderly manner and after action by a committee on the language of a most important, technical, detailed bill, is controlled by patent-medicine or vicious interests, as he says, I should like to say that, so far as I am concerned, I have no connection, direct or indirect, with any patent-medicine manufacturer or the manufacturer of any foods such as the clients of Mr. Dunn, who has been broadcasting in favor of the bill during the last 2 weeks, or with anybody else.

Furthermore, I should like to say that I am heart and soul in favor of the purposes announced in the President's message for amending and broadening the present law to such extent as may be necessary.

Two years ago, when the Senator from New York introduced a measure, the name of the author of which he now says he does not know, but which bore the name of the "Tugwell bill", and which he has told the Committee on Commerce he now abhors, and did as soon as he read it, I did not conceive that it was necessary either for the Committee on Commerce to report it without consideration, or for the Senate of the United States to adopt it without proper consideration.

When the Senator from New York, after the hearings a year ago last fall, came back with the first of these nearly 20 different drafts of the bill, and came into the Committee on Commerce on the morning when the draft had first

been furnished to the committee, and requested and insisted that the bill be reported without consideration and without hearing, I did not conceive then that it was my duty, as a Member of the United States Senate or as a member of the Committee on Commerce, to vote to report that bill, and I voted against it.

On the numerous occasions since, when the Senator from New York, for whose professional opinion I have the highest respect and of whom I am personally exceedingly fond, would come in with a different draft of a bill, when no opportunity had been given the members of the committee to examine it, and would ask as a matter of personal courtesy to him that the bill be reported without consideration, I still did not feel it was my duty, as a Member of the Senate or of the committee, to vote to report it.

The Senator from New York has begged the question constantly in the Committee on Commerce and in the Senate when he has said that anybody who is opposed to the bill in its present form, quite a different draft from the many drafts which have preceded it, is opposed to the principle of amending the food and drug laws of the United States and affording protection to the public.

The Senator from New York has never yet, in the committee or in the Senate, explained why it was necessary to wipe out all of the great mass of decisions which have been rendered by the courts of this country during the last 30 years under the Wiley Food and Drugs Act, and to get away from the laws of the 46 States based on those decisions, and adopt an entirely new system, except as may be desirable for the purposes of extending a little new authority to the Department of Agriculture and allowing the distinguished Senator from New York to get his name on a bill.

Neither the Senator from New York nor anyone else has ever dared criticize the administration by the Federal Trade Commission of the advertising laws as they exist at present. The fact is that under the present law the Federal Trade Commission has only had jurisdiction over advertising which constituted unfair competition. Under their very limited jurisdiction they have built up a machinery, they have exhibited a willingness and a competency to deal with that situation, which makes it certain that all that is necessary now is to extend their jurisdiction to include the new subjects matter contemplated in the pending bill, rather than to take away their jurisdiction and turn it over to an entirely new agency, the Food and Drug Administration of the Department of Agriculture.

These are a very few of the matters mentioned by the Senator from New York, but the fact is, Mr. President, that in the consideration of the bill we have come upon joker after joker, upon the use of language which cannot possibly be justified either in law or in reason.

We have found that a crutch and a set of scales are to be designated by law as drugs. We have found that a drug which is misbranded is to be treated as adulterated. This afternoon we came across a section which provided that, after one of the regulations to be made by a bureaucrat under this proposed act had been declared invalid by a court, the same bureaucrat would have authority to make a new regulation which would be in force, without notice, without hearing, and without review, for a period of 6 months.

I say, Mr. President, that if the bill shall be recommitted, there should be no necessity whatever for a delay of more than 2 or 3 days. If the Senator from New York will do what he has never done, call his committee together and put the bill before them paragraph by paragraph, line by line, and word by word, for consideration and definition, the subject matter may well be cleaned up in 2 or 3 days, and a bill reported back which will conform to the President's message, and accomplish every aim set forth in the message, and, at the same time, not be full of jokers and innuendoes and hidden powers for the bureaucrats of the Department of Agriculture.

#### EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

## EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. MOORE in the chair). If there be no further reports of committees, the clerk will state the first business in order on the calendar.

## POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

## RECESS

Mr. ROBINSON. 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 5 o'clock and 12 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Friday, April 5, 1935, at 12 o'clock meridian.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate April 4 (legislative day of Mar. 13), 1935*

## POSTMASTERS

## CALIFORNIA

Kathleen M. Rousseau, Belmont.  
Irene C. Cator, Carmel.  
Frances M. C. Enos, Pescadero.

## TEXAS

Oscar L. Weaver, Thurber.

## HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 4, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, author of all good and never far away from Thy children, we would listen to Thy whisper: "I will guide thee with Mine eye." Enable us to cherish sincere, sensitive, and responsive souls toward Thy rich and assuring promise; then Thou wilt preserve us against every false way. Keep us from being victims of misconceptions, prejudices, and illusions. Courageous in the denunciation of the wrong, clear in the declaration of the right, may we stand as leaders in national, civic, and social welfare. Inspire us with Thy word: "To them that love God, all things work together for good." Help us to live in the spirit of submission in trust and in hope, believing that in many and in unexpected ways Thou wilt make our work fruitful and bring it to a fine consummation for the good of our country; so grant it, blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## SCHOOL HOUSING SITUATION IN MISSISSIPPI—OLD-AGE PENSIONS

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter addressed to me under date of March 10, 1935, from two very prominent educators in the State of Mississippi on the condition of our school system.

I ask also to extend my remarks and include a short resolution adopted at a mass meeting in Lauderdale County, Miss., urging legislation on old-age pensions.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, I am very proud, indeed, to have the pleasure of placing in the CONGRESSIONAL RECORD the following letter written to me under date of March 10, 1935, signed by W. G. Eckles, director public building service, department of education of the State of Mississippi, and which said letter was approved by W. F. Bond, State superintendent of education in Mississippi. The letter is as follows:

JACKSON, MISS., March 10, 1935.

HON. AUBERT C. DUNN,

Member of Congress, Washington, D. C.

MY DEAR MR. DUNN: Under separate cover I am sending you today some facts concerning the school-housing situation in Mississippi.

Last year we made a detailed study of the physical plant facilities of every public school in the State. The results of this survey show unmistakably that Mississippi is very deficient in school-plant facilities. The average investment in the school plant per child enrolled in school is only \$69 for Mississippi. This is the lowest average investment of all the States of the Nation. This average for the United States is \$250. A copy of the general summary of the survey is in the package I am sending you. I invite your attention especially to pages 23 to 26.

Of course, our Negro schools are much more deficient than are the white schools. The investment in plant facilities per enrolled child for the white schools of Mississippi is less than one-half the average for all races in the United States.

Recently the city and county superintendents of education were requested to make up an inventory of needed school-plant improvements which, under favorable conditions, they would make in a 1-year program. A tabulation of the estimated cost of these improvements by counties is enclosed. As you will see, these estimates total \$16,276,722.34, of which some \$13,000,000 is for white schools and the remainder for Negro schools.

To make substantial improvement to our deplorable school-plant situation we will have to have Federal aid on a very liberal grant basis. Only a pitiful few of our school districts have been able to build school buildings under the P. W. A. program. We appreciate this aid, but we know that these communities were most able to get needed improvements without outside aid.

While Mississippi's investment in the school plant is lowest in the Nation, we are almost 50 percent above the national average in the percent of taxable wealth invested in the school plant with 0.58 percent as compared with 0.40 percent, the average for the Nation.

We appeal to you, our other Congressmen, Senator BILBO, and Senator HARRISON to give us your active support in getting Federal aid which will permit us to provide reasonable plant facilities for the school boys and girls of the State. While it would take a total of \$100,000,000 to bring Mississippi up to the national average investment per child, we ask for only \$20,000,000 for a 2-year program. We are convinced that if this aid is made available on a liberal enough basis, we could provide facilities where they are most needed. Such a public-works program would offer advantages not to be found in any other program.

1. The efficiency of the schools would be greatly increased.
2. The spread of employment would be ideal, reaching all sections of the State.
3. A high percent of the money expended would be for labor.
4. The facilities secured would serve a large group of people for a number of years.
5. A great saving in local tax money would result, because local communities will have to bear the whole burden unless Federal aid is secured.

May we not depend upon you to help us in this program?

Should you care to have additional information, we will be glad to supply you with it.

Thanking you for the fine things you have already done for schools and with best wishes, I am

Cordially yours,

W. G. ECKLES,  
Director School Building Service.

Approved.

W. F. BOND,  
State Superintendent of Education.

Mr. Speaker, the State of Mississippi has undoubtedly been as reasonable, if not considerably more so, in its requests for emergency help for schools than any other State in the Union. Our people have made great progress in education, and we are proud of that progress; but because of general agricultural conditions, such as deflated markets, the lowering of assessments in towns and cities because of the inability of our people to pay taxes on what otherwise would be normal assessments, we are now greatly handicapped in not only keeping our schools open but also in repairing and replacing many plants that are so vitally necessary to our school systems, and I am proud to have had the pleasure of placing into the RECORD such an intelligent letter from such recognized leaders in the field of education.

It is needless to say that I shall certainly cooperate with them to the fullest extent in getting my State's just propor-

tion of emergency money which we are entitled to from the Treasury of the United States.

Mr. DUNN of Mississippi. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following resolution adopted in mass meeting in Lauderdale County courthouse, March 23, 1935, Meridian, Miss.:

TO NATIONAL OFFICERS

To our Honorable President, United States Senators, and Congressmen, especially to our 2 Mississippi Senators and 7 Congressmen:

We pray of you to hear our voice and expressions as embodied in the following resolutions:

We, the citizens of Lauderdale County over 60 years of age, assembled in the court house Saturday night, March 23, after consideration of the various social security legislation and pension plans now being considered by Congress, ask you to embody the following provisions in any social legislation or old-age pension laws enacted:

We pray for immediate and sufficient appropriation to care for those above 60 years of age; at the same time put into effect the public program to care for those that are younger than 60.

We ask the old-age pension begin at 60 and not at 65, as now proposed, and that the law guarantee that the State laws pay this pension at the age of 60, this to begin immediately instead of in 1940, or, give the States now having pension laws 1 year to reduce their limit which are from 70 to 65 years of age.

We further ask that the maximum should not be fixed, but should provide that pension payments be made to insure healthy and decent living conditions for the aged. If the limit must be fixed, let the minimum be not less than \$30 per month gross (Federal and State).

Should you enact old-age insurance along with immediate pension law, or instead of immediate payment of old-age-pension laws, we ask that the system plan be changed to take effect immediately instead of in 1937, and embody the above-mentioned provisions as to age limit and amount paid as above stated.

We commend our President upon this step toward obtaining for the aged assistance that they may spend their remaining days in decency, in peace, and in security in their own homes, and assure each Senator and Congressman supporting our cause that our appreciation will be like unto that given in rescue of a drowning person.

According to Government statistics, over seven and a half million people in America are dependent upon charity or are on the F. E. R. A. list. These, with millions of others between the ages of 60 and 65, who are not included in the present Federal old-age security laws, join us in praying to you for relief immediately and the change from the humiliating dole system now in force, if not cared for by their children.

We respectfully, humbly, and obediently do hereby remind you of your campaign promises, and the confidence we have in you to carry this out, regardless of the pressure brought upon you contrary to our interests.

Respectfully submitted by our officers signed below and of citizens in assembly.

Dr. M. W. GANTT, *President.*  
Rev. J. W. BRAND, *Secretary.*

PERMISSION TO ADDRESS THE HOUSE

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes out of order.

Mr. HILL of Alabama. Mr. Speaker, reserving the right to object, I shall not object to the request of the gentleman from Kentucky, but I hope no other gentleman will make a similar request. The committee was delayed almost 3 hours yesterday in its effort to take up this bill. Members of the House are interested and want to consider this war-profits bill, and I hope other requests will be delayed until a future date.

Mr. COX. Mr. Speaker, if the gentleman will yield, I had hoped that I might be allowed to address the House for 3 minutes.

Mr. HILL of Alabama. Mr. Speaker, I shall not object to the gentleman from Georgia and the gentleman from Kentucky having 3 minutes each in which to address the House, but I shall be constrained to object to other similar requests.

Mr. MAY. Mr. Speaker, for just a few minutes I desire to call to the attention of the House some matters that have occurred in the last few days, about which I think the House of Representatives should have information.

References have been made in the press to certain statements and testimony before certain committees of the House of Representatives on the subject of national defense. Personally, I am a fixed, immovable advocate of adequate national defense. I do not believe in fighting, and therefore I believe that adequate preparations for war is the surest guaranty that we shall not have a war. [Applause.] A few

days ago a gentleman who is possibly in a position to know as well as any other man in the country, Mr. David E. Lillenthal, one of the directors of the Tennessee Valley Authority, made the statement before the Military Affairs Committee of the House of Representatives that in case of a great national emergency, or in case of war, the United States would experience a grave and serious shortage in electric power.

In view of our experiences of the last great World War and of the years that have followed, in view of the recollections of that great conflict, and in view of the rapid development of industry since the World War and the rapid strides in power development by private industry in this country, it was alarming to me and doubtless to other members of my committee to hear such a statement coming from such a source. If it be true, gentlemen, it constitutes an indictment against the Army of the United States, against the General Staff, against the Chief of Ordnance, and against our entire national-defense organization. I do not believe it is correct; I think it is a mistaken statement; but in order that Congress and the people and the country may know whether or not, after the disasters of that war and 16 years' time within which to study and plan, our national defense has been neglected, I shall introduce within the next few minutes a resolution asking for an investigation of this particular subject.

With the great and marvelous system of power development that we have in this country, reaching into every industrial plant throughout the land and into every factory adapted to the production of war supplies, is it possible that our national-defense establishment has gone to sleep at the switch and failed to consummate arrangements for immediate conversion of these great industrial plants already electrified into peak production of the munitions of war in case of emergency? Is it possible that after our terrible experiences of the last 5 years of depression and our contemplated vast expenditures of money we are still derelict in this minor point? No, I do not believe it; but I shall undertake to find out about it.

DEPARTMENT OF LABOR STATISTICAL STUDIES

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 857) to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes, and consider the same.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, as I understand, this bill continues the authority of the Department of Labor to furnish these statistics when the people asking for them pay the costs?

Mr. CONNERY. Yes.

Mr. SNELL. And, so far as the Government is concerned, no expense whatever is attached to it?

Mr. CONNERY. Not at all. The only reason I am bringing it up now is this: These two bills have been on the Consent Calendar, but I am informed by the Department of Labor that this law which is now on the books expires April 12, which will be before the next Consent Calendar day.

Mr. SNELL. And there is real demand for these statistics?

Mr. CONNERY. Yes; there is great demand.

There being no objection the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the act entitled "An act to authorize the Department of Labor to make special statistical studies upon payment of the cost thereof, and for other purposes" (73d Cong., ch. 118, 48 Stat. 582), and the authority therein conferred shall be, and hereby are, extended until April 13, 1937.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, through the courtesy of Mr. Julian Byrlawsky and the Warner Bros., as a com-

pliment to the House Committee on Labor, there will be shown in the Caucus Room of the old House Office Building on next Monday night, April 8, a picture which has never yet been shown to the American public, entitled "Black Fury", featuring Paul Muni. Last evening I had the privilege of a private preview of this picture, which is a most dramatic and colorful drama of life in the mines, and gives a realistic portrait of conditions in mining communities during the progress of a strike. I take pleasure in inviting every Member of the House to be present at 8 o'clock in the Caucus Room of the old House Office Building to see this picture. I suggest, in view of the limited seating capacity, that Members confine themselves to one guest.

AIR MARSHAL ITALO BALBO AND GENERAL PELLEGRINI

Mr. TURNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1605), authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. SNELL. Mr. Speaker, reserving the right to object, what is this bill? Is this a Senate bill?

Mr. TURNER. It is a Senate bill and it has been considered by the Military Affairs Committee and unanimously reported out for passage.

Mr. SNELL. Is there a similar bill on the House Calendar?

Mr. TURNER. No.

Mr. SNELL. The Senate bill has been considered in committee?

Mr. TURNER. We considered the Senate bill in committee.

Mr. SNELL. It is a unanimous proposition?

Mr. TURNER. Yes.

Mr. SNELL. What reason is there for taking up the bill at this time?

Mr. TURNER. I have a note here which will explain the reason.

The Honorable Breckenridge Long, American Ambassador to Italy, has been invited by Air Marshal Italo Balbo, now Italian Governor General of Tripoli, to be his guest in Tripoli during April. The passage of this legislation by the House within the next 10 or 12 days would make it possible for Ambassador Long to present the medal during his visit, and both he and the Department would be grateful for prompt action in this regard.

Mr. SNELL. If we could go over there, too, it would be very much better.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That the President is authorized to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force, in recognition of their formation flight with 24 seaplanes to the United States and back to Italy, which was an event of national importance, a great aeronautical achievement, and a mark of the good will between Italy and the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by myself yesterday at Binghamton, N. Y., on the new deal.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I made yesterday before the Exchange Club of Binghamton, N. Y., on the "new deal":

My friends, it is my purpose to divide my thoughts into three divisions. First, to answer some of the criticisms of the "new deal"; second, to point out some of the accomplishments of the

"new deal"; and, third, to show how the policy of the "new deal" promotes world peace.

Now, after 2 years, Mr. Herbert Hoover comes out of the storm cellar and says there wasn't any storm. It is wonderful what 2 years of rest has done for Mr. Hoover's mind. Why, 2 years ago he couldn't think of a thing to do to save the country, and now, 2 years later, he is becoming very fertile for ideas. Personally, I think Mr. Hoover is a fine, cultured, high-class gentleman, but as a statesman he is a good food administrator.

During the war he brought us wheatless, eatless, meatless, sweetless, heatless days, and then he brought them back for the depression. I suppose he thought that if it was good for us to Hooverize during the war that it was good for us to Hooverize during the depression. So, although as a man he is a fine citizen, as a leader in the economic field he still ranks higher as a great engineer.

It must take lots of nerve for those who ran our Government into this terrible depression to stand off now and criticize the man who is leading us out of it. I admit that Mr. Roosevelt is not getting us out quite as fast as Mr. Hoover got us in, but he is doing a pretty good job at that. But it must take lots of nerve for Mr. Hoover to criticize the "new deal." I should think that it would take almost as much nerve as it did for the fellow who murdered his mother and father and then plead to the court for mercy on the grounds that he was an orphan.

My friends, the criticisms of the "new deal" are superficial, and if you notice, they are destructive criticisms. They are not constructive. Anybody can make destructive criticisms about a man who is doing something. Always when you compare the actual with the theoretical, the actual suffers. But in this case the fact remains that the "new deal" is actual and is actually taking us out of the depression.

Of course, there are those who will complain, and in many instances they are benefiting by the very Government they are complaining at. The other day I heard a man complaining about the "new deal." He said, "I ain't got no liberty. I can't get a job without going and getting a card first."

"Why," I says, "man alive, before the 'new deal' you couldn't get the card, let alone a job."

Another man was trying to get a loan from the Home Owners' Loan Corporation to save his home. He had gotten offended at one of the clerks and was cussing the whole "new deal." Of course, he wouldn't have needed the loan in the first place if it hadn't been for the "old deal", and he wouldn't have had any home to worry about if it hadn't been for the "new deal." But here is a Home Owners' Loan Corporation set up by the "new deal" to save his home from foreclosure, and yet he doesn't see the political philosophy back of a humanitarian government that has raised human rights above property rights.

When I was a soldier in France there was criticism of the Y. M. C. A. Some of this criticism may have been justified, most of it was not. We drank their hot chocolate, ate their doughnuts, and then cussed them because they didn't have something else to give us. They furnished us stationery to write home on and then mailed our letters for us. One day one of the Y. M. C. A. men found a letter in the mail box addressed to God Almighty. Not even a Y. M. C. A. man knew what to do with it, so he opened it.

It said, "Dear God, please send me a hundred dollars to pay off the mortgage on our home place back in Tennessee. We are about to lose it."

That touched the Y. M. C. A. man's heart, and he went around among his friends and raised \$90. He put it in an envelop and mailed it back to the boy. The next week he found another letter in the mail box addressed to God Almighty. He opened it.

It said, "Dear God, thanks for the money which you sent me, but God, the next time you send me any don't send it through the Y. M. C. A. Them boogers took out \$10."

It seems to me that that story illustrates the present situation pretty well.

The most often heard criticism is to refer to the whole "new-deal" program with the implication that the total amount of money called for must be made up by taxation. My friends, that is misleading, because a Government loan is not a Government gift.

For instance, when the corn farmers were selling their corn at the ruinous price of 10 cents a bushel the Government stepped in and loaned the farmers 45 cents a bushel on that corn in sealed cribs. Most of that corn was sold at from 75 cents to 90 cents a bushel. Those loans were paid back with 5-percent interest. That money won't have to be raised by taxation. But the Government saved the corn farmers \$160,000,000 that otherwise would have gone to the gamblers on the grain exchange.

Then, again, the Government loaned farmers on their livestock. I have some cattle on my ranch in northwest Oklahoma. The Government loaned me some money on those cattle to keep me from having to sacrifice them at a ruinous price. I have already paid back over half of that loan out of the sales from the cattle. Cattle are worth three times more now than when that loan was made. That money won't have to be made up by taxation. The Government will get that money back, with interest. But the Government saved the livestock industry in this country by those loans.

Then, again, there is the Reconstruction Finance Corporation, the purpose of which is to refinance banking and industry. There is one R. F. C. loan on which the Government is pretty sure to lose money. It was made while Mr. Hoover was President. They

loaned Charley Dawes \$90,000,000 on his failing bank in Chicago. They interpreted R. F. C. to mean "Relief for Charley."

Yet even with that loan Jesse Jones' report of February 7, 1935, shows total loans under section 5 amount to a little over three and a third billion dollars, while the repayments already amount to over \$2,000,000,000. That money will not have to be paid by taxation.

Then, again, some people have the erroneous idea that the Federal Housing program calls for tax money to support it. But the Government in this case is only attempting to stimulate recovery by encouraging banks and loan companies to lend their own money for building and rehabilitation. The Government guarantees the loan up to 80 percent of its value. Therefore the Government is not spending the taxpayers' money on the housing program.

Then, again, there are the loans on the homes. These are not gifts. Before a citizen could get one of these loans an appraiser had to appraise his property. Then a second appraiser had to check the first appraisal. Government attorneys then examined the title. It had to be cleared. Then the citizen and his wife had to sign the mortgage to the Government. Before that citizen can give title to that property that loan must be paid off. The Government has first mortgage on that property.

The Government not only won't lose on those loans but will actually make money and at the same time help a distressed and stricken people.

My friends, if the grain that represents bread, if the livestock that represents meat, if the banks and factories that represent commerce and industry, if the fertile fields that represent the producing power of this country, if the real estate that represents the homes of America, if the character of the American people, if all of this is not good security, then we do not have any security in this Nation, because that represents America; that is America.

Therefore I must conclude that these Government loans are not Government gifts and will not have to be paid for by taxes.

Then again the money that is used to pay the farmers for reducing their wheat and cotton acreage is being raised by the processing tax. The report from the Department of Agriculture showed that up to January 1, 1935, the processing-tax receipts were \$640,000,000 plus, and the rental and benefit payments were \$527,000,000 plus. So you see, my friends, that program is paying its own way.

Then again there are those critics who would have you believe our Government is about to go broke. The President by reducing the gold content of the dollar placed a credit in the United States Treasury of \$2,000,000,000, and can legally still further devalue 10 cents more on the dollar and place an additional credit to the Treasury of \$800,000,000, making a total of \$3,600,000,000 to the credit of the United States Treasury; and yet some would try to frighten you into believing that our Government is about to go broke.

Do you know how much monetary gold there is in the world? In round numbers, \$17,000,000,000. Do you know how much of that is in the vaults of the United States Treasury? Nearly half of the total world supply. There is over \$8,000,000,000 of gold in the vaults of the Treasury today now.

Why our Government could pay every greenback piece of paper money in the United States off in yellow glittering gold and have over \$3,000,000,000 left in the Treasury; yet some of the critics of the "new deal" would try to frighten the people about our money.

During the last campaign one of the critics of the "new deal" was speaking to a big crowd at a country picnic. He was making fun of the "new deal's" alphabet relief. "Why," he says, "there's the A. A. A., the N. R. A., the F. E. R. A., and all the other combinations. You can't think of any combination of letters in the alphabet that doesn't stand for some form of relief. Can anybody here think of a combination of letters that don't stand for some form of relief?"

An old farmer yelled out, "Yeah; G. O. P.!"

The window washer on the skyscraper up there does not see the building. He does not see the foundation supporting the structure. He does not see the different stories of useful offices. He doesn't see the sweep of architectural beauty of the skyscraper. All he sees is the dirt on the window right in front of him.

Friends, don't just look for the dirt on the window. Back up and take a look at the whole great structure and the foundation stones of the "new deal," this new political philosophy or rather old one, I should say, for it harks back to Thomas Jefferson. It is the doctrine of equal opportunity. It would give every man the right to a job, the right to feed his children when they tug at his coat and ask for bread. It is the doctrine that says every man has a right to food when he is hungry, clothes when he is naked, and shelter from the storm, in return for his labor.

One time one of the best-to-do citizens of a little village down in Louisiana went over to the neighboring city and brought home a brand-new manufactured wagon, the first "store-bought" wagon to make its appearance in that district.

When he drove it up in the village street and stopped it there was immediately a great crowd of spectators. They began at once to criticize the wagon. One said the wheels were too weak; another said the hub was too large. Another said it was too narrow gage, and so on. Each one had some fault to find with it. Finally, they seemed to exhaust their own repertoire of criticisms, so they turned to an old darkey and asked him what he thought about the new wagon.

"Well," he says, "I've got the same fault to find wid dat wagon dat the rest of you have. Dar's only one thing de matter wid dat wagon, and dat is dat hit ain't mine."

I fear that Mr. Hoover's memory is too short. It would seem that he has forgotten the prices of farm products 3 years ago. The story goes that a fellow was walking along the road and he saw a man over in his corral shearing a sheep, and he was holding the sheep by the tail while he cut off its wool. "Why," said the traveler, "that's not the way to hold a sheep when you shear him. You should hold him by the head."

"Yeah, I know it," said the man in a rather embarrassed manner.

"Then, why don't you hold him right?"

"Well, you see, I voted for Mr. Hoover when he first ran for President, and he was elected, and cattle went down, hogs went down, sheep went down, wool went down, lambs went down, and I just can't look this sheep in the face and take his wool."

So now in just 2 short years Mr. Hoover has forgotten 25-cent wheat, 10-cent corn, and 4-cent cotton. I fear also he has forgotten the election returns of 2 years ago. In that election Mr. Hoover reminds one of Moses. The Lord buried Moses where the people couldn't find him, and the people buried Hoover where the Lord couldn't find him.

#### SOME "NEW DEAL" ACCOMPLISHMENTS

This depression really began in 1920 when the financial masters deliberately and intentionally contracted the credit by calling in the loans to the little country banks. These little banks had loaned on livestock and on crops and they could not pay. They began to close their doors. They folded up like camp stools. Gradually and slowly but surely times got worse. Then the clouds of depression began Hoovering (hovering) over us. In the period from 1920 until 1932 over 7,000 banks in the United States went broke.

Immediately, upon Mr. Roosevelt's inauguration, he took action; he closed every bank in the Nation. When those banks opened, they were underwritten by the Government itself. He followed quickly with an insurance-deposit law, insuring the deposits of the people. Today your deposit is guaranteed by the Government of the United States. When you support the "new deal" you are supporting that.

Then he went over our Nation and gathered up the young boys. He took them out of the box-cars and out of the alleys and off the streets and placed them in clean conservation camps, with three squares a day. Through them he sent back to their mothers and sisters and brothers money that meant food and clothes and shelter. When you boost the "new deal" you are boosting that.

Then he passed the air mail contract law, that prevents fraud in the air mail contracts.

He also set up the Communications Commission for the control of the telephone, telegraph, and radio corporations in order to protect the people against unfair rates from these utilities.

Furthermore, he set up the Tennessee Valley Authority as a yardstick for measuring the cost of electricity. He established similar power projects at different places over the Nation. These stand like a gun behind the door, a threat to prevent the power companies from imposing unfair rates upon the people.

Furthermore, the "new deal" recognition of Russia is an entering wedge to the regaining of our lost foreign markets.

Then, again, through the Agricultural Adjustment Administration, the President has distributed millions of dollars to bankrupt farmers in the form of rentals and benefit payments, making it possible for those farmers to buy shoes for their children. How could anyone object to that?

Then, again, the "new deal" investigated the house of Morgan, the most powerful banking institution in the world, and showed how J. Pierpont Morgan was evading the income-tax law, and exposed the names of high officials who were allowed to purchase their stock at a special price \$17 below the market.

The "new deal" prosecuted Mr. Mitchell for evading the income-tax laws, and showed how worthless foreign securities were sold to the unsuspecting public.

The "new deal" has pending now a suit against Andrew Mellon, charging him with evading the income tax to the amount of over \$3,000,000.

Surely, my friends, you must applaud the "new deal" for requiring the high and mighty to obey the law as well as the average citizen.

When Mr. Roosevelt came into office he found crime running rampant. He told the Federals to get busy. What has been the result? Insull, Kelley, Bates, Bailey, Dillinger, "Pretty Boy" Floyd, "Baby Face" Nelson, Bruno Hauptmann. Never in the history of America has there been such a drive on crime; when you approve the "new deal", you approve that.

Then he set up the public-works program, through which he beautified parks, constructed roads, built bridges, graded school grounds, built air fields, and constructed reservoirs.

Then he set up the N. R. A. and through it put back to work 3½ million workers and raised the wage level 26½ percent.

Then he set up the F. E. R. A. and through it fed the great army of unemployed. Millions of cattle were purchased from the drought-stricken areas and fed to the hungry.

Then again through the Agricultural Credit Corporation thousands of farmers have been refinanced at lower rates of interest and for longer terms, making it possible for them to save their property.

Then again he set up the Home Owners' Loan Corporation and through it saved the homes of thousands of citizens from foreclosure. He kept a roof over the heads of the distressed home owners.

No farms foreclosed, no livestock foreclosed, no homes foreclosed. The auctioneer's hammer has been thrown away during the depression. To approve the "new deal" is to approve that.

"NEW DEAL" PROMOTED WORLD PEACE

The third point which I wish to discuss is the "new deal" and world peace. I wonder how many of you could tell why the marines were sent to Nicaragua, following the outbreak of the Nicaraguan revolution? Through the press we were told they were sent to Nicaragua to protect American lives, but it developed that no American lives were in danger.

Then we were told that they were sent down there to protect American property, but when we discovered that the United States owned no property in Nicaragua except a Canal Zone right that never was questioned, we asked for better reason. Then we were told that they were sent down there to hold a just election. Somebody suggested that the marines be sent to certain cities in the United States, and we laughed that off.

The truth is, United States capitalists had investments in Nicaragua to the amount of \$18,000,000 plus. These investments were in the form of oil titles, titles to gold mines, and loans to the Nicaraguan Government. If that Government should be overturned by revolution, as it no doubt would have been save for the intervention of the United States troops, then those loans and titles would be destroyed, but if that Government which appeared to be the weaker and less popular, were kept in power at the point of American bayonets, those titles and loans would remain intact.

In short, it cost the Government of the United States six and one-half million dollars to protect private investments in Nicaragua amounting to over \$18,000,000.

It cost us the lives of 150 Americans and 450 Nicaraguans and the confidence of the Latin American people in our claim that we were a peace-loving nation. For at the same moment that President Coolidge was standing on the floor of the Habana Peace Conference delivering an address on world peace and brotherly love the newsboys on the streets were shouting "Forty Nicaraguans killed in American air raid!"

In my opinion, when a man invests his money in a foreign country, that is a commercial venture. If he makes a gain, he has a right to it. If he has a loss, he has a right to that, too. As long as American citizens in a foreign country are not discriminated against because they are American citizens, then their losses are not the affair of the Government of the United States.

Why, the coconut growers of South America would make more money if the monkeys did not carry away their coconuts. Then why not send the marines down there to herd the monkeys away from the coconuts? It would be the same proposition and much more humane.

After Mr. Roosevelt's election, he called the last United States marine out of Nicaragua. Therefore the "new deal" has launched a new foreign policy, so far as the protection of private investments in foreign countries is concerned.

Those who invest abroad should have every protection that any foreigner has, but they should not expect to wrap the American flag around every dollar that they invest in foreign countries.

Thus, President Roosevelt has placed peace above profit; has by that action declared that blood is more precious than gold.

Then again when civil war broke out in Cuba the newspapers and periodicals of this country were full of agitation urging that the United States send a battleship or the Marines to put down the revolution in Cuba.

It seemed that United States capitalists who had investments in the sugar business in Cuba were eager to have the Government step in and protect their investments. For years the investors in the sugar business have made millions from their investments. Those investments were legitimate, I suppose, and perhaps commendable, and when there is a profit, the investors have a right to it, but when there is a loss, so far as I am concerned, they can have that, too.

According to the magazines and newspapers, about 90 percent of Cuba is owned by United States capitalists. We have been called Cuba's big brother, but it looks more like we are the "sugar daddy."

At any rate, there was great agitation for sending a military arm of the Government to Cuba to put down that revolution in order to protect the private investments of United States capitalists. But once more President Roosevelt came forward with a new policy so far as investments in foreign countries are concerned.

He announced that there would be no intervention in the domestic affairs of Cuba, once more placing peace above profit, once more making a long stride toward world peace.

Furthermore, it has been customary in the past to allow the manufacturers of munitions in the United States to peddle their wares in every country, and they have, even to the point of endangering world peace, to the point of violating the neutrality of the United States, sold their engines of war to belligerents.

During the World War, when President Wilson had asked that the citizens of the United States maintain strict neutrality, there were some so eager for profits that they endangered the lives of passengers who took passage on the *Lusitania*. They endangered the peace of America in order to sell one more cargo of death, for it was discovered by examining the clearance papers that there were munitions on board the *Lusitania*.

But under the "new deal", when war broke out between Paraguay and Bolivia, President Roosevelt came forward once more with a new policy in world statecraft. By proclamation he placed an embargo on the shipment of munitions from the United States to either one of those belligerents. Encouraged by the example

of the United States, 18 nations of the earth declared an embargo on the shipment of munitions to those two warring nations.

Thus, my friends, the "new deal" is making long strides toward world peace.

Finally, President Roosevelt announced that he was asking a committee to draw up a plan to take the profits out of war. The "new deal" started a Senate investigation committee to investigate the profits and methods of propaganda used by the manufacturers of munitions.

That committee is still in session. Although foreign nations shunned the light of day on the activities of their manufacturers of munitions, this committee has flung open the door of the blue-beard of war. It has built public sentiment that will make it possible to pass legislation in the near future, I hope, to make war profitless.

President Roosevelt has given this program his full sanction and support. He has asked Congress to bring out legislation that will make it impossible for any person or business to profit from war, and when this shall have been done the longest single step will have been taken toward world peace.

My friends, this is the "new deal", a humanitarian program, a program of the "forgotten man", a program that places human rights above property rights, and a program of world peace that makes the United States consistent when we claim to be a peace-loving nation.

This then, my friends, is some of the program already achieved by the "new deal." It is, in my opinion, one of the greatest programs ever accomplished in the same length of time, and the "new deal" is still working on constructive measures that will result in utmost benefits to the individual, that will help redistribute the wealth of the Nation, that will make it possible for the laboring man to earn more than just a bare living, that will make agriculture profitable, and that will make it possible for America to live at peace with the other nations of the earth.

My friends, these are some of the accomplishments of the "new deal." Let us therefore salute Franklin D. Roosevelt, the leader in this great humanitarian program, the "new deal."

PERMISSION TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to address the House for 4 minutes and to speak out of the regular order.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, the gentleman from Montana has advised me that, at least in part, he desires to discuss the bill which we propose to consider in a few moments. It seems to me that the regular order would be to wait until this bill is under consideration. I regret that the time was parceled out more than 30 days ago, but the gentleman will have ample opportunity under the 5-minute rule to discuss this matter.

Mr. MONAGHAN. If I should accede to the gentleman's request that I entirely exclude any reference to the pending measure, would that satisfy him?

Mr. McSWAIN. If the gentleman will do that, he could conclude in 2 minutes.

Mr. MONAGHAN. Mr. Speaker, I modify my unanimous-consent request to address the House for 3 minutes instead of 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, I should not have arisen today to speak out of the regular order were it not that I felt constrained patriotically so to do. In this country today, we who are Members and receive mail know there is an urgent and insistent demand to take care of the aged people, and by so doing to create an opportunity for the young men and the young women who are constantly graduating from the schools and colleges of America with a highly specialized training, not to speak of the thousands and millions of other unemployed citizens who should be given an opportunity to earn their bread as decent, honorable Americans.

Mr. Speaker, I have been reliably informed that through parliamentary trickery and chicanery we are going to be prevented, in large measure, from having a direct vote on any adequate pension legislation during this session of Congress. I feel that would be a travesty upon the American public. The rules of this House were established for orderly procedure, not to destroy the will of the people. If the Rules Committee of this House reports out the security bill, which is, as one of my good friends from Colorado termed, "a plan without a pension", it will be perpetrating a fraud upon the American people today. The American people do not want a pension where fathers and mothers,

honorable, decent American citizens, must go before an officer of the law, raise their right hands to the high heavens, and say they are paupers before they may become eligible for a pension.

Two years of untiring and ceaseless struggle on the part of President Roosevelt and the Congress, yet 11,000,000 people are still unemployed.

The malady affecting our Nation is maldistribution of wealth. Machine production from endless chain belts to mighty steam shovels occasioning compulsory, permanent unemployment is the landmark of that uneven distribution, where the few have much too much and the many have little too little.

Proper and effective regulation and legislation would conquer that condition. Jobs and jobs alone can accomplish real recovery. One successful method offers itself: Pension those noble men and women who pioneered the upbuilding of industry and commerce to make the glory of our Nation. Is it not strange that nations will adopt the most drastic measures to make war, a brutal activity of human destruction, successful, but hesitate to enact extreme measures to make employment secure and old age happy and free from worry and care?

Old-age pensions become effective only when sufficiently high to encourage men of all occupations, even in the more remunerative walks of life, to abandon their posts and create opportunity for other men. A pension should, therefore, provide the necessities of life and comforts that should accompany one's declining years. A bare pittance is not what the American people want. To work successfully, a pension must be adequate. Loud and insistent is the demand for a pension and not a pauper's dole.

It is estimated the proposed administration bill will pension only 999,898 aged persons. Actuaries say there are approximately 8,000,000 men above the age of 65 in the United States. Granting that to be accurate, removal of those 8,000,000 men from pay rolls would create opportunity for the reemployment of that number, and that in turn would create necessity for supplying their additional needs. Such increased purchasing power would occasion the reemployment directly or indirectly of the 11,000,000 persons now unemployed.

I charge any bill to be unwise which compels a proud American to bow in humble submission and take an oath of poverty before he can qualify for a pension. Any measure is open to challenge which conscripts the home of an individual upon the death of the pensioner or his widow. Better pass no pension at all than set the cause of social security back many years by providing such an inadequate sum of \$15 monthly as a Federal contribution, and that only to be allowed if and insofar as the States match the amount.

A lower age limit is necessary for two reasons: First, the Government itself, in many instances, and many industries will not employ men above the age of 40. Second, in many hazardous industrial occupations the life expectancy does not include 60 or 65 years. The age limit should be sufficiently low to embrace these two classes.

At the last Congress a retirement system for railroad workers was enacted. We hope the liberal-minded United States Supreme Court will uphold its constitutionality. Its minimum was \$68; maximum, \$124; and age limit, 65. Put into operation in towns where railroading was the exclusive industry, all of the unemployed railroad workers were re-employed, and men for the train service were actually sought. On the basis of that experience alone, is it not reasonable to presume that a proper pension, covering all industry, would end the depression overnight?

The assertion is sometimes made that an old-age pension is a palliative, but experience teaches that it would be necessary under any system of government envisioned. With the "hope that springs eternal in the human breast", seldom is provision made against a nonproductive old age. Can you conceive a sadder sight than a former successful man plunged into bankruptcy through no fault of his own, driven to suicide or the poorhouse? A pension system would

abolish that abominable, cancerous growth upon the body, political and social—the poorhouse—from this civilized Nation.

I do not feel that anyone can justify a vote for a pension which would not adequately care for the aged people of this country. I feel that in passing the so-called "Lewis bill" the House would be derelict in its duty to the American people, who are demanding an adequate pension.

Mr. Speaker, it is the only way to solve the depression.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, it is a source of great regret and only the persuasion of our beloved and much admired friend could induce me to agree. We must make progress, and I hope the gentleman will not speak beyond 3 minutes.

Mr. CANNON of Wisconsin. Mr. Speaker, reserving the right to object, and I shall not object, I give the House warning now that I shall object to any further speeches. We have a very important bill to take up here, and if we do not take it up we will soon be placed in the same category as the body on the other side of the Capitol as far as wasting time is concerned. I think we should have no more speeches after this one.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the action of the Attorney General in withdrawing his appeal in the Belcher case is to be regretted. It clearly indicates an unwillingness to risk the Supreme Court's passage upon the issues involved or else it must be taken as a confession that the National Industrial Recovery Act transcends the law and is ready for discard.

It is difficult, Mr. Speaker, if not impossible, to properly appraise N. R. A. It has probably done some good but, undeniably, it has done much harm. On the whole it represents, in my opinion, the worst legislative blunder of the century. [Applause.] It is contrary to the nature of the people and is destructive of liberty. I have never been able to understand how anyone could have brought himself to the point of favoring it. Certainly, no one will content for its continuance in its present form. It is vicious in principle and has been despotic and idiotic in administration. [Applause.]

With the grip of an iron hand it has strangled small business and gloated over the wreckage which it has wrought. If we reenact this measure and make it a fixed and permanent policy of government, then free representative government in America is dead. I am sick of this governmental regimentation of business and of life. [Applause.] I do not want America to lose the art of freedom. I do not want to see the institution of free government perish. I am anxious, Mr. Speaker, that we take our feet out of the quicksand of this state socialistic nostrum and set them once and for good upon solid ground. [Applause.]

#### LEAVE OF ABSENCE

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague, the gentleman from New Hampshire [Mr. TOBEY] was unable to be present yesterday on account of illness. I request that he be given leave of absence for the rest of the week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection?

"I LOST NO ONE OF IMPORTANCE"—NAPOLEON TO MARIE LOUISE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection?

Mr. LUDLOW. Mr. Speaker, I wish to take as the text of my remarks the following paragraph from a letter written by

the Emperor Napoleon to his wife, Empress Marie Louise, after the sanguinary battle of Bautzen on May 30, 1813:

My health is good. I lost no one of any importance. I put my losses at 3,000 killed and wounded.

This letter, just made public, throws a flood of light on the inhuman characteristics of the butcher who terrorized Europe over a century ago. More than that, it shows the mental attitude of all of Napoleon's ilk, including international financiers and munitions dealers of modern times, who are perfectly heartless in their willingness to soak battlefields in the blood of fine young men and bathe nations in tears if by so doing they can attain their own selfish objectives.

One can easily visualize the honest, confiding peasants of France, consumed by a hero worship that knew no bounds when the call from the emperor comes, tearing themselves away from their weeping wives and children, leaving their little huts and homes which they will never see again, giving up all that life holds most dear to rush to the alluring standard of Napoleon. One can almost hear the cheering and the tumultuous shouts of "vive l'Empereur!" and with the eye of imagination one can note the ecstasy with which these deluded mortals throw their lives into the scales on the side of their supreme idol as if it were a rare and blessed privilege to be permitted to die for the great Napoleon. One can see them fighting like demons at Jena and Austerlitz, at the bridge of Lodi, and on a score of other bloody battle grounds, carrying the banner of Napoleon through hell itself.

AND THEN COMES BAUTZEN

And then comes Bautzen. Three thousand of these loyal, loving human pawns fall before the rain of lead; and then, in summing up the results of the battle, the incarnation of imperial villainy who led them to their slaughter dismisses them with the brief paragraph—

I lost no one of any importance.

The man who discovered these century-old letters of Napoleon and gave them to the world has made a contribution to history without a parallel. Among all of the human documents recorded on paper, on papyrus, on stone from the very beginning of time he has found the very acme of heartlessness; this expression of Napoleon—

I lost no one of any importance.

AT NAPOLEON'S TOMB

A few years ago I stood at the palatial tomb of Napoleon on the banks of the Seine he said he loved so well. I looked over the balustrade at the sarcophagus where rest the remains of that incarnation of blood and murder, encircled in magnificent panoply by the battle flags he had captured, and I could not become enthused, even amid these surroundings of imperial majesty, because I thought of the homes he destroyed, of the widows and orphans he made, of the suffering he caused in nearly every household in Europe in his amazing career of conquest and of violence. My thoughts went back to the women and children, who are always the most heavily penalized of all of the victims of war—in this case the loved ones of the peasants whom Napoleon led to violent death, and whom, as the record now discloses, he described as not being "of any importance."

As I stood there I said to myself that when I returned to America I would visit another tomb where I knew my emotions would be different. I said to myself that I would visit the tomb of the man who represents in history the very antithesis of Napoleon, the man whose philosophy was a ringing challenge to tyrants and a beacon of hope to all of the human race. I said to myself that on the first possible occasion I would visit the tomb of Thomas Jefferson and pay my humble tribute to the man of incomparable heart and vision who wrote into the preamble of the Declaration of Independence the precious doctrine that "all men are created equal."

AT JEFFERSON'S TOMB

Not until quite recently did I have an opportunity to carry that resolution into effect. As I stood on that Virginia mountainside, while the rays of early morning gilded the shaft where rest the remains of the greatest humanitarian since Jesus of Nazareth, I was thrilled as I never had been before.

"Here," I thought, "lies a man whose passion it was to save and to serve and not, like Napoleon's, to destroy humanity. Here lies the great champion and defender of the common people. In this hallowed presence let no one dare say that the common man is of 'no importance.'"

And I was especially thrilled by the inscription on his tombstone which he himself wrote and commanded to be placed there. It reads:

Here lies Thomas Jefferson, the author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia.

Not one word in that inscription to indicate that he had been a Member of Congress, minister to France, Secretary of State of the United States, and President of the United States. He wanted to be remembered by posterity not for the positions of distinction he had held but for the service he had rendered to humanity. That was Thomas Jefferson, the most incomparably grand figure in American history.

DEAD BUT STILL ON HORSEBACK

Napoleon is dead, but the spirit of Napoleon is still on horseback throughout the world. Dictators are thrumming the strings of war and getting ready for another mass slaughter. A tempo of heartlessness very similar to that expressed by Napoleon in his now famous letter runs through the pages of the testimony brought out by the Nye Senate Committee in its investigation of the munitions racket. A very striking Napoleon-like incident occurred in Chile 9 months ago, described on page 1995 of the hearings, when representatives of an American munitions firm gave a demonstration of the efficacy of their war gas by herding 120 prisoners in a penitentiary, locking the door so their trembling victims could not escape, and then squirting the gas from a 20-gage shotgun shell at them to see how they would react.

"I gave a demonstration on about 120 prisoners. It was a great success", reported the agent to the home company.

"Just human guinea pigs", commented that brave soldier, Senator BENNETT CLARK, who was examining the witness.

DOWN NAPOLEON'S ALLEY

While that demonstration was a small one compared with Napoleon Bonaparte's large-scale operations, it was right in Napoleon's line, and I have no doubt Napoleon would have cordially endorsed BENNETT CLARK's description, for he regarded human beings as guinea pigs, properly subject to being operated on and experimented with at any time.

But I wonder what Jesus of Nazareth would think of that "demonstration" down in Chile, Jesus who was so compassionate; whose heart was touched by every tale of human suffering; who held up as an example for all ages the mercy of the good Samaritan in helping the stranger out of the ditch and whose exhortation of the rich man for his treatment of Lazarus, a seeker of crumbs at the rich man's table, was the most terrible visitation of Divine wrath ever poured on any individual. I cannot imagine that Jesus would be pleased with the spectacle of men—convicts, it is true, but still men bearing the image of their Maker—being stood up in a row and used by munitions men as targets on which to try out their war gases.

And how like the old Napoleon himself in his disregard for the people "of no importance"—that is, the men who have to die in war—was the vice president of an American munitions firm who in 1928 wrote to Vickers, Ltd., a British munitions concern:

It is too bad the pernicious activities of our State Department have put the brake on armament orders from Peru by forcing the resumption of formal diplomatic relations with Chile.

Think of that! Think of the hundreds, if not thousands, of fine young men who probably would have been slain, of the mothers' hearts that would have been broken, of the homes that would have been wrecked, of the wives that would have been made widows, and the children that would have been made fatherless if these armament orders had not been canceled and then examine your conscience to see whether you agree with this gentleman that the State Department was guilty of "pernicious activities" when it brought about the resumption of diplomatic relations between these belligerents! If the sons of munitions manufacturers were out on

the firing line I do not think these manufacturers would look with so much disdain on the well-meant efforts of the State Department to bring about peace. I think that for once their fatherly instincts would get the upper hand of their love for profits. Can you imagine a more heartless communication than the one above referred to?

Similar to that Napoleonic outburst was one by Sir Charles W. Craven, of Vickers, who, in a letter to the Electric Boat Co. in January 1933, expressed concern lest Geneva "or any other troublesome organization" should abolish the large submarines. Troublesome? Why? Because Geneva's peace activities were threatening to interfere with the sale of warships.

#### OUR LOW SPIRITUAL ESTATE

When I observe how selfishness has taken possession of men's hearts, how strife is deliberately engendered for profit or other selfish ends, how the spirit of brotherhood has been driven away by the spirit of "the devil take the hindmost", I sometimes marvel that the Almighty does not destroy the earth. It sometimes seems that we have lost all sense of spiritual values. I believe the depression through which we are passing, with its pandora box of woes, is a backwash of war; and yet, with a blindness that beggars description, nations go on and on piling up armaments and preparing for more wars.

#### REAL AND IMMINENT DANGER OF WAR

And war will come as inevitably as tomorrow will succeed today unless we get back to God; unless we get away from the Napoleonic idea that human beings are of no importance, and direct our thoughts and purposes to the brotherhood of man as exemplified in the philosophy of Jefferson. It was Jefferson's hope that every home should be the owner's castle; that in every humble cabin, no less than in marble palaces, peace and happiness should have unrestricted opportunity to reign; that every mortal under the American flag should have full enjoyment of the inestimable franchise of freedom.

Jefferson did not know and of course could not foresee the extent to which the plots and machinations of tyrants and professional war makers might become a constant menace to the peace and happiness of the people of America. If he could have had that vision I think he, who was so emphatic a proponent of the theory that "all men are created equal", would have insisted that there should be written into the Constitution of the United States a provision that all men shall be equal when it comes to the highest and most sacred act of sovereignty—the issuance of a declaration of war.

I am confident he would have foreseen that the way to exercise that right of equality is at the ballot box in a war referendum. Knowing the innermost heart of Jefferson, as I think I do, I believe he would have abhorred a condition that enables professional war makers to force a declaration of war, and that he would have insisted that such a declaration must in all justice be the solemn, consecrated act of the people themselves who have to suffer and die and pay the awful costs of war.

The bill now before the House (the McSwain bill) is intended as a deterrent to war, but with all due respect to its well-meaning author I doubt whether it would have any appreciable effect in that direction. There are various proposals before the Congress for statutes to take the profits out of war, but a mere statute does not meet the requirements. The malign influences that maneuver a nation into war will instantly and unceremoniously knock into a cocked hat any statutes that conflict with their purpose. Before their onward sweep statutes are only scraps of paper, to be changed and repudiated and discarded at will. The law we are enacting today might be repealed by the next Congress or the next day by this same Congress. Let us not deceive ourselves. What we are doing here this afternoon is perfectly futile as far as erecting a barrier to stem the tide of war is concerned. That can only be done by something solid, something that cannot be repudiated when the war crisis comes; in other words, by a constitutional amendment which has permanency and stability.

#### AN AMENDMENT THAT HARMONIZES WITH JEFFERSON AND LINCOLN

In harmony with what I conceive to be true Jeffersonian philosophy and in the interest of the common man, who was so dear to the heart of Jefferson and Lincoln, I have introduced an amendment to the Constitution which provides for a plebiscite on war and for taking all of the profits out of war.

The text of my amendment is as follows:

SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared, the President shall immediately conscript and take over, for use by the Government, all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent, based on tax values assessed in the year preceding the war.

The constitutional amendment I propose would be a real preventive of war. Let the people vote on war, as my amendment provides, and there will be few wars. Give us a constitutional amendment that will really and truly take the profit out of war, and the war hazard will be greatly reduced. I ask this Congress and the people of America to support my proposed constitutional amendment (H. J. Res. No. 167), and thus remove the war menace that hangs over the Nation like a pall.

#### WAR PROFITS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD by inserting for the information of the House a letter received by me this morning from William Green, president of the American Federation of Labor, in reference to the McSwain bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I wonder why we are requested to have statements of individuals who are not Members of the House inserted in the RECORD, and I also question the insertion of newspaper articles. I do not believe this is a good practice to follow, whether it is Mr. Green or anyone else, and, therefore, I feel that I must object.

Mr. CONNERY. Mr. Speaker, if the gentleman will withhold his objection a moment I may say that I asked my distinguished friend the gentleman from South Carolina [Mr. McSWAIN] for time in general debate in order to bring this letter to the attention of the House, but no time in debate was left. I think the Members of the House would like to know the stand of the American Federation of Labor on this proposition.

Mr. RICH. I withdraw my objection, Mr. Speaker.

Mr. HOEPEL. Mr. Speaker, reserving the right to object, as I understand, this is a letter from William Green, president of the American Federation of Labor. Can the gentleman state whether he is in favor of the passage of the bill now under discussion?

Mr. CONNERY. The letter gives a full statement of the whole thing.

Mr. McSWAIN. The letter proposes certain amendments, and the amendments will be offered for adoption when the bill is being read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The letter is as follows:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., April 4, 1935.

HON. WILLIAM P. CONNERY, JR.,  
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The American Federation of Labor is in thorough accord with the aims and purposes of H. R. 5529, to prevent profiteering in time of war and to equalize the burdens of war as they apply to all classes of our citizenship.

In order that the Members of Congress may know the position of labor upon the different provisions of H. R. 5529, I am taking the liberty of making the position of the American Federation of Labor clear and definite.

First. The people of the United States found from experience during the World War that it was necessary to confer upon the

President authority to draft men for military service. Labor interposes no objection to this policy.

Second, Labor is opposed to the conscription of workers in industry. We are confident that the exercise of such power on the part of the United States would be impracticable; that it would cause social unrest to such a degree as to hamper and hinder the Government in the prosecution of its military policy. Besides it would be unfair and unjust. Because of this position of labor, we are apprehensive over the intent, purpose, and construction which might be placed upon section 3 of H. R. 5529.

This section provides that "the President be, and he hereby is, authorized to draft into the service of the United States such members of the unorganized militia, etc."; and, again, beginning at line 17, "Likewise, during such time of war or national emergency declared by Congress, the President shall have power to determine and publicly proclaim from time to time the material resources, industrial organizations, and public services over which Government control shall then be necessary", etc.

We fear that this language may be susceptible to an interpretation which would provide for industrial conscription of labor.

I respectfully suggest that this section be amended by inserting the following at the end of section 3:

"Provided, That nothing in this section shall be construed as conscription of those employed in industry."

I am pleased to submit to you these opinions and recommendations of the American Federation of Labor regarding H. R. 5529.

Very sincerely yours,

WM. GREEN,

President American Federation of Labor.

#### TO PREVENT PROFITEERING IN WAR

Mr. McSWAIN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war, and thus provide for the national defense and promote peace.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

There was no objection.

Mr. McSWAIN. Mr. Chairman, an arrangement has been made whereby the gentleman from New York [Mr. ANDREWS] will control the time instead of the gentleman from Pennsylvania [Mr. RANSLEY] on behalf of the minority.

The CHAIRMAN. The gentleman from Pennsylvania waives his rights in favor of the gentleman from New York.

Mr. McSWAIN. Yes. Now, Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, the McSwain bill, which now comes before you for consideration and for action is not an overnight product. It is no haphazard bill thrown together in a few hours or a few days' time. It comes to you after many weeks and months of hearings and after years of thought.

The chairman of the committee, Mr. McSWAIN, when he entered Congress in 1921, introduced a resolution providing for the establishment of a war-policies commission to study the whole question of taking the profits out of war and to make a report to Congress.

That resolution did not get anywhere in 1921. Mr. McSWAIN introduced it in the next Congress, and finally in 1924 the Committee on Military Affairs held extensive and thorough hearings on the resolution. As a result of those hearings the committee after due consideration reported the resolution to the House.

The gentleman from South Carolina [Mr. McSWAIN] and other members of the Military Committee appeared before the Rules Committee and asked for a rule that the resolution might be considered on the floor of the House.

The presentation of the matter before the Rules Committee by Mr. McSWAIN so impressed the late Theodore Burton of Ohio, who at that time was a Member of the House and of the Rules Committee, that he went to the Republican National Convention that year and had a plank written into the Republican platform declaring for the proposition of taking profits out of war.

The gentleman from Tennessee, who at that time was a Member of the House, Mr. Cordell Hull, the then chair-

man of the Democratic National Committee, was so impressed with the argument of Mr. McSWAIN that he went to the Democratic convention that year and succeeded in having written into the platform of that party a plank declaring for taking the profits out of war.

Mr. SISSON. Will the gentleman yield?

Mr. HILL of Alabama. In a moment. In Congress after Congress the gentleman from South Carolina [Mr. McSWAIN] introduced the resolution, but unable to get it passed by the House, finally, in 1930, he thought that perhaps if the resolution was introduced by a Republican Member it might be passed, as the Republicans were then in control of the House. So he got his colleague, the former Assistant Secretary of War, Mr. Wainwright, to introduce the resolution and it was brought up on the floor of the House and passed.

The War Policy Commission consisted of 6 members of the Cabinet, 4 Members of the Senate, and 4 Members of the House. The Chairman of the Commission was the then Secretary of War, Pat Hurley. Other members of the Commission were the gentleman from South Carolina, Mr. McSWAIN, Senator ROBINSON of Arkansas, Senator VANDENBERG, of Michigan, and the present Secretary of the Navy, Senator Swanson, of Virginia.

The War Policies Commission had extensive hearings, gave much consideration to the matter and made its report to Congress.

The bill which we bring to you today from the Committee on Military Affairs embodies the central thought of the gentleman from South Carolina [Mr. McSWAIN] as that thought has been enlarged and strengthened through the years by the Committee on Military Affairs and by the War Policies Commission. Gentlemen raise the question that there is no provision in the bill to take excess profits through taxation. Of course, as has been stated on this floor several different times, the Committee on Military Affairs, under the rules of the House, has no jurisdiction to bring to this floor any bill that would carry or make any provision for taxation, but the committee, realizing the importance of proper taxing provisions being written into the law, realizing that the bill that is now before us must be supplemented by the right kind of taxation provisions in the law, in its report on page 2, made this statement:

[It is] our deliberate conviction that 100 percent of all profits shown to be due to war-time business conditions shall be taxed out of the person, firm, or corporation earning such excess profits.

And the committee, in its report, goes further and calls the special attention of Congress and of the members of the Ways and Means Committee to this deliberate conviction of the Committee on Military Affairs. We are waging a war today against the depression, and no one committee has the power to bring in all the bills necessary to win that war. Some of the bills that we have been passing during the past 2 years have come out of the Ways and Means Committee, some from the Banking and Currency Committee, and many others from other committees, but the fact that the Committee on Military Affairs has no power to put taxing provisions in its bill would not excuse that committee from doing its duty and bringing out legislation that it is its particular responsibility to bring out and present to this House for consideration and action. This bill we bring to you is not a bill drafted at the other end of the Avenue, and is not a bill that we have hired somebody to write for us. It is the bill of the chairman of the committee, developed, as I have explained to you, through the years.

The gentleman from Massachusetts [Mr. CONNERY] has just placed in the RECORD a letter from Mr. Green, the head of the American Federation of Labor. I had the privilege of reading that letter a few moments ago, and I say to the House that the purport of that letter, as I read it, and I think I construed it properly, is simply this, that Mr. Green has no objection to the passage of this bill provided it be made certain and clear that the bill does not conscript labor, and Mr. Green in his desire that the bill be safeguarded so as not to conscript labor, is following just what was the intent and purpose of the committee when it wrote the bill. The committee does not want to conscript labor. What the

committee proposes to do is to give to the President the power to clamp down a ceiling on prices at a certain date, that date to be selected by the President.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. If the gentleman hurries.

Mr. MONAGHAN. The gentleman has stated that he is not in favor of conscripting labor.

Mr. HILL of Alabama. I fear I have not time to go further into that.

Mr. MONAGHAN. How does the gentleman explain section 3, which does conscript labor?

Mr. HILL of Alabama. No; the bill does not conscript labor; and as to section 3 let me say this: The intent and purpose of section 3 is simply to write into law what the Congress wrote into law at the time of the World War, and that was to have a selective draft for our troops and those who must go into the Army, the Navy, and the Marine Corps, but we do not conscript labor, and certainly have no intention nor desire to do so.

We provide, just as the law did at the time of the World War, that this drafting of man power to go into the Army and the Navy shall be subject to regulations and rules prescribed by the President, so that the President, in case of any future war, can do just what he did during the last war, declare exemptions so that if a man is more important working in a mill or a factory, he can continue that work rather than be drafted into the Army; but there is absolutely nothing in the bill whatever that would conscript any laborer to work in any mill, factory, or industry. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, the gentleman from Georgia [Mr. Cox] this morning taught us how to use candor, and I want to be equally candid about the bill under discussion. It is a bill so serious in its import that I do not believe in handling it with kid gloves. I believe in coming straight from the shoulder and saying what I think about it. I am unalterably opposed to this bill. My reason for my opposition is that it fails utterly to accomplish any of the things set forth in the title. Let me read those things to you:

To prevent profiteering in time of war.

It does not do that.

To equalize the burdens of war.

It does not do that.

To provide for the national defense.

It does not do that.

And promote peace.

It does not promote peace.

Nowhere in this bill is there any provision that will accomplish any of the matters so grandiloquently claimed for it in the preamble. It is a false promise, a glittering front with nothing back of it. Examine the bill as minutely as you will, scrutinize as closely as you will and you cannot find one section which will accomplish for it what is so grandly claimed. It is a sham and a subterfuge which promises everything and does nothing. What a comfort this bill will be to the 22,000 millionaires created by war profits in the last war. What an assurance that they can again mulct the people while the young men do the fighting for them. This is not a deterrent to war; on the contrary, it encourages the war racketeers and profiteers that they have nothing to fear as far as Congress is concerned. This bill, in effect, says to them: "Go ahead and chisel and gouge and graft the people of the United States all you want to. No one cares and no one objects."

It is peculiarly apparent that the matter of taxes was very carefully omitted from the bill. Why do I say that? Because the bill professes to prevent profiteering in time of war and then completely ignores taxing those profits. Not only that, in its report on the bill the committee makes the lame excuse for this omission of taxing war profits by claiming that only the Ways and Means Committee can

draft a tax measure. Let us analyze this explanation. If such a reason is a valid one, then no Member of the House and no committee can draft and sponsor a bill containing any tax feature. This is absurd. Of course, we can all draft measures that contain tax provisions, and, what is more, most of us do. Evidently the committee did not want to take the profits out of war. Wars can be paid for in three ways, Mr. Chairman.

First. By excess-profits tax.

Second. By bond issues.

Third. By a combination of both.

Evidently the committee is opposed to any excess-profits tax. That leaves only a sale of United States bonds so as to raise money to finance the next war. We used such a method in the last war. It resulted in the issuance of billions upon billions of dollars of tax-exempt bonds, which the people of this country must pay. How shall we raise the money to pay for them? By taxation, of course, and that means taxing you and me and everyone else for generations. It means that the boy who fights the war must also pay for the war. He and his children and his children's children.

Some say that the Government has not the power, or that the Government could not enforce the law if it had such a law. To all such let me say that the Government that had the power and used it, to reach out with its long, strong arm and seize the boy on the farm, in the shop, in the factory and the school and in the home, wherever it found him, and carried him off 4,000 miles to fight someone else's war—the power that could put him into a uniform and place a gun in his hands and moved him into a lice-infested, rat-infested, slimy, stinking front-line trench to be shot at and gassed and bayoneted—certainly a Government that has such immense powers and that exercises them can draft the war lords, munitions makers, and international bankers as well. But nowhere does this bill make such an effort, and therefore I am against it. If the boy in the front-line trenches refuses to fight, he gets shot. Well, let me suggest after you shoot a few war lords, munitions makers, and international bankers, you will not have much trouble with the rest. I believe in treating everyone alike. Play no favorites, as this bill does. In one case you take the boy's freedom, perhaps his health, or perhaps his life; in the other case you take the profiteers' money, and that is all. It still does not treat the soldier as well as it does the profiteer, but there is no way that we can equalize loss of health or loss of life. That is beyond human power.

Now, the defense made for this bill—and evidently a defense was needed—we have in the committee report. The committee report uses this language: "A declaration of policies." And in the first sentence is the following:

This bill is a statement of broad policy and is deliberately intended to avoid the mistake of seeking to legislate as to details so far in advance of the possible outbreak of war.

Mr. Chairman, we are legislating in this session of Congress one and one-half billion dollars getting ready for the next war—because we are warned that there is going to be one. We are warned about our enemies abroad. Well, you are not hesitating to tax the people of this Nation to pay for that one and one-half billion dollars in preparation for war in an increase of the Naval and Military Establishments, but you are sensitive about taxing the munitions makers and the war lords in regard to their profits in time of war.

The committee report says it is a declaration of policy. Why not say in that policy, "We favor taxing munitions makers and excess profits of war time way up to the hilt, lock, stock, and barrel, every dollar of it?" Why do we have to stultify ourselves with a declaration of policy? Were we sent here simply to declare policies, or were we sent here to legislate? In my humble judgment, the country is not being taxed at the rate of thousands of dollars a day to have us come here and sit here and declare policies. Our business is to legislate. If we have not the courage or ability to legislate, then let us resign and let somebody come here who has the courage and ability to legislate in a definite and certain manner about war profits without side-stepping the issue.

Let me refer briefly to what I believe this bill provides. It says in its declaration:

We believe that the Congress that will be sitting at such future declaration of war will be pleased to have this deliberate expression of policy upon the statute books in the form of general legislation.

Why do you not mention taxes in this declaration of policy? To my mind, the bill is absolutely colorless; it is a flabby, spineless document which ought to be rechristened "The jellyfish bill." This jellyfish bill has nothing in it that is going to tax the profits of the next war. I suggest, in order to more fully take care of its provisions in the spirit in which it is now drafted, it ought to be amended to read as follows:

PREAMBLE

To prevent some profiteering in time of war and to unequalize the burdens of war.

That is the preamble—

*Be it enacted, etc.—*

SECTION 1. Nobody shall make any profits from war.

SEC. 2. The above provision applies only to labor and to agriculture.

SEC. 3. All male citizens between the ages of 21 and 31 shall be drafted.

SEC. 4. No excess-profit taxes shall be levied until the War Tax Commission shall so order.

SEC. 5. The War Tax Commission shall consist of the following: The Bethlehem Steel Corporation, the Du Pont Co., and the American Zinc, Lead & Smelting Co.

Why? Because they are unusually qualified to deal with profits of war.

Mr. KVALE. Will the gentleman yield?

Mr. SAUTHOFF. No. Please do not interrupt me.

The Bethlehem Steel Co. made in excess of 1,300-percent profit in 1916 before we ever got into the war, and made a great deal more after we were in the war.

The Du Pont Co. made in excess of 1,400 percent per year, mind you, in the year 1916, before we ever got into the war.

The American Zinc, Lead & Smelting Co. made 4,500 percent in 1916.

That is why I say they are well qualified to serve on this board.

What is the record of the Du Pont Co.? Let me read to you from the CONGRESSIONAL RECORD of January 15, 1935, at page 460, Senator NYE speaking:

Here, for example, is a memorandum concerning a special meeting of the War Industries Board, a memorandum signed by the secretary of that Board. I read from it:

"The Secretary of War informed the Board that the Du Pont Co. had refused to undertake the building of the proposed powder plant on any other terms than those contained in their last proposition."

The Du Pont Co. delayed for 3 months while we were in the midst of war and refused to build a plant to make powder for the Government and take the profit that the Government offered. Instead, they delayed 3 months until the Government was so up against it that it had to agree to the Du Pont proposition.

Now, what is the answer to any boy who is drafted, when he is facing the enemy and strikes for higher wages? What would happen to him? He would get shot. You know it and so do I know it. That is what should have been done with the Du Pont officials when they refused to take the proposition of the Government.

I am opposed to this bill for the reason that it contains no tax measure to draft excess profits made out of war. Profits in war means promotion of war. If you pass the excess-profits tax now, you will remove one of the greatest motives for promoting war, namely, profit. The second reason is that you cannot possibly pass a measure during war time that will tax excess profits. My reason for saying that is our experience during the World War. Great Britain passed a bill the first year of the war taxing excess profits 50 percent. The next year they increased it to 60 percent and the next year to 80 percent, and it remained 80 percent until the war was over.

Our own Senator from Wisconsin, the late Robert M. La Follette, attempted to model a law on the British law. He introduced it; and what happened to him?

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. SAUTHOFF] has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SAUTHOFF. Senator La Follette said in the debate in the Senate that if we sent our boys across some of them would never come back. He said that if we sent our money across we would never get it back. Today we cannot even get back the interest on that money. We spent \$25,000,000,000 fighting somebody else's war 4,000 miles away, and we loaned the Allies \$12,000,000,000 more of our money after it was over. With this money obtained from us, raised by taxing our people, the allied governments paid off the munition makers and international bankers, but refused to pay even the interest on our loan, and now our people find that they have paid all the Allies' debts to the munition makers and international bankers with money which they raised by taxing themselves. And now this bill refuses to tax the war profits. Not only that but a rule was brought into this House on this bill, prohibiting any of us from amending it by placing on it a tax measure of any kind. This means that when it goes to the Senate that body will also be blocked from placing any tax amendment on the bill. Once more the people of this country have been gypped.

The late Senator La Follette also said in that debate that if we got into this war we would have the greatest inflation of prices that this country had ever seen, but that when it was over we would have one of the greatest deflations and corresponding depressions that this country had ever seen. What did he get for that statesmanship? Nothing but vituperation and abuse, there being even a resolution introduced to expel him from the United States Senate on the ground that he was disloyal. In my humble judgment, of all the statesmen on this side of the Atlantic during those hectic troubled times the man with the clearest vision, who read the future accurately was our own Senator from Wisconsin, the late Robert M. La Follette. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to a member of the committee, the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Chairman, before speaking in favor of this bill, I want to remove any doubts any Member of this House may have as to any attempt or any desire on the part of any member of the Committee on Military Affairs to conscript labor. If any Member has any doubt, in view of the statements that have already been made, I call his attention to the original bill introduced to carry out the purpose for which this legislation is sought, House Resolution 3, introduced by the chairman of the committee on January 3. Section 2 thereof contained in connection with the words "price, rent, rate, commission", and so forth, the word "wage." During the hearings on that bill and the examination of The Assistant Secretary of War and other witnesses I asked Assistant Secretary of War Woodring as to the deletion of the word "wage", and he replied:

I am against the word "wage" in line 6. Personally, I am against the freezing of wages. I am against the conscription of labor.

In order to avoid any possible misunderstanding, the word "wage" was thrown out of the bill, and it does not appear in this bill which is now before this House with the recommendation and the approval of the Committee on Military Affairs.

In discussing this legislation we must realize fully that yesterday, the 3d day of April, was the eighteenth anniversary of the severance of diplomatic relations between this country and the Imperial Government of Germany; that Saturday of this week, April 6, will be the eighteenth anniversary of the declaration of war by the United States of America against Germany. In addition to the terrible toll of death, destruction, and personal injury which resulted from our participation in that war, the testimony before

the Committee on Military Affairs shows that in 1918 we spent \$19,000,000,000 for such items as gloves, shoes, socks, underwear, clothing, and other wearing apparel for our soldiers; that at least \$14,000,000,000 of that \$19,000,000,000 went to profiteers who sold those goods to the American Government.

As a result of that outrageous procedure approximately 22,000 people in this country went from nothing to become millionaires. Do you want to see such a tragedy reenacted? If you do not, you must agree with me that after 18 years from our entrance and participation in the World War it is high time for us to take action and make such a recurrence unlawful and impossible.

In 1922 I had the honor to be elected a Member of this House, and there still ring in my ears these words of President Warren G. Harding:

Our supreme task is the resumption of our onward, normal way. Reconstruction, readjustment, restoration—all these must follow. I would like to hasten them. If it will lighten the spirit and add to the resolution with which we take up the task, let me repeat for our Nation we shall give no people just cause to make war upon us; we hold no national prejudice; we entertain no spirit of revenge; we do not hate; we do not covet; we dream of no conquest nor boast of armed prowess.

If, despite this attitude, war is again forced upon us, I earnestly hope a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty for whatever service, military or civic, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war while another is fighting, sacrificing, or dying for national preservation.

This sentiment was several times repeated by President Harding, and notably on December 8, 1922, in his message to Congress:

The proposed survey of a plan to draft all the resources of the Republic, human and material, for national defense may well have your approval. I commended such a program in case of future war, in the inaugural address of March 4, 1921, and every experience in the adjustment and liquidation of war claims and settlement of war obligations persuades me we ought to be prepared for such universal call to armed defense.

This sentiment, Mr. Chairman, has been echoed and re-echoed by each succeeding President, and as early as 1924 both the Republican and the Democratic Parties had in their platforms planks providing for the enactment of just such legislation as is called for in this bill. Extracts therefrom are as follows:

EXTRACT FROM THE DEMOCRATIC PLATFORM OF 1924  
WAR

War is a relic of barbarism, and it is justifiable only as a measure of defense.

In the event of war, in which the man power of the Nation is drafted, all other resources should likewise be drafted. This will tend to discourage war by depriving it of its profits.

EXTRACT FROM THE REPUBLICAN PLATFORM OF 1924  
UNIVERSAL MOBILIZATION IN TIME OF WAR

We believe that in time of war the Nation should draft for its defense not only its citizens but also every resource which may contribute to success. The country demands that should the United States ever again be called upon to defend itself by arms the President be empowered to draft such material resources and such services as may be required, and to stabilize the prices of services and essential commodities, whether utilized in actual warfare or private activity.

Now, I want to read you, if I may, a statement that seems to me to demonstrate the necessity of this legislation as well as any words I have heard from any living soul, and that is a statement made by John R. Quinn, national commander of the American Legion, 11 years ago. In January 1924 he said this:

War means a time of national struggle for self-preservation, a time when every part of the population should give the best service of which it is capable for the national welfare. Obviously there is no equality of sacrifice if one man goes to the front to be killed or maimed while another stays at home in perfect safety to make, perhaps, a large fortune from war contracts.

We know that there was, during the last war, profiteering that in some instances can only be stigmatized as "outrageous." We do not want that to occur again. We want—I speak for the Legion now—to take the profit element out of war, and I believe that if we can do so we will have taken a long step toward world peace.

It does not mean in the least that America will be hampered in carrying on a war—on the contrary, this country would be 100 percent prepared all the time. It would mean, if our plan is adopted, that all the resources of the Nation, human and material, would be thrown into the struggle without stint, with the sole purpose of bringing victory as rapidly as possible. When other nations let the fact "sink in", as our expressive phrase has it, they would be little disposed toward any aggressive tendencies as far as we were concerned.

Great financiers and manufacturers have in the past made large profits from war. That practice goes back to revolutionary days, though there was nowhere near so much profiteering then, of course, as there has been since.

A good many fortunes were made in the Civil War days, but they have been deodorized by the lapse of time. If we serve notice upon the financiers and manufacturers that their chance of exorbitant profits has ended, they will be less disposed than they are now to look upon war as a game. They will adopt the same attitude toward it as that of the young people who must fight wars—they will view war with disgust and aversion and will be only too glad to avoid it.

The American Legion has advocated a universal draft plan covering the draft of material as well as human resources before two sessions of Congress. It is one of our five major legislative demands. All the public hears about, as a rule, is the "bonus"—the adjusted-compensation bill. But the whole five measures are linked together and we are going to do our best to put them all through. Representative Royal C. Johnson, of South Dakota, will introduce the bill again in the present session of Congress.

We believe that in the event of war—and we want the country spared from war, if it is humanly possible—the President should be empowered to draft into service any necessary part of the unorganized militia; that he should have more complete control over material resources and industrial organizations than is provided for under the National Defense Act; that control over prices of commodities and over service should be established, both for the Government and for the people; and that such auxiliaries as were formed in the last war to administer essential operations should be reestablished—the War Industries Board, War Trade Board, Food and Fuel Administrations, and the like.

NO DRAFT WITHOUT WAR OR EMERGENCY

The draft measure we advocate would not be operative unless Congress had declared war or the existence of some other emergency demanding the use of armed forces. The provision of the statute other than the draft would become operative whenever war appeared imminent, in order that the President might establish machinery to stabilize conditions before the economic adjustments of the country were thrown out of gear.

Business men will take Government contracts if they can be assured that the prices of raw material, labor, power, and transportation will remain stable, and labor in general will be content if it can be assured that the cost of food, shelter, and clothing will remain stable.

We believe that all necessary stabilizing machinery can be made operative immediately upon the imminence of an emergency, and that a long and important step will have been taken in organizing the national defense in an orderly, equitable, and economical manner.

If such a law had been in operation in 1917, we believe, our real activity at the front would have been advanced many months, our Nation would have been saved many billions of dollars, and adjusted compensation would not now be necessary. The purpose of the statute is to take the profit out of war and thereby to preclude the many economic maladjustments that have followed, thus far, practically every great war in history.

The American Legion is for peace, but we believe, as George Washington did, that the best assurance of peace is to be found in a reasonable condition of preparedness. We do not believe that there should be special privilege for anyone in time of war. The American Legion tells the Nation today that its motto for the future, in the event of national emergency, must be "equal service for all and special profit for none."

In conclusion, Mr. Chairman, let me say that delay is dangerous in a troubled world such as we live in today. Let us pass this bill after 18 years of delay, have it signed by the President of the United States, and pray that we shall make it strong and effective so that on Saturday of this week, on the observance of the eighteenth anniversary of our declaration of war against the Imperial Government of Ger-

many, we may say, in the words of the poets, with genuine sympathy in our hearts and eternal hope in our minds:

Last night I dreamed the Cross of God  
 Stood rooted deep in Flanders sod.  
 And wide its outstretched arms were spread  
 Over the fields of living dead.  
 Mile upon mile the crosses rose  
 Shepherding sleep's supreme repose.  
 And as I looked they seemed to be  
 Merged into conquering Cavalry.  
 O, Jesu, more than Savior now,  
 Soldier, Brother, Captain, Thou,  
 Each of Thy Soldiers of the Cross  
 Treasures the gift that man calls loss.  
 Oh, what an Easter lies concealed  
 Beneath the flowers on Flanders Field.

Oh, specious days of glory and of grieving!  
 Oh, sounding hours of lustre and of loss!  
 Let us be glad we lived—you—still believing  
 The God who gave the cannon gave the cross.  
 Let us be sure amid these seething passions  
 The lusts of blood and hate our souls abhor.  
 The power that order out of chaos fashions  
 Smites fiercest in the wrath, red forge of war.  
 Have faith, fear not, fight on amid the battle hell;  
 Love triumphs, Freedom beacons: "All is well."

Mr. ANDREWS of New York. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, at the very outset I wish to specifically state that at no time is it my intention to impeach either the sincerity or the good faith not only of the author of this bill, but of the other gentlemen of the committee who worked so earnestly with him. I believe that in all sincerity and in all good faith the gentlemen who are sponsoring this bill really sought and had the purpose in mind to make war unprofitable. But that is not the issue here.

The issue, as I see it, is what will be the result? If this bill will make war unprofitable, even to a certain percentage, then I believe that the House should pass the bill, but if the result of this bill really perpetuates the profits of the profiteers during a war and if the result of the adoption of this bill is to stave off or head off a real bill which will not only have teeth in it, but which will have fangs in it, then I respectfully submit there is only one thing to do and that is to defeat this bill.

Mr. Chairman, I do not believe there is any disagreement between those of us who are opposed to this bill and the gentlemen who are in favor of this bill as to the purpose. As a matter of fact, the gentleman from South Carolina, Mr. McSwain, himself said in his report that he believes the profits should be taxed to the extent of 100 percent in order to make war unprofitable. However, he states that his committee does not have the power of inserting tax provisions in a bill, consequently they present this bill without tax provisions therein. I say in reply to that statement that the only manner in which you can eliminate profit from war is to tax the profits made out of war. It is by means of taxation that you eliminate every possibility of profit from war. If that is so, then why present this House an innocuous, meaningless bill, one which does not accomplish the very purpose which we seek to accomplish? Why should this bill be presented if it is not the purpose to forestall the consideration of a real bill which will tax the profits out of war?

Mr. Chairman, I have prepared a comparison of the provisions of this bill with the provisions that existed during the World War, and I respectfully submit to the Members of the House that the provisions in this present bill are identical with the provisions which existed during the World War, and if enormous profits were possible under the provisions existing in 1917 and 1918, why will not the same enormous profits be possible and probable in the event of a future war under the present bill, which is a repetition of the war provisions of 1917 and 1918.

Mr. McSWAIN. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from South Carolina.

Mr. McSWAIN. I know the gentleman intends to be entirely accurate. Does he recall that there was not the scratch of a pen in the way of statutory power to set up the War Policies Commission during the World War or any of the functions exercised by it, whether it involved price control or otherwise?

Mr. MARCANTONIO. I disagree with the gentleman for this reason: I shall now read some of the provisions that were issued during the World War, and after I have read those provisions I believe that they in and of themselves will answer the gentleman's question.

Mr. McSWAIN. Very well.

Mr. MARCANTONIO. First of all, we take the first provision of the bill before us, which provides—

That whenever Congress shall declare war or the existence of an emergency due to the imminence of war, then, from and after a date prior to such declaration, which date the President is hereby authorized and directed to determine and publicly proclaim, it shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing at a higher rate, rent, price, commission, compensation, or reward than was in effect at the date so determined.

I now read from some of the provisions which existed in 1917.

First of all, I quote the Executive Order 2765, of November 27, 1917. It authorized the Food Administrator to find that the reasonable profits on storage facilities were those which the industry were obtaining prior to July 1, 1914.

I will come now to what the gentleman has in mind. The first section of the bill before us provides that the President shall fix a price existing at a certain date, which he shall choose, prior to the declaration of war or the existence of an emergency. This Executive Order fixed the date prior to the war as July 1, 1914. Here you have a most striking similarity.

I continue from the war provisions of 1917 and 1918, the Naval Emergency Fund Act, 39 Statutes 1168: It provided—

If any person owning, leasing, or operating any factory equipped for the building or production of ships or war material for the Navy shall refuse to build, supply, furnish, or manufacture the kind, quantity, or quality of ships or war material so ordered at such reasonable price as shall be determined by the President, the President may take immediate possession of any factory of such person or of any part thereof without taking possession of the entire factory, and may use the same at such time and in such manners as he may consider necessary or expedient.

Section 2 of the bill before us reads as follows:

Whenever in the sole discretion of the President he shall determine that any maximum price, rent, rate, commission, compensation, or reward shall be adjusted either upward or downward he is hereby authorized to make and publicly proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, rent, rate, commission, compensation, or reward before such adjustment.

Here, again you have practically, if not word for word, the idea and the plan which existed during the World War. What happened under the plan which existed in 1917 will unavoidably and necessarily be repeated under the present bill. Let us see what occurred under the similar war acts.

For instance, the Electric Boat Co. between 1910 and 1913 declared no dividends, but between 1915 and 1918, the war years, the average annual earnings were \$4,065,481, and the average annual dividend for the years 1914 to 1917 was 18 percent.

Next I take up the Newport News Ship Building & Dry Dock Co., and remember they were operating under provisions which are identical with the provisions which this bill now intends to promulgate as the law of the land. The profits of the Newport News Ship Building & Dry Dock Co. in 1917 were \$3,298,000. Percentage of profit on invested capital, 96 percent; 1918, 72 percent; 1919, 70 percent; 1920, 62 percent. Profits in large percentage continued to be made.

Now, Mr. Chairman, I have a complete table here showing the similarity between this bill and the war acts and orders of 1917 and 1918, and a list of companies and the profits that were made, and I ask unanimous consent that I may insert this table in the RECORD as a part of my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(See p. 5041 for insertion.)

Mr. MAY. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman remember that during the World War bituminous coal at one time went to ridiculously high prices per ton, as high as \$15 and \$18 per ton, and that by Executive order it was reduced down and fixed at \$3 per ton?

Mr. MARCANTONIO. Yes; but the gentleman forgets that you may fix prices at a certain level and you may keep the prices down to that particular level, but because of the conditions and the great demand that exists during a war the volume of sales is so great that while the prices remain at a fixed level your profit continues to increase. I shall refer the gentleman to the huge profits which were made by the coal companies.

Mr. MAY. Before the gentleman gets to that I would like him to consider section 4, on page 3 of the bill, which provides for a license arrangement by which industry may be controlled and the price fixed.

Mr. MARCANTONIO. Yes; I am coming to those provisions and will show that they are similar to those which existed in 1917 in a moment.

Mr. MAY. The same kind of licensing they are complaining about so much now in the regulation of farming.

Mr. MARCANTONIO. May I say to the gentleman that we did have certain licensing provisions prevailing in 1917, and I shall read them to the Committee.

For instance, another act which is similar to section 2 of the bill is the National Defense Act (39 Stat. 213):

Any individual, firm, association, company, corporation, or organized manufacturing industry owning or operating any plant equipped for the manufacture of arms or ammunition or parts of ammunition or any necessary supplies or equipment for the Army who shall refuse to furnish such arms, ammunition, or parts of ammunition, or other supplies or equipment at a reasonable price as determined by the Secretary of War shall have its plants sequestered and operated by the United States Army.

Can the gentleman or any of the proponents of this bill show me any difference between this provision and any of your price-fixing or price-control provisions in the bill? I yield for the purpose of securing an answer.

Mr. McSWAIN. It is perfectly plain that that statute dealt with War Department munitions only, whereas this is an offer to deal with the entire price structure affecting every activity; civilian, military, or otherwise.

Mr. MARCANTONIO. Then, how does the gentleman differentiate the provisions in his bill? The gentleman says this particular provision applies only to ammunition. How about the Emergency Shipping Fund Act, which I have just read earlier in my speech? That certainly does not apply only to ammunition.

Mr. McSWAIN. It applies to the Navy Department only.

Mr. MARCANTONIO. All right; then we will go to other matters.

Steel—prices of steel were fixed by the President and the War Industries Board September 24, 1917, and October 11, 1917, and I need not bore you by giving you a list of the enormous profits that were made by the steel companies.

Mr. McFARLANE. Will the gentleman put that in the RECORD?

Mr. MARCANTONIO. I am going to do so.

Then there is the Food Control Act, the twelfth section thereof (40 Stat. 276), and I trust the gentleman will follow this:

That whenever the President shall find it necessary to secure an adequate supply of the necessities for the support of the Army or the maintenance of the Navy or for any other public use connected with the common defense, he is authorized to requisition and take over for use or operation by the Government any factory, packing house, oil pipe line, mine, or any other plant or any part thereof, in or through which any necessities are or may

be manufactured, produced, prepared, or mined, and to operate the same. The United States shall make just compensation to be determined by the President.

Again, in the Food Control Act, section 10—

That the President is authorized to requisition foods, feeds, fuels, and other supplies necessary to the support of the Army or to the maintenance of the Navy or any other public use connected with the common defense, and he shall ascertain and pay a just compensation therefor.

I again yield to the chairman of the committee to show wherein the provisions of the gentleman's bill in attempting to fix and freeze prices on matters other than ammunition differ from the provisions I have just read from the Food Control Act.

Mr. McSWAIN. Here is a provision to give the President of the United States power which he may invoke immediately on the outbreak of war. The trouble with all those statutes was that they were piecemeal efforts after we got into the war to correct the situation of mounting prices that had already reached mountain heights before we ever declared war. The gentleman will recall that the enormous demand for American munitions and supplies made by the allied powers in Europe had mounted prices enormously before April 6, 1917. These were piecemeal efforts after April 6, 1917, as to the Navy, the Army, the Food Control Act, seeking to control a runaway market. We propose now, on the very day we declare war, to clamp down a ceiling on the prices of all commodities, munitions, food, clothing, and prices of every sort and compensation for every service.

Mr. MARCANTONIO. Exactly. The gentleman's bill will give the President power to select a date prior to war and to fix prices as of that date and these war provisions did the same thing, and failed to take profits out of war.

Mr. KLOEB. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Certainly, but before I yield may I say that every one of these provisions gave the President the power to fix the prices as they existed on a certain date, and that date prior to war, and the President did so fix the prices through his various boards as of those dates and yet, while the prices may have remained the same, because of the increase in volume of sales, which is a natural consequence and result of war, the profits increased and kept on increasing, sometimes to the extent of 200 percent, and at other times, as my table will show, to the extent of over 1,000 percent.

Mr. McSWAIN. Not only was an order issued by authority of the President by the War Industries Board fixing prices but the prices that had prevailed prior to our entry into the war were cut down and cut down in many respects, and if the war had lasted another year we would have controlled the runaway market that had existed long before the War Industries Board began to function.

Mr. MARCANTONIO. But certainly the gentleman will not say that that scheme took the profits out of war?

Mr. McSWAIN. It was taking the profits out of war.

Mr. MARCANTONIO. I disagree. It is apparent to everybody that if there ever was a war that was profitable, if there ever was a war where profiteers bred and lived like parasites on the life of America, it was the war of 1917 and 1918. [Applause.]

Mr. McSWAIN. I agree with what the gentleman states, but does not the gentleman realize that but for the statutes he has cited, and but for the efforts of the War Industries Board, the prices would have been 10 times as high, perhaps, and the profits 10 times as great, and is not the gentleman desirous of making an effort to stop this?

Mr. MARCANTONIO. I am, but the difference between the gentleman from South Carolina and myself is this: The gentleman's bill, like the war provisions, would leave a certain large amount of profit in war. My opinion, or my idea, as well as the idea of the Nye committee, is to eliminate all profit from war—not because we want an efficacious war, not because we are interested in war, but because we want to preserve peace; and when we once have removed all

profit from war, you will have eliminated the profit motive from war and you will abolish 75 percent of the cause of war. If you leave any percentage of profit in war, that percentage will be a corresponding contributing percentage in the cause for war.

Mr. KLOEB. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. KLOEB. The gentleman will pardon me for observing that the gentleman has read four Executive orders, all of which are directed to certain articles. If the Government commandeers those articles, it must pay the market price when it commandeers them.

Mr. MARCANTONIO. The Executive Order Numbered 2765 authorizes the Food Administrator to find the reasonable profits on storage facilities as fixed at certain dates prior to war.

(The time of Mr. MARCANTONIO having expired, he was given 5 minutes more.)

Mr. McFARLANE. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman.

Mr. McFARLANE. Along the line of the statement made by the gentleman, may I call attention to the investigation before the Nye committee on profiteering. Take the Remington Arms Co.; it informed the Senate Munitions Committee that in time of peace it could produce 1,000 cartridges for the Army for 3.535 cents apiece at the rate of 10,000,000 a year, and if orders were increased, as they would be in war time, to 100,000,000 the cost would drop to 2.88 cents apiece, a drop of 0.747 apiece, which is \$7.47 per thousand, or \$7,470 per million. This bill, by fixing prices at a pre-war level, would add at least \$747,000 to the profits of the Remington Arms Co. for every hundred million cartridges it manufactured.

Mr. MARCANTONIO. Exactly; and this bill will do the same thing. It just fixes the price under its provisions and does not control the profits. There is a vital difference between the two.

Mr. McFARLANE. The Du Pont Co. showed the Senate Munitions Committee that the price of powder would be much lower with huge war orders than with small peace orders. With annual orders of only 600,000 pounds the price would be \$1.80 per pound. That is the price which would prevail before we got into the war. That is the price the McSwain bill would fix. But, according to the Du Pont Co. itself, when orders increased to 3,000,000 pounds a year or over, the price could actually be 60 cents. This McSwain bill, by fixing prices at 3 times what they should be, would give the Du Pont Co. an unwarranted profit of \$1.20 per pound, or on a war-time production of 1,000,000 pounds, an unnecessary profit of \$120,000,000.

Mr. MARCANTONIO. This bill is wholly inadequate to meet the situation. Now, I read from the Food Control Act, Act 40, Statute 276:

The President of the United States shall be and he is hereby authorized and empowered whenever and wherever, in his judgment necessary for the efficient prosecution of the war to fix the price of coal and coke wherever and whenever sold, either by producer or dealer, said authority and power may be exercised by him in each case through the agency of the Federal Trade Commission. If the producer refuses to obey, the President may requisition the plant, or, at his discretion, he is hereby authorized and empowered to require any or all producers of coal or coke to sell their

products only to the United States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke and the prices thereof.

You have not anything stronger than that in your bill, and that is what we had in 1917. That was much stronger than your bill and still it failed to take the profit out of war.

On September 6, 1917, the Fuel Administrator fixed the price for all grades of coal. On December 24, 1917, the Fuel Administrator ordered that every sales contract contain a clause giving the Administrator or the President power to fix the price of coal. The War Industries Board, August 21, 1917, set the price for bituminous coal. What happened to coal? Taking the figure 100 as an index of profit, in 1913-14 it was 100; then in 1915 it was 97; in 1916 it was 106; in 1917 it was 160; and after 1 year of war, after a full year of price control, in 1918 it was 207. How did you take the profits out of the coal industry?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. MAY. Will the gentleman state to the House whether or not after he did fix the price it sold continuously from that time on at \$3 a ton, and no more? I was in the business and I know.

Mr. MARCANTONIO. Here I have your figures: In 1918, after 1 year of price control, it went up to 207, and in November 1918 it was 223.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. TRUAX. Does the gentleman recall that at some time under the Food Control Act they fixed the price of the farmer's wheat at \$2 a bushel, when it would have gone to \$5 a bushel, and thereby robbed him of \$1,000,000,000?

Mr. MARCANTONIO. I do not doubt that at all.

Mr. TRUAX. I was a farmer then, and I remember all about it.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I have only a few minutes left, and I cannot yield further.

Now, we take wool prices. They were fixed for 1918 by the War Industries Board, which declared that if it be found that the dealer's gross profits are in excess of 5 percent on a season's business, then such gross profits shall be disposed of as the Government decides. And what happened with wool? Again, taking the figure 100 as the basis: for 1913-14 it was 100, in 1915 it was 113, in 1916 it was 139, and in 1917 it was 208.

I have obtained consent and shall insert all of these figures in the Record. What I have sought to point out here is that substantially the war provisions of 1917 and 1918 constitute the bill which the Committee on Military Affairs has presented before this House. I respectfully submit that if those provisions failed during the last war, if all they accomplished was to fix prices at a certain level but did not control profits, then we should not repeat the same errors and the same blunders of 1917 and 1918. I have no quarrel at all with the purpose and intent and the sincerity of the committee. I believe they are sincere in their purpose, I believe their purpose and mine are the same, but I contend that you cannot accomplish those purposes by means of this bill. It failed in 1917 and 1918, and it will certainly fail again. [Applause.]

## PROVISIONS OF H. R. 5529, McSWAIN BILL UNDER CONSIDERATION

A BILL TO PREVENT PROFITEERING IN TIME OF WAR AND TO EQUALIZE THE BURDENS OF WAR AND THUS TO PROMOTE THE NATIONAL DEFENSE

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That whenever Congress shall declare war or the existence of an emergency due to the imminence of war, then, from and after a date prior to such declaration which date the President is hereby authorized and directed to determine and announce it shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing at a higher rate, rent, commission, price, or reward than was in effect at the date so determined.

2. Whenever in the sole discretion of the President he shall determine that any maximum price, rent, rate, commission, or reward should be adjusted either upward or downward he is hereby authorized to make and proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, wage, rent, rate, commission, or reward before such adjustment.

## CORRESPONDING WAR-TIME MEASURES

Executive Order No. 2765 (Nov. 27, 1917) authorized the Food Administrator to find that the reasonable profits on storage facilities were those which the industry were obtaining prior to July 1, 1914.

A. Naval Emergency Fund Act (39 Stat. 1168): If any person owning, leasing, or operating any factory equipped for the building or production of ships, of war material for the Navy shall refuse to \* \* \* build, supply, furnish, or manufacture the kind, quantity, or quality of ships or war materials so ordered at such reasonable price as shall be determined by the President, the President may take immediate possession of any factory of such person, or of any part thereof without taking possession of the entire factory, and may use same at such times and in such manners as he may consider necessary or expedient.

B. Naval Emergency Fund Act (39 Stat. 1138): If, in the judgment of the Secretary of Navy, the most rapid and economical construction of the battle cruiser herein appropriated for can be obtained thereby, he may contract for the construction of said battle cruiser upon the basis of actual cost, plus a reasonable profit to be determined by him.

C. Emergency Shipping Fund Act (40 Stat. 182): If any person owning any ship, charter, or material, or owning, leasing, or operating any plant equipped for the building or production of ships or materials shall refuse to build, supply, furnish, or manufacture the kind, quantities, or qualities of ships or materials so ordered, at such reasonable price as shall be determined by the President, the President may take immediate possession of any ship, charter, material, or plant of such person or any part thereof without taking possession of the entire plant and may use the same at such times and in such manners as he may consider necessary or expedient.

D. National Defense Act (39 Stat. 213): Any individual, firm association company, corporation, or organized manufacturing industry \* \* \* owning or operating any plant equipped for the manufacture of arms or ammunition, or parts of a munition, or any necessary supplies or equipment for the Army \* \* \* who shall refuse to furnish such arms, ammunition, or part of ammunition, or other supplies or equipment, at a reasonable price as determined by the Secretary of War (shall have its plant sequestered and operated by the United States Army).

E. PRICES OF STEEL WERE FIXED BY THE PRESIDENT AND THE WAR INDUSTRIES BOARD, SEPTEMBER 24, 1917, AND OCTOBER 11, 1917

Food Control Act (40 Stat. 276, 12): That whenever the President shall find it necessary to secure an adequate supply of necessities for the support of the Army or the maintenance of the Navy, or for any other public use connected with the common defense he is authorized to requisition and take over, for use or operation by the Government, any factory, packing house, oil pipe line, mine, or other plant, or any part thereof, in or through which any necessities are or may be manufactured, produced, prepared, or mined, and to operate the same. The United States shall make just compensation, to be determined by the President \* \* \* (Subject to suit if the amount is claimed unsatisfactory).

Food Control Act (No. 10): That the President is authorized \* \* \* to requisition foods, feeds, fuels, and other supplies necessary to the support of the Army or the maintenance of the Navy, or any other public use connected with the common defense \* \* \* and he shall ascertain

## RESULTS UNDER SAID CORRESPONDING WAR-TIME MEASURES PROFITS

1. Electric Boat Co.: Between 1910-13 no dividends declared; between 1915-18 the war years, the average annual earnings were \$4,065,481, and the average annual dividend for years 1914-17 was 18 percent.
2. Newport News Shipbuilding & Drydock Co.:

| Year      | Profit      | Percent of invested capital |
|-----------|-------------|-----------------------------|
| 1917..... | \$3,298,601 | 96                          |
| 1918..... | 3,990,311   | 72                          |
| 1919..... | 4,916,655   | 70                          |
| 1920..... | 5,764,089   | 62                          |

For an average return on capital of 74.5 percent.

This company's balance sheet surplus rose from an average during the last 4 peace years of \$2,707,183 per year to an average, during the 4 war years of \$4,828,503 per year.

3. International Mercantile Marine: Average profit last 4 peace years, \$6,600,000 per year; average profit in 4 war years, \$14,229,000 per year.

4. Du Pont de Nemours Co.: Average profit in last 4 peace years, \$6,092,000 per year; average profit during 4 war years, \$58,076,000 per year.

1915, 200 percent stock dividend to stockholders of Du Pont Powder Co. which was merged, 54 percent dividend to stockholders of parent company.

1916, 101½ percent dividends on common stock.

1917, 33 percent dividend.

1915-18, the company made a net profit during the war of \$228,731,000.

5. Hercules Powder (this company was organized in 1912, owing to a court decision necessitating the splitting up of the Du Pont Co.): Average profit per year, 1913-18: \$5,426,781, and for 4 war years, \$7,430,000; 1916, 95 percent dividends; 1917, 60 percent dividends; 1922, 100-percent stock dividends.

6. Curtiss Airplane & Motor Corporation: In 1915-16 average annual profit of \$1,804,104, or \$9.90 on each no-par common, and in 1917, profit of \$3,093,862, or return of \$13.72 for each no-par common share.

7. Colt Patent Firearms Co.: In 1909, dividends on stock (cash or stock) to 1913, average annual, 6.8 percent; in 1914-18, average annual dividend (cash or stock), 59.6 percent.

8. Savage Arms Corporation: This company jumped its profits from \$88,175 in 1913 to an annual average for 1916-18 of \$5,455,527. In 1913 it was a 31-percent dividend.

9. Atlas Powder Co.: Average annual profit in last 4 peace years, \$485,000; and average annual profit during 4 war years, \$2,374,000.

10. See also under "Steel", infra.

11. During the war, Wright-Martin Aircraft Co. made a profit of 270 percent.

Steel:

(1) If prices in period of July 1913 to June 1914 equal 100, as index number, then—

|                | Index |
|----------------|-------|
| 1915.....      | 101   |
| 1916.....      | 168   |
| 1917.....      | 279   |
| 1918.....      | 218   |
| July 1917..... | 370   |

(2) United States Steel Co.:

(a) Average annual earnings of last 4 peace years: \$105,331,000; average annual earnings during 4 war years: \$239,653,000.

(b) In 1916, earned \$70,000,000 more than its combined earnings in 1911-13; and in 1916-18 earned \$633,000,000, more than three times as much as 1913-15.

CORRESPONDING WAR-TIME MEASURES—Continued

and pay a just compensation therefor. (Suit is authorized on a settlement felt unsatisfactory.) Cotton-goods prices were fixed by the War Industries Board on July 8, 1918.

But, as early as July 1917, prices were set for Government purchases by the General Munitions Board.

See nos. 10 and 12 of Food Control Act, supra, under "E." "The Government had ample legal authority to have commandeered all the copper it needed and to compel the operators to furnish it at a reasonable price" (Select Committee of the House on War Department Expenditures, 66th Cong., 3d sess., Rept. 1400).

G. Copper prices were fixed by the War Industries Board, September 21, 1917.

H. Food Control Act (40 Stat. 276), no. 25:

That the President of the United States shall be, and he is hereby, authorized and empowered, whenever and wherever, in his judgment, necessary for the efficient prosecution of the war to fix the price of coal and coke, whenever and wherever sold, either by producer or dealer. \* \* \* said authority and power may be exercised by him in each case through the agency of the Federal Trade Commission. (If the producer refuses to obey, the President may requisition the plant, or, at his discretion.) He is hereby authorized and empowered to require any or all producers of coal or coke \* \* \* to sell their products only to the United States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke, and the prices thereof. \* \* \*

(a) On Sept. 6, 1917, the Fuel Administration fixed the prices of and for all grades of coal.

(b) On Dec. 24, 1917, the Fuel Administrator ordered that every sales contract contain clause giving Administrator or President power to fix the price of sale.

(c) War Industries Board, Aug. 21, 1917, set price for bituminous coal.

I. Wool prices: Fixed for 1918 by War Industries Board: "If it be found that their (dealer's) gross profits \* \* \* are in excess of 5 percent on the season's business then such gross profits shall be disposed of as the Government decides."

J. Cotton goods: War Trade Board, "Government Control over Prices", 1920, page 295: "The 'fair price' decision (of the General Munitions Board) did not entirely solve even the price problem of the United States Government."

Copper: (3) Profits of some copper companies:

|                                      | Year | Profits      | Percent return on capital |
|--------------------------------------|------|--------------|---------------------------|
| Utah Copper Co.....                  | 1917 | \$32,000,000 | 200                       |
| Do.....                              | 1918 | 24,750,000   | 150                       |
| Calumet & Hecla Mining Co.....       | 1917 | 9,500,000    | 800                       |
| Do.....                              | 1918 | 3,500,000    | 300                       |
| Inspiration Consolidated Copper..... | 1917 | 12,260,000   | 55                        |
| Do.....                              | 1918 | 9,250,000    | 40                        |
| Kennecott Copper Co.....             | 1917 | 11,826,000   | 70                        |
| Do.....                              | 1918 | 9,390,185    | 60                        |

(4) Conclusions of House of Representatives Select Committee on Expenditures of War Department, 66th Cong., 3d sess., Rept. 1400, 93: "The profits of the copper producers from negotiations with the Government during the war period were extravagant and excessive, despite the fact that the copper producers were at the mercy of the Government's power to requisition their mines under the powers conferred by the Food Control Act.

(5) The price level fixed on Sept. 21, 1917 actually raised the price of copper by 6.84 cents per pound; and on June 15, 1918, the price was again raised 2½ cents per pound.

K. Trading with the Enemy Act (40 Stat. 411, 10c), provides for the use of patents and copyrights owned or controlled by an enemy or ally of enemy during the existence of the state of war under a license from the President, who "may prescribe the conditions of this license, including the prices of the articles and produce necessary to the health of the military and naval forces of the United States or the successful prosecution of the war."

RESULTS UNDER SAID CORRESPONDING WAR-TIME MEASURES PROFITS—  
Continued

(3) Bethlehem Steel Co.:

(a) Average annual earnings in last 4 peace years, \$6,840,000; average annual earnings in 4 war years, \$49,427,000.

(b) Paid stock dividends of 200 percent in 1917, the year of controlled prices.

(4) Republic Iron & Steel Co.: Average annual profits in last 4 peace years, \$4,177,000; average annual profits in 4 war years, \$17,548,000.

(5) American Smelting & Refining Co.: Average annual profit in last 4 peace years, \$11,566,000; average annual profit in 4 war years, \$18,602,000.

| Cotton goods:  | Index |
|--|-------|
| 1913-14.....   | 100   |
| 1915.....  | 84    |
| 1916.....  | 119   |
| 1917.....  | 181   |
| 1918.....  | 255   |
| September 1918 (still rising after price control)..... | 267   |
| Copper:  |       |
| (1) 1913-14.....                                       | 100   |

| (2) Company             | Last 4 peace years (average) | 4 war years (average) |
|-------------------------|------------------------------|-----------------------|
| Anaconda Copper Co..... | 10,649,000                   | 34,549,000            |
| Utah Copper Co.....     | 5,776,000                    | 21,622,000            |

| Coal:  | Index |
|--|-------|
| 1913-14.....                                   | 100   |
| 1915.....                                      | 97    |
| 1916.....                                      | 106   |
| 1917.....                                      | 160   |
| 1918 (after a full year of price control)..... | 207   |
| November 1918.....                             | 223   |
| Wool:  |       |
| 1913-14.....                                   | 100   |
| 1915.....                                      | 113   |
| 1916.....                                      | 139   |
| 1917.....                                      | 208   |
| 1918.....                                      | 274   |
| October 1918.....                              | 290   |

(1) Remington Arms Co. delivered to the British Government 700,000 Enfield rifles, a British patent.

L. Food Control Act (40 Stat. 276, 13): That whenever the President finds it essential to prevent undue enhancement, depression, or fluctuation of prices of, or in order to prevent injurious speculation in, or in order to prevent unjust market manipulation or unfair and misleading quotations of prices of necessities (foods, feeds, fuel, including fuel oil and natural gas, and fertilizer and fertilizer ingredients, tools, utensils, implements, machinery, and equipment required for the actual production of foods, feeds, or fuel) \* \* \* he is authorized to prescribe such regulations governing or may either wholly or partially prohibit, operations, practices, and transactions at, on, in, or under the rules of any exchange, board of trade, or similar institution or place of business.

M. Food Control Act (40 Stat. 276 (5)): Whenever the President shall find that any storage charge, commission, profit, or practice, any licensee is unjust or unreasonable, or discriminatory, or unfair or wasteful \* \* \* (he) he may, in its lieu \* \* \* find what is a "just, reasonable, nondiscriminatory and fair storage charge, commission, profit, or practice, and in any proceeding brought in any court such order of the President shall be prima facie evidence."

(Under this statute, Executive Order 2765 (Nov. 27, 1917) authorized the Food Administrator to find that such "just, reasonable, and fair profit is the normal average profit which persons engaged in the same business prior to July 1, 1914, under free competitive conditions; to indicate \* \* \* what margin over cost will return such \* \* \* profit and to take such legal steps as are authorized by said act to prohibit the taking of any greater profit."

N. Food Control Act (40 Stat. 276): Nos. 4, 8, 9, and 26 attempt to prevent the price rises by barring destruction, hoarding, monopolization, and discrimination (no. 4); destruction (3); restriction of supply or distribution (no. 9); and destruction (no. 26).

O. Food Control Act (40 Stat. 276), as amended by 41 Stat. 297: That it is hereby made unlawful for any person wilfully \* \* \* to make any unjust or unreasonable rate or charge in handling or dealing in or with any necessities; to conspire, combine, agree, or arrange with any other person \* \* \* (e) to exact excessive prices for any necessities.

"The distinguishing feature of price control in the food groups was the scheme of fixing 'margins, of profit' only" (War Industries Board Report, 1921, p. 75).

Vegetable canners: Licensed Oct. 8, 1917, by President.  
Tomato packers: Licensed Feb. 28, 1918, by President.  
In both, limited profits to "reasonable advance over cost."

Q. Millers: These were licensed by the President on Aug. 14, 1917. (War Trade Board), Government Control Over Prices, p. 66: "Under the license clause reasonable profits could be defined and unreasonable profits prohibited \* \* \* This placed almost unlimited power over certain industries in the hands of the Government." And a specific "fair price" arrangement supplanting the earlier one was promulgated for millers on July 24, 1918, overriding earlier price control over millers.

(2) Many American companies made "promiscuous" use of German dye, and dyestuff patents during the war. The prices of dyestuffs, if 1913-14 is 100:

|               |     |
|---------------|-----|
| 1915          | 582 |
| 1916          | 553 |
| 1917          | 331 |
| 1918          | 389 |
| December 1915 | 758 |

This section was held to be unconstitutional in 1921 in *United States v. Cohen Grocery Co.* (255 U. S. 81) as in contravention of the fifth and sixth amendments, for being too uncertain and for failing to set up an ascertainable standard for determination of when one was violating the statute. But, it is to be noted that this decision does not invalidate the fact shown herein that price setting is ineffective because the decision came down after the war was over, and long after all the price setting had been both attempted and done by all the governmental agencies involved therein, as shown in this chart. The only conclusion to be drawn from this case is that the most drastic price setting scheme (so drastic as to be unconstitutional) failed of its purpose to prevent profiteering.

Foods:  
(1) Meat canning \* \* \* this all under the regime of the Food Administration: The profits of the "Big Five" (Armour, Swift, Morris, Wilson, and Cudahy) rose 300 to 400 percent.  
Average annual profit of "Big Five", 1912-14, \$20,146,784; 1916-18, \$58,644,468.  
Armour: 200 percent increase.  
Morris: 200 percent increase.  
Wilson: 300 percent increase in 1918 over 1913.  
Cudahy: 150 percent increase in 1918 over 1913.  
Swift: 200 percent increase in 1918 over 1913.  
One of the companies gave a 400-percent stock dividend one year.

(2) Mixed vegetable canners (based on Federal Trade Commission figures of 1919):

| Return on capital: | Percent |
|--------------------|---------|
| 1916               | 9       |
| 1917               | 32      |

(3) Tomato packers (same source as (2)):

| Return on capital: | Percent |
|--------------------|---------|
| 1916               | 17      |
| 1917               | 60      |

(4) Pea canners (same as source) (under food control):

| Return on capital: | Percent |
|--------------------|---------|
| 1916               | 8       |
| 1917               | 21      |

(5) Salmon canners (same as source):

| Return on capital: | Percent |
|--------------------|---------|
| 1916               | 22      |
| 1917               | 52      |

(6) Millers (S. Doc. 259), under control of Food Board the millers made an average profit of 44.7 percent between July 1, 1917 and 1918. One Minneapolis miller made 5,000 percent profit on capital (and 1 cannery 4,244 percent) in 1 year.  
(7) Sugar refiners (same source) under food control, threefold increase in profits. In 1917 beet-sugar producers made 45 percent on capital after taxes had been deducted, and the cane-sugar producers made 191 percent on capital.

Food Control Act (40 Stat. 276), no. 14: (The President may guarantee wheat producers a certain price if such guarantee is necessary to the "stimulation of the production of wheat"), and in August-September 1917 the President set a price hereunder.

Miscellaneous:

1. Livestock: Prices fixed Oct. 29, 1917.
2. Rubber: Prices fixed and industry licensed May 7, but license dated back to Nov. 28, 1917.
3. Sand and gravel: During war, July 10, 1918.
4. Cement: As of July 1917.
5. Hides: April 1918.

No. 3. During the period of any war or emergency declared by Congress hereunder the President is authorized to determine and by proclamation announce what classes of public service, or of dealers or manufacturers of any article or commodity, shall be required to operate under licenses, to fix the conditions of such licenses, and to grant licenses under such conditions. After such determination by the President it shall be unlawful for any public service, dealer, or manufacturer in such determined classes to engage in business without such license.

No. 4. During the period of any war or emergency declared by Congress hereunder the President is authorized to determine the order of priority in which any manufacturer, dealer, or public service in the United States shall fill customer's orders or other orders, and after such determination it shall be unlawful for any such manufacturer, dealer, or public service to fill such orders in any other order or priority.

No. 5. That during the period of any war or emergency declared by Congress hereunder the President is empowered to set up such agencies, boards, or commissions, or to designate such persons to exercise such portion of his powers as he may deem necessary and proper to accomplish the purpose of this act.

No. 6. That any person violating any of the provisions of this act or violating any publicly proclaimed order, rules, regulations made by the President for executing the powers contained in this act, is hereby declared to be guilty of a misdemeanor, and shall be liable to indictment and trial therefor and upon conviction thereof shall be sentenced to pay a fine, or to serve in prison, or both, at the discretion of the court, in such amount and for such time as the court shall see fit and proper, but in no single case shall the fine exceed \$100,000, or the term of imprisonment 1 year.

Food Control Act (40 Stat. 276) No. 5: That, from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessities, in order to carry into effect the purposes of this act, and shall publicly so announce, no person shall engage or carry on any such business \* \* \* unless he shall secure and hold a license issued pursuant to this section. The President is authorized to issue such licenses and to prescribe regulations for the issuance of such licenses.

War Industries Board had in its functions the establishment of priorities and preferences. Its first priority order issued Sept. 25, 1917, and later these orders "became most effective." In all, 60 priority circulars were issued and its preference lists covered 73 industries and 7,000 separate plants.

Even a labor priorities division was established, using the United States Employment Service as instrumentality, in June 1918.

Food Control Act, no. 2, is substantially the same as no. 5 of the McSwain proposal.

|                                  |     |
|----------------------------------|-----|
| 1913-14.....                     | 100 |
| 1913.....                        | 103 |
| 1914.....                        | 112 |
| 1915.....                        | 131 |
| 1916.....                        | 161 |
| 1917.....                        | 184 |
| 1918.....                        | 191 |
| December 1918.....               | 213 |
| (8) Wheat:                       |     |
| 1913-14.....                     | 100 |
| 1913.....                        | 101 |
| 1914.....                        | 107 |
| 1915.....                        | 130 |
| 1916.....                        | 138 |
| 1917.....                        | 216 |
| 1918.....                        | 209 |
| May 1917.....                    | 267 |
| (9) Miscellaneous: 1913-14: 100. |     |

|                     | Live-stock | Rub-ber | Sand and gravel | Ce-ment | Hides |
|---------------------|------------|---------|-----------------|---------|-------|
| 1915.....           | 95         | 85      | 102             | 90      | 108   |
| 1916.....           | 109        | 94      | 110             | 112     | 127   |
| 1917.....           | 152        | 112     | 132             | 146     | 168   |
| 1918.....           | 183        | 127     | 182             | 169     | 174   |
| Maximum:            |            |         |                 |         |       |
| September 1918..... | 198        |         |                 |         |       |
| August 1918.....    |            | 132     |                 |         |       |
| November 1918.....  |            |         | 195             |         |       |
| Do.....             |            |         |                 | 176     |       |
| Do.....             |            |         |                 |         | 178   |

Under this no. 5, the following industries, among others, were required to be licensed, as of Jan. 31, 1918.

(1) Tobacco, as to export and import (a price scale of the War Industries Board was also valid):

|                   |     |
|-------------------|-----|
| 1913-14.....      | 100 |
| 1915.....         | 101 |
| 1916.....         | 100 |
| 1917.....         | 125 |
| 1918.....         | 183 |
| October 1918..... | 203 |

(2) Sugar, sugar sirups and molasses. (See supra.)

(3) Wheat manufacturers and distributors. (See supra.)

(4) Barley:

|                 |     |
|-----------------|-----|
| 1913-14.....    | 100 |
| 1913.....       | 100 |
| 1914.....       | 102 |
| 1915.....       | 112 |
| 1916.....       | 122 |
| 1917.....       | 158 |
| 1918.....       | 198 |
| March 1918..... | 227 |

(5) Corn and corn products:

|                   |     |
|-------------------|-----|
| 1913-14.....      | 100 |
| 1913.....         | 94  |
| 1914.....         | 102 |
| 1915.....         | 105 |
| 1916.....         | 119 |
| 1917.....         | 209 |
| 1918.....         | 213 |
| October 1917..... | 258 |

(6) Poultry and eggs:

|                    |     |
|--------------------|-----|
| 1913-14.....       | 100 |
| 1915.....          | 98  |
| 1916.....          | 108 |
| 1917.....          | 144 |
| 1918.....          | 179 |
| December 1918..... | 227 |

(7) Fresh or frozen fish:

|                                  |     |
|----------------------------------|-----|
| (Fish and oysters), 1913-14..... | 100 |
| 1915.....                        | 99  |
| 1916.....                        | 109 |
| 1917.....                        | 153 |
| 1918.....                        | 188 |
| December 1918.....               | 217 |

(8) Feeds and grains (feed and forage): 1913-14: 100:

|                    |     |
|--------------------|-----|
| 1913.....          | 93  |
| 1914.....          | 101 |
| 1915.....          | 104 |
| 1916.....          | 111 |
| 1917.....          | 184 |
| 1918.....          | 192 |
| November 1917..... | 239 |

(9) Baking.

(10) Arsenic: 1913-14, 100; September 1917, 431.

(11) Ammonium industry.

(12) Tomato.

(13) Green coffee.

(14) Fuel-oil industry:

|                     |     |
|---------------------|-----|
| 1913-14.....        | 100 |
| 1915.....           | 77  |
| 1916.....           | 121 |
| 1917.....           | 148 |
| 1918.....           | 180 |
| September 1918..... | 186 |

It is to be noted that the preceding pages indicate the complete collapse of the price-control scheme. All forms of price control were attempted, and all failed. "The distinguishing features of price control in the food groups was the scheme of fixing 'margins of profit' only. \* \* \* The price-fixing committee (of the War Industries Board) found that the most satisfactory control could be accomplished by the fixing of the prices of basic materials \* \* \* establishing price control from the raw stocks, right through the process of manufacture and trade, to the retail consumer" (American Industries in the War, Report of the War Industries Board, 1921, 75, 79).

*Miscellaneous companies and their profits*

| Company                               | Average 4 last peace years | Average in 4 war years |
|---------------------------------------|----------------------------|------------------------|
| American & British Manufacturing..... | \$172,000                  | \$325,000              |
| Canadian Car & Foundry Co.....        | 1,335,000                  | 2,201,000              |
| Crocker Wheel Co.....                 | 208,000                    | 666,000                |
| Niles-Bement Pond Co.....             | 658,000                    | 6,146,000              |
| Scovill Manufacturing Co.....         | 655,000                    | 7,678,000              |
| General Motors Corporation.....       | 6,954,000                  | 21,700,000             |

POST-WAR PROFITS ON MUNITIONS

- (1) Newport News Shipbuilding Co. made a profit of 35 percent on two cruisers for Navy.
  - (2) Pratt & Whitney Co. made a profit in 1932 of 1,143, 725 percent on invested capital. Between 1927-33, this company was forced to return \$619,000 to the Government when it was found by Army auditors to have made profits of 81 percent and 38 percent, respectively, on two orders.
  - (3) Consolidated Aircraft Corporation made such high profits between 1927-33 on Army construction that it was ordered to build 50 planes for \$1 each.
- House of Representatives, Select Committee on Expenditures in War Department (66th Cong., 3d sess. Rept. 1307, of subcommittee, on leather): "Throughout the whole period of the war, agencies of the Council of National Defense and the War Industries Board, largely made up of representatives of the various industries interested, arranged the prices of leather materials sold to the Government." The board's conclusions: "The prices paid for such supplies were exorbitant and unnecessary."

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS], a member of the committee.

Mr. FADDIS. Mr. Chairman, in anticipating what opposition we might meet with this bill, we expected opposition from two classes, namely, those who are opposed to the bill, who would fall into the same class with Eugene Grace and Charles Schwab, who desire to profit enormously by manufacturing munitions of war, and those belonging to the pacifist element of this Nation, who are opposed to any bill which prepares the Nation for national defense in time of war. The opposition to this bill because it makes no attempt to tax war profits is certainly unjustified. The Committee on Military Affairs has no jurisdiction over revenue measures. That is the sole function of the Committee on Ways and Means. It is so stated in our report. We are, indeed, much indebted to the gentleman from New York [Mr. MARCANTONIO], who preceded me, because he has presented to the Committee of the Whole a great deal of testimony, and it is very much the same testimony that we listened to for days and weeks in the Committee on Military Affairs when we were preparing this piece of legislation. It is, however, an attempt to draw a red herring across the trail. It came along with the statements of how the attempts to fix prices during the World War had been a failure.

I desire to call the attention of the Members of the Committee to the fact that he told you only a part of the story. He went into bituminous coal and coke and commodities of that nature during the World War and the methods used in endeavoring to control prices at that time. He did not further tell you that coal in 1919 and in 1920 sold for a much higher price than it had ever sold for during the war. That was after governmental control had been removed. When did sugar reach its highest price? After the war, and after price control had ceased.

The gentleman from Ohio [Mr. TRUAX] called the attention of the Committee to a very significant point, as far as price control is concerned, in that the price of wheat was satisfactorily controlled. Of course, the farmer has a just complaint that his product was controlled at a lower price proportionately than the products of industrial plants, and we all regret that fact. Nevertheless, when the gentleman from Ohio advanced that point, he advanced a point in proof of the virtue of this piece of legislation. If a uniform system of price fixing is maintained prior to the date of an emergency, all prices can be controlled throughout the war. If we can do this, we can eliminate one of the most disastrous effects of war, namely, the aftermath of adjustment of prices, which has heretofore followed all wars.

We of the committee do not maintain that this legislation is perfect by any means, but we do maintain that it is an honest attempt on the part of this committee to bring out a piece of legislation, to rectify the evils of the last war, insofar as we are able to do so. We sat for weeks and weeks listening to testimony, testimony of the very ablest men of the Nation. We also listened to much testimony from the pacifist element of the United States who are opposed to any bill at all; and that is the reason I state we expected an attempt to draw a red herring across the trail to bring about confusion and befog the issue as much as possible. In drafting this piece of legislation we took into consideration all of the testimony of the kind that the gentleman from New York [Mr. MARCANTONIO] has placed before the committee. Such testimony was, in fact, our chief basis of information. We took into account that conditions at the date of our entry into the last war were exceedingly abnormal.

We took into consideration the fact that long before there had been any attempt at regulating prices throughout this Nation prices had risen beyond all bounds of reason; that there had been a tremendous demand for all commodities; that the prices of all commodities and the prices of rents, salaries, labor, and everything else that entered into the matter had gotten out of hand. After taking all that testimony into consideration we came to the conclusion that

if, prior to the date of war, prior to the time there was an extraordinary demand for any of those commodities, we would establish a ceiling of prices beyond which none of those commodities might rise, we would have a system whereby we could at least attempt to control them.

Mr. WITHROW. Will the gentleman yield?

Mr. FADDIS. I yield for a question only.

Mr. WITHROW. Does the gentleman think that will prohibit profiteering—to fix a ceiling? Does not the gentleman realize that in time of war manufacturers do not have selling costs that even compare to those in times of peace, and the result is that even if you freeze that price—

Mr. FADDIS. Well, I yielded for a question, but not for the gentleman to make a speech. I decline to yield further.

Mr. WITHROW. Well, will the gentleman answer the question? It does not mean a thing to fix that price.

Mr. FADDIS. Mr. Chairman, I decline to yield further. We took into consideration the fact that if we established this ceiling of prices and got matters under control as of a date prior to the emergency, we would have a system whereby we could control it. We took into consideration this fact also: That it was not desirable to conscript labor; that it was not desirable to conscript industry, because we firmly believe that labor will cooperate willingly in the future as it has in the past, and because we took into consideration the fact that the best management for industry in time of war is its natural management. The object of warfare is to break down the hostile will to resist. To this end we will need the utmost cooperation of every element within the Nation, if unhappily we are ever forced into another war. If we reached in and conscripted industry, as some would have us do, we would disturb the industrial processes of this Nation until they could not function. Any man of sound reasoning is bound to know that in time of war as well as in time of peace the very best management for industry is its natural management. We wish to provide by this legislation that it will not be necessary to conscript either labor or industry in time of war. We believe that conscription of either labor or industry would be both unnecessary and undesirable. That is the thought upon which the piece of legislation was drafted. If ever we must go to war, we wish to do so under a system which will place the entire Nation and all of its resources in the very condition to successfully prosecute the war. After the war we wish this Nation to be in the very best position possible to reap the advantages for which we engaged in the war. We wish the internal affairs of the Nation to be just as undisturbed as possible by the prosecution of the war.

There have been remarks made on this floor regarding the attitude of the United States Senate in legislation of this kind. I am sure every conscientious Member of this House knows full well that if he does his duty as a Member of the House of Representatives he has his hands full, and that he cannot sit here in this House of Representatives and attempt to be a back-seat driver for what goes on in the United States Senate. So, therefore, as Members of the House of Representatives, it is our duty to draft our legislation according to our conception of the duties of a Member of the House of Representatives. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back 2 minutes.

Mr. ANDREWS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. McFARLANE. Mr. Chairman, I raise the point of order that there is not a quorum present.

The CHAIRMAN (Mr. STARNES). The Chair will count. [After counting.] One hundred and twenty-four Members are present, a quorum.

Mr. McFARLANE. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from New York [Mr. FISH] will proceed.

Mr. FISH. Mr. Chairman, I am not so very much concerned about the contents of this bill. I see no reason for any extended argument either for or against the bill as presented, because every Member of the House who has been

here 2 years or more must know what will happen to the bill. After it passes here it will go over to the other body, where it will be completely amended, and will come back an entirely different bill. So it is almost a waste of time to try to consider this proposition on its merits, or, let us say, on its demerits. Probably every Member of the House would like to offer some kind of amendment. Probably every Member of the House feels he could write a better bill or improve the bill.

Mr. McFARLANE. Will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. McFARLANE. But when the measure goes to the Senate, under the rules prevailing over there, the Senate, as I understand it, cannot put on this bill any tax provision, because it would not be germane. There being no tax features in this bill, under their rules it could not be placed there, so that we are doing a futile thing in offering such a bill, which cannot be adequately amended in the Senate.

Mr. FISH. From my experience in the Congress, I did not know there were any rules in the Senate that prevented them doing anything at all.

Mr. McFARLANE. Under the Constitution—and we yet have a Constitution—it provides that all revenue-producing measures or tax measures must originate in the House.

Mr. FISH. I am very glad to hear the gentleman defend the Constitution. It is about time someone else defended the Constitution. Unfortunately, it has been lost track of for a long time past.

Mr. MAVERICK. Will the gentleman yield?

Mr. FISH. Yes, I yield.

Mr. MAVERICK. What does the gentleman mean by agreeing with me on this thing?

Mr. FISH. I do not get the question. However, the first reason I rose was to try, if it is within my power, to correct the RECORD. No one admires the Chairman of the Committee on Military Affairs [Mr. McSWAIN] more than I do. I have served some 15 years with him in this House. There is no finer character or more able Member. Only a week or so ago I was in his State of South Carolina, and I found down there that even the Republicans spoke well of him. That is quite a boost in South Carolina.

Mr. SIROVICH. Are there any Republicans there?

Mr. COCHRAN. Where did the gentleman find any Republicans in South Carolina?

Mr. FISH. Yes; and militant ones, too, and increasing rapidly. But when the gentleman from Alabama [Mr. HILL] gets up and gives the gentleman from South Carolina [Mr. McSWAIN] all kinds of praise for initiating this legislation I have to differ with him; I have to take exception, because I believe the RECORD will show and prove that this type of legislation, involving the principle of restricting profiteering in war time, was initiated and introduced first by our former colleague, the gentleman from South Dakota, Mr. Royal Johnson.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. HILL of Alabama. The Johnson bill was an entirely different sort of bill. The Johnson bill provided for conscription of labor, conscription of industry, conscription of everything.

Mr. FISH. I cannot yield further, Mr. Chairman. That is true, the Royal Johnson bill went beyond the present proposal; it called for conscription of wealth, industry, and labor, but the same principle is involved. He was a Member of the House when war was declared and resigned from Congress to enlist, serving in the Seventy-ninth Division, and was wounded in the Meuse-Argonne offensive. When he came out of the war he returned to Congress, and as soon as he reentered Congress he introduced a bill to take the profits out of war. He went to the Legion convention at New Orleans in 1921 or 1922 with his proposal and had the American Legion endorse it. That was the origin of all legislation of this kind and no one has the right to take any part of it away from Royal Johnson, who first sponsored the bill which was endorsed by the Legion. This is a mere

modification and, as far as I am concerned, I would like to support a bill that went further and that drafted all the wealth of the country, all the industry, all the man power, and all the soldiers in case of war. [Applause.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KNUTSON. The gentleman is a member of the Committee on Foreign Affairs and may be able to give us some information. I find that in 1934 we spent \$303,639,000 on our Navy, but that the estimated expenditures for 1936 will be \$581,049,000. Has the gentleman any information as to whom we are arming against and as to the probabilities or possibilities of war in the near future?

Mr. FISH. The gentleman has injected a new issue. All I can say in answer to that is that I do not believe there is a man in the House who loathes and abhors war more than I or who will go further to support measures for peace and to avoid war, but I believe in a big Navy [Applause]; I believe in a Navy adequate at least for national defense, and I mean for defensive purposes only and not for any purposes of aggression. In further answer let me say, using the words of our former colleague, Burke Cockran, which he uttered in defending a Navy second to none, that a second-best Navy is like a second-best hand at poker, it is not worth a darn. This is my philosophy. I believe we ought to have a Navy equal to any navy in the world, as our first line of defense for purposes of peace, for purposes of defense and against aggression. I have been diverted a little bit from the bill, but I see no reason for the United States to become involved with any nation, and as for war it would be the height of folly and a crime against the American people. We want no war except in defense of our country. This is a step in the direction of peace, but it is just a small step. We should follow this with a bill to prevent the sale and shipment of munitions of war to belligerent nations. [Applause.] That is the thing that will do more to keep us out of war than all the world courts, leagues of nations, and foreign commitments put together; that is the only thing that will do it.

When the gentleman asked me what nation we are going to war against, I will answer the gentleman there is only one thing that will drag the United States into war, and that is the sale and shipment of munitions of war for the sake of profit to some belligerent nation. It would be insane folly for the United States to think of going to war with any nation, but we are bound to be dragged into war just as sure as we continue to sell munitions of war to belligerent nations for the sake of profit. If we are to have a war in the future it must be a war in defense of the United States of America and not in defense of the munitions makers and war profiteers. [Applause.]

Mr. KLOEB. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KLOEB. What has the gentleman to say with reference to lending money and extending credit to warring nations?

Mr. FISH. I say exactly the same principle is involved. I am opposed to lending a single dollar to any foreign nation.

Mr. KLOEB. Then why does not the gentleman get behind my bill, H. R. 7125?

Mr. FISH. I am behind it now; the gentleman does not have to ask me, I have been behind this principle for a number of years.

Mr. KNUTSON. As I understand it, the State Department has made an adverse report on the gentleman's bill.

Mr. FISH. Mr. Chairman, there are many people in the United States who are sincere in advocating peace, who believe in the League of Nations, who believe in world courts, who believe in consultative pacts, foreign alliances, and so on. I believe in peace, but I believe any step to join the League of Nations or to enter foreign entanglements is more apt to be in the direction of war than in the direction of peace. It seems to me the policy of the United States must be to keep out of all foreign entanglements, all ancient blood feuds, all boundary disputes, cease passing moral judgments on foreign nations, refuse to pick the

chestnuts out of the fire for foreign nations, and above all, to mind our own business [applause], because we have plenty of economic difficulties to attend to in the United States of America at the present time [applause]; we have plenty of problems to solve right here, important domestic problems. If we leave these foreign nations alone and just keep out of their disputes we would have assured peace in the United States except for one thing, and that is war profiteering. If we permit these war profiteers to sell munitions of war to foreign nations—I do not like to predict, I know how dangerous it is for any politician to predict anything—but I am predicting that as long as we continue to sell munitions of war for the sake of the almighty dollar to people with whom we are at peace to kill each other in disputes with which we are not concerned, that eventually we shall be dragged into that war. We cannot sell munitions of war without arousing the enmity and the hatred of the nation against which those munitions are used.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KVALE. Does the gentleman in using the word "munitions" intend to mean only munitions which are not used in peace time, or does it include cotton, wool, and other commodities which enter into munitions?

Mr. FISH. No; I limit it solely to munitions of war—arms and armament, possibly airplanes—but not cotton or copper, and not raw material or food or wheat or clothing. [Applause.]

Mr. McSWAIN. May I ask the gentleman, who is a distinguished member of the Committee on Foreign Affairs, if he does not recognize the fact that the Committee on Military Affairs has no jurisdiction over legislation affecting dealings with foreign nations? The gentleman's committee would have to deal with that matter.

Mr. FISH. It would. I do not expect its passage, but I propose to introduce a bill providing for a multilateral treaty among the nations of the world to prevent the sale and shipment of arms and munitions of war. My reason for introducing such a measure is that we are a party to the Kellogg Pact—as a matter of fact, we initiated it—to renounce war as an instrument of national policy except for defensive purposes.

Of course, it does not prevent war. Nothing prevents war. It is a deterrent only. Even when Japan and China were fighting they did not declare war on each other. It is a deterrent against war, and as we have renounced war except for defense, why is not the next logical step to enter into a multilateral treaty to prevent the sale and shipment of arms and munitions of war? Why should we not renounce the sale and shipment of arms and ammunition?

I agree with the gentleman that such a proposal should come from the Committee on Foreign Affairs, and I propose to introduce such a bill. I am afraid it will not get beyond the good wishes of the introducer. I have had no encouragement from the committee, nor have I had encouragement from the administration. But what has the administration to lose? We as a country can stand behind such a treaty because we stand for peace. We should give the other nations a chance to approve or to turn us down. They will probably refuse to agree. I am afraid Japan, Great Britain, France, and Germany, and the other nations, will refuse, but let us make them the offer in the name of world peace. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 7 minutes to the gentleman from Ohio [Mr. KLOEB].

Mr. KLOEB. Mr. Chairman, first I desire to compliment the Chairman of the Military Affairs Committee, the gentleman from South Carolina [Mr. McSWAIN], the gentleman from Pennsylvania [Mr. RANSLEY], and the gentleman from Alabama [Mr. HILL] for the persistency with which they have followed this subject during the past 12 years. I desire also to correct the gentleman from New York [Mr. FISH] in his reference to the authorship of this particular bill. It is true that Royal C. Johnson, C. William Ramseyer, and other Members of the House now gone were active in legislation of this kind 12 or 14 years ago, but the

legislation that they propounded was legislation that specified in detail the conduct of a war, and I think we have come rightly to the conclusion in arriving at this bill today that to specify in legislation of this kind means to limit the authority of the administrative agencies that are called upon in time of war.

Mr. Chairman, let us get back to this question of profiteering. Napoleon complained of it, Washington complained of it, and it was complained of at the time of the Civil War. I have examined carefully the records in the Globe containing the debates of 1862 on profiteering and the illegal contracts let in the Western Department under Fremont during that war. I have come on down and examined the records of the World War and the efforts that were made following the close of each of those wars to prevent profiteering in the event of another war.

Mr. Chairman, bear in mind the fact that the cause of all our troubles in these wars, the profiteering, the corrupt and illegal contracts, the inevitable depression that follows post-war deflation, may all be attributed to the unusual and unnatural inflation of prices and of money that comes immediately upon the declaration of a war. Immediately upon declaration of a major war, from one to four million men are taken from industry. This creates a scarcity of man power. There immediately comes a demand for certain industrial products necessary to the conduct of the war. The law of supply and demand, operating overtime, makes the prices go up, and speculators, anticipating this rise in price, immediately play upon the market. Overnight, as was the case in Italy just 2 or 3 weeks ago, following the anticipation of a very little war over there, a firecracker affair, we find the profiteers at work. They continued at work in Italy recently until Mussolini ordered that their backs be placed against a wall and they be shot. This is all due to the fact that hysteria, bringing about inflation, has come upon the nation.

Now how to cure this question. Before the opening of the World War we made no plans to control the inflation that was certain to come. After we had entered the war we established a price-fixing commission and we passed excess-profits tax laws in order to stop this inflation as much as we could. These two agencies playing together, with the coordination of buying on the part of the Allies with our own, brought down prices considerably, but the peak prices in this country arrived 4 months after we had declared and entered the war. We merely tried to control the price stampede that had come upon us.

Mr. Chairman, this bill does nothing more than this: It would, upon declaration of war, authorize the President to fix a date prior to the declaration of war, on which business was being transacted under the normal law of supply and demand, and freeze the prices as of that date in order to prevent the hysterical war-time inflation that comes upon us. A price-fixing commission would then be authorized to adjust inequalities in the price structure. That is all.

Now, I have heard much about this question of excess profits. Do not be led astray. This is not a new question. Immediately after the close of the World War men's minds turned toward this question in an effort to reach a solution. The best minds of the country, the minds that were busy in administrative groups during the World War trying to curb the prices, have been busy on this subject ever since.

In 1924 the Military Affairs Committee of this House held extensive hearings on the subject. William B. Colver, the Chairman of the Federal Trade Commission, that had in charge the furnishing of statistics to the Price Fixing Commission during the World War, testified before that committee. Unfortunately, he is no longer available.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. KLOEB. Robert S. Brookings, of the Brookings Institute of Economics, here in Washington, who headed the price-fixing commission during the World War, testified in 1924.

Herbert C. Hoover, then Secretary of Commerce, testified, and from his lips comes the first suggestion of the principles contained in this bill which we are discussing today.

In a letter written to the Chairman of the Military Affairs Committee, Mr. McKenzie, and read to that committee on April 9, 1924, he propounded these ideas:

I am in firm agreement with two principles which you have under consideration. First, to blot out any expectation or realization of a profit as the result of war; and, second, to be forehanded in organization. I would also suggest that from a legal point of view a general clause should be added to the bill giving a blanket authority to the President to fix prices, wages, etc. The right to fix prices instantly war is entered upon, and to requisition materials under the war power, would be a considerable shock to any pre-war speculator.

This is the first suggestion of this plan. In the years thereafter there occurred many hearings, culminating in the establishment of the War Policies Commission, through the McSwain resolution in 1930, adopted by this House in June of that year. The War Policies Commission was the final effort of this Congress to arrive at and solve this question. This Commission was made up of 6 members of the Cabinet, 4 Members of the House, and 4 Members of the Senate. It included Senator VANDENBERG and Senator ROBINSON now in the Senate.

These gentlemen met throughout the entire year of 1931. They had appearing before them all the administrative heads who operated during the World War and then made their recommendations to Congress. We are today seeking to convert into law their first recommendation to freeze prices. The excess-profits tax law will follow. Following are their recommendations. The Commission recommends, page 22, that—

In addition to adopting an effective method of stabilizing prices there should be drafted now a special war-tax law, to become effective simultaneously with the declaration of war.

The Commission recommended, page 34:

We recommend that no amendment to the Constitution be considered at this time. We recommend that bills be drawn and introduced in Congress as soon as practicable, conferring upon the President the specific right to freeze or fix prices at any date before or after the beginning of war, and the power to adjust such prices.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 1 more minute.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. KLOEB. I yield.

Mr. KVALE. I am sure the gentleman does not want to overlook the fact that substantially the same principle was embodied in a measure which the Chairman introduced in 1921, which was referred to the Judiciary Committee at that time and died a natural death in committee.

Mr. KLOEB. If that is true, I missed it, and I am sorry.

The War Policies Commission recommended, first, a law providing for the freezing of prices and the setting up of a price-fixing commission, and second, a war-profits tax to catch the low-cost producer. We are trying to comply with the first recommendation today.

If you hold your price level at the opening of war, and your low-cost producer slips through with some excess profits, then an excess-profits tax can go into operation to take from him any percent of the excess profits that he then makes and that you gentlemen may agree upon.

This is the plan of the War Policies Commission. This is the plan of the Chairman of the Military Affairs Committee. Do not be misled into voting against this measure, because its passage is vital in the consummation of the plan of the War Policies Commission. [Applause.]

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, on Saturday of this week we shall observe the eighteenth anniversary of the entry of the United States into the World War. Saturday will be 18 years from the day that marked a sequence of torpedoings and exchanges of communiqués that finally culminated

in a declaration of war that made the United States a party to the greatest war in all history.

Pursuant to that declaration in the language of that great President, Woodrow Wilson, we began to train not an army but a nation. Four million men were poured into olive drab and khaki uniforms, inspired by the zeal of youth, by the desire to do their little bit for democracy, by the desire for high adventure, and motivated by the spirit of patriotism.

They participated in a war that was none of our business. We got nothing out of it; we wanted nothing out of it. The only thing we got out of it was a headache, a lingering, nauseating headache, that pains us every time we think of the \$11,000,000,000 that they still owe us.

I was one of the millions that went over to the other side of the ocean and spent 18 months there. I know something about "corn willie" and "monkey meat" and "slum gullion", I know something about prunes, which the Army boys better know in the service technique as "Army strawberry." I know something of "goldfish."

I know something about sleeping on a muddy field, in a pup tent, with your feet sticking out of one end and your head out of the other.

Mr. CONNERY. Do not forget the "cooties."

Mr. DIRKSEN. No; I shall not forget the "cooties" and trench lice and the delights of being periodically deloused. Incidentally, I know something about walking into the ghastly fire of machine guns behind a concrete emplacement, of 240-millimeter shells coming out of the air and bursting with ghastly effect. I have seen aviators come down, burnt to a crisp as they fell. Every soldier is familiar with these things as they happened over there.

We were chastened and sobered when we came back from the war, and what did we come back to? The day that I landed on the docks at Hoboken I saw stevedores there drawing \$12 a day and wearing silk shirts. We came back to a new crop of millionaires. We came back to \$1-a-year men, whose bonuses ranged from \$100,000 to \$1,000,000 in a single year; and when we sallied forth to get our old job back, it was not there, and we saw others who remained at home who had tasted of the immense and luxurious profits of war. It was a sobering and a chastening experience, to the extreme. Is it any wonder that the minds of the millions who came back from abroad, who saw that disparity of their poverty as against another's elegance, rich and abundant jobs as against no jobs—is it any wonder that they were fired with a zeal that somehow precipitated this thing we call the universal draft or conscription? Will Rogers, the great sage and necromancer of the plains, gave excellent expression to it years ago when he said, "When we invade the office of the millionaire and say to him, 'We will not only take your clerks and secretaries, but we will take your dough', that is the day we are going to get rid of war, because the rich will say that it is not practical, and the poor will never have a chance to find out whether it is or not." [Laughter.]

So we have been fired with a zeal for conscription—to conscript industry and to conscript man power in the next war, to put everybody on an equal footing. The veterans of the last war ask only for an equality of burdens and an equality of benefits in the next war. But this bill is something else.

I say to you very seriously, gentlemen of the Committee, that in my present state of mind I expect to vote against this bill. I understand that the American Legion supports this bill. Let us make the proper differentiation there and say that the national commander and my good friend Ray Kelley, who is on the executive and legislative committee, appeared before the Committee on Military Affairs to support this bill, but that does not bind the conscience and the independent thought of any member of that organization, and I venture to say that I could go out to a group of Legionnaires in Illinois and explain my interpretation of this bill, and that probably we would not get a single vote for it in any one of those meetings. If the bill should become law, and it should be interpreted by the Supreme

Court, they would follow the language of the bill, and that is the thing that concerns me most. We must get back to the bill itself, which is the original source. We are a great country. We read book reviews instead of books, because it saves time, and so we can discourse glibly at social functions on those books. I think it was Bruce Barton, that great advertising man and editor in New York, who said that we read everything about the Bible except the Bible itself, making commentary upon our thought processes. Similarly, we have all read much about taking the profit out of war but have given scant attention to the real substance of the bill itself. The practical presentation of an effort in that supposed direction we find in this bill, H. R. 5529, and let me point out some of the things in this bill which is now before us as I see them. If I understand the English language, section 1 says that—

Whenever Congress shall declare war or the existence of an emergency due to the imminence of war—

It recites war as one condition. It sets out "the imminence of war" as another. You will not find the words "imminence of war" recited in a single other section of that bill. Turn to section 3, and we find that it provides:

That in the event of war or of a national emergency declared by Congress to exist, which in the judgment of the President demands the immediate increase of the Military Establishment—

Get the import of that thought—a national emergency declared by Congress to exist. It calls for no special kind of emergency. It could be declared at any time on any matter without a single probability of war.

Look at the National Industrial Recovery Act, and when we passed it in the Seventy-third Congress we recited in the first line:

Because of wide-spread unemployment and disorganization of industry, it is declared that an emergency exists.

We passed the banking bill, and the first thing about the bill was a declaration that an emergency existed in the banking structure. We passed the Agricultural Adjustment Act, and we said there that an emergency existed, and subtitle 1 of title I of that bill, in large letters in the public edition of that act, proclaims the declaration of an emergency. These emergencies were declared by the Congress of the United States. Section 3 gives to the President of the United States the authority to draft the unorganized militia between the ages of 21 and 31. Who is the unorganized militia? It consists of every able-bodied male and female citizen between 21 years and 31 years of age who is not in the Organized Militia.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. O'MALLEY. I was under the impression that this is a bill to take the profits out of war, and that is why I cannot see why this conscription section is in the bill at all. It has nothing to do with profits.

Mr. DIRKSEN. I cannot see that it is going to take the profits out of war. It seems that is the least emphasized portion of the bill. This bill purports to confirm the profits in war. It does not remove them. It merely freezes prices as of a certain date. It does not state whether it is a day or 30 days or 6 months or 5 years prior to the war when the President shall establish the date, which shall be the date for such a price freeze.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SHORT. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. CONNERY. I call the gentleman's attention to the language to be found on page 1 of the bill, in line 7:

It shall be unlawful for any person to buy, sell, or otherwise contract for any article or thing at a higher rate, rent, price, commission, compensation, or reward.

And so forth.

Under that compensation, if a worker asks for 10 cents a week more on his wages and it is granted him, he could

be fined \$100,000 and serve a year in prison, or both, it being discretionary with the court.

Mr. DIRKSEN. Without doubt. The first section deals with the price freeze, and it covers everything in the country. Section 2 deals with the adjustment of prices. Now, who shall sit on those adjustment boards? Would they put me or the gentleman from Mississippi [Mr. RANKIN] on one of those boards? I doubt it very much. They would put on the same kind of folks who served on those boards during the war. Mr. Hoover served on the Relief Board; Mr. Garfield was on the Fuel Board; Mr. Bernard Baruch was on a board; Mr. Charles Schwab was on a board; Mr. Howard Coffin was on a board. Those are the men who would be selected to serve.

Mr. RANKIN. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RANKIN. Those dollar-a-year men could not afford to serve in the next war, because they are already too rich now. They would have too much profits to look after. We would have to have some new boards.

Mr. DIRKSEN. There is no limit to human ambition in matters of that sort. Now, in making these adjustments under section 2 of the bill, those are the gentlemen, steeped in that very kind of existence, who would have to make the adjustment. Oh, do not blame them. Do not throw any rocks at them. I suppose you and I would take the same viewpoint if we had lived in that same kind of environment all of our lives. They, however, would make the adjustments. So what will happen? The iron-ore miners up in the Mesabe and Vermillion Ranges of Minnesota might strike for higher wages. The manager or the mine boss will say, "We can give it to them, and we will go down and get an adjustment." Then that reflected higher price has to be passed on in steel as it is fabricated in Youngstown and in Pittsburgh. It will be reflected in the high-explosive shell and in the shrapnel made of steel. Then you would have a constant series of adjustments, and as we so well know, they are invariably up instead of down.

Mr. McSWAIN. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McSWAIN. The gentleman is very much interested in taking the profits out of war?

Mr. DIRKSEN. I am. I never was more interested in any subject.

Mr. McSWAIN. The gentleman says our scheme is not practical. The gentleman has been in Congress for two sessions. Has the gentleman ever introduced a bill that expressed his idea of how to accomplish that result?

Mr. DIRKSEN. No; largely because I knew this committee was dealing with the subject, and I was willing to wait until they had finished their task.

Mr. McSWAIN. But the gentleman did not treat the committee fair. The gentleman should have given it the benefit of all the knowledge he has on that subject.

Mr. DIRKSEN. The chairman of the committee will certainly not presume that because a person has not introduced a bill, that makes this bill a good bill or a bad bill?

Mr. McSWAIN. Oh, no; but the gentleman says he was never more serious about anything in his life than taking the profits out of war. He must have introduced some bill since he has been in Congress. Why did he neglect the one of all that he was most interested in?

Mr. DIRKSEN. I may say to the gentleman that, of course, he, too, would perhaps be interested in a banking situation. Did the gentleman ever introduce a bill before the Committee on Banking and Currency? I am a member of only three committees.

Mr. McSWAIN. If the gentleman will search the files of the Committee on Banking and Currency, he will find my ideas expressed there in the shape of a bill.

Mr. DIRKSEN. What about the other 47 standing committees of the House?

Mr. McSWAIN. Every proposition in which I am interested I have laid before the committee.

Mr. DIRKSEN. I am sorry, but it seems to me that is a sort of red herring and certainly ought not preclude anyone

of the right to fill this bill full of holes if it will not stand on its own merits, irrespective of whether I have introduced a bill or not. That begs the question entirely.

Mr. McSWAIN. It only affects the question of the ability of the gentleman in his capacity to criticize the bill, the fact that he has not offered some other bill.

Mr. DIRKSEN. Does that not apply to all of the other 434 Members of this House, and that therefore we ought not criticize the bill unless we have introduced a bill of our own?

Mr. McSWAIN. But the others have not criticized the bill yet.

Mr. DIRKSEN. We shall see about that; moreover I shall have some amendments to offer to this bill.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GRAY of Pennsylvania. Does the gentleman think there is any necessity for a declaration of martial law so far in advance?

Mr. DIRKSEN. I can see none. Now, Mr. Chairman, let me get back to the bill for a moment. Whether the committee has entertained the point or not I cannot too strongly emphasize the important fact that this bill does not take the profit out of war. That idea obscures the larger and more important implications of this bill. Everybody is in favor of removing the profits from war. In fact, it appears to be the only effective way to erase war from the face of the earth. But this bill does not do it.

It, of course, establishes a so-called "price ceiling" and thereby actually confirms and places governmental sanction on profits.

Section 3, however, is the very heart of this bill. Before proceeding to it, let me again point out that section 1 uses the language, "That whenever Congress shall declare war or the existence of an emergency due to the imminence of war." Section 3 uses the language, "That in the event of war, or of a national emergency declared by Congress to exist." It says nothing about an emergency due to the imminence of war. It refers only to the ordinary garden variety of emergency. Section 4 does the same thing. Again, note the language, "During the period of any war or emergency declared by Congress." Section 5 uses identical language, as does section 6.

Remembering the vast amount of emergency legislation passed by the Seventy-third Congress, in which we definitely stated that an emergency existed, that very declaration empowers the President, under the language of this bill, in his judgment, to do many things. It empowers him, if in his judgment it becomes necessary, to draft the unorganized Militia, to commandeer and control industry, to license business of all kinds, to indicate priorities, to rearrange departments, set up bureaus and agencies, and then imposes a fine not to exceed \$100,000 for a violation of this provision of this bill.

In other words, you can have peace-time emergencies as well as war-time emergencies, and if this body but declares an emergency it only remains for the President to exercise these powers. Why, this is the most drastic regimentation bill ever proposed on this floor, to be exercised when not a single war cloud floats on the horizon.

Let the Congress declare an unemployment emergency and under this bill the President could conscript everybody between the ages of 21 and 31 in this country, place them in the Military Establishment of this country, and have them assigned to P. W. A. work at \$1 per day.

Without the slightest danger of war, the President can under this bill, after Congress has declared an emergency, commandeer every factory, every coal mine, every power house, every industry, every business in this country and man them with a conscript army.

Never in the history of the Republic has such a measure been proposed, and now it comes to us under the guise of a bill to take the profits out of war. It would confer peace-time powers in an emergency such as no Old World dictator ever possessed. And certainly, in view of the lengthy hearings that were held and the amount of time spent on this bill,

it could have been no inadvertence that an emergency was tied up with the imminence of war in section 1 and then treated as any emergency in all the other sections of the bill.

Would labor be for this bill if they knew that in an emergency they could be conscripted into the Army and made to work at soldiers' pay in peace time? Would legionnaires be for this bill if they knew that those from 21 to 31, the same age as that of the legionnaires who served in the last war, could be conscripted in time of peace without the imminence of war? Would industry be for this bill if they knew that this measure confers drastic powers to commandeer and control and license all industry in time of peace just because Congress declared an emergency in the same swift, facile way that it declared emergencies in 1933? I think not.

Now, you might well say that the Congress would not so lightly declare an emergency. To that I say that the Congress has done it no later than 2 years ago. You say that the President would not exercise this power in such a manner. If not, then why confer this power. You and I know that when controversial legislation comes before the Supreme Court they divine the intention of Congress from the language of the bill, and will anyone make so bold as to declare, after reading this bill, that its present language does not confer these powers on the President in peace-time emergencies as well as in war-time emergencies? This bill carries possibilities of regimentation in time of peace so dangerous as to amount to an absolute dictatorship.

The tragedy of it is that it is styled "A bill to prevent profiteering in time of war", when it does not prevent profiteering. It is styled "A bill to equalize the burdens of war", when it inequalizes those burdens. It is styled "A bill to promote peace", and if anybody can find a single contribution toward peace in this measure he deserves a rich reward for ascertaining something which is in fact not in the bill.

I was not a little amused at the categorical way in which opponents of this bill were classified earlier in the day by one of the proponents of the bill. Roughly, those opponents were classed as generally opposed or as pacifists who were opposed. I know not how the term "pacifist" was intended. If the distinguished gentleman meant pacifists who, like Tolstoi, exemplify to the full the doctrine of nonresistance, I am not one of them. If he means those who believe in full and adequate national defense on land, sea, and in the air, but who also place such high store on the gospel of peace that they are willing to fight for it by insisting that a real bill be brought in here to take the profits out of war and not a sugar-coated bill which might regiment our entire Nation in time of peace, then, maybe, I might be a pacifist.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I find myself in the same position as the gentleman from Illinois [Mr. DIRKSEN], rather opposed to the bill, but I must confess I have never introduced any legislation, nor have I appeared before the Committee on Military Affairs. I think we are close to the 10,000 mark in bills and resolutions introduced since January 3. It is a physical impossibility for a Member of Congress to read those bills, if he had nothing else to do.

I expect to vote for this bill, although I am going to criticize the measure, and I will probably offer some amendments to the bill, because I feel it is a step in the right direction and hope in the end we may get a real bill, with some teeth in it, that will take the profits out of war.

I concede to every man the right to an opinion upon legislation, and I have no fault to find with the gentleman from South Carolina, because I know he is honest in his views, but I have tried to analyze this bill, and my conclusion is it will not accomplish the desired result.

As I understand the bill, it proposes to clamp a ceiling down on all prices, beyond which they may not go. Yet you notice that another section of the bill proposes to permit the President to adjust the prices upward or downward. What

does this mean? It means that while we are in the midst of a war that this producer or that producer will claim that he cannot produce at the prices fixed. The President will then have to determine costs, prices, investment, and so forth. By the time he gets the answer conditions will again have changed and the findings will become stale.

The purpose is to fix the prices high enough to get out the needed production. This will mean that maximum prices will be fixed necessary to keep the high-cost producers in business. This will also mean that the low-cost producers—the big fellows—will then move most of the tonnage under these high prices and will therefore make excessive profits, which will be taken away by an excess-profits tax. This is the general nature of the plan, and on paper it looks good. But does it take the profits out of war or put in a guaranteed 5- or 6-percent return upon investment? A simple example will illustrate that it puts a profit in war that cannot be made in times of peace. For instance: When war is declared the Government becomes the largest purchaser of materials. A tremendous demand is created for goods of all kinds and raw materials.

Take the United States Steel Corporation as your example. War comes and a ceiling is clamped down high enough to permit the high-cost producers to make a fair profit. But the Steel Corporation is a low-cost producer and will move most of the tonnage under high rates. If war were declared tomorrow, it would have tremendous orders. It would then make a 5- or 6-percent return in war, due to the great demand and the high prices, which it cannot make in times of peace. Does this proposal take the profits out of war or put them in? Other objections to the plan are as follows, all shown before the Nye committee, which picked this plan to pieces:

First. There is grave doubt about the authority of Congress to fix prices or to delegate the power to fix prices in times of peace or war.

The Aluminum Co. now has a suit pending holding the Government did not have the power to fix prices during the last war.

If their contention is sustained where will this legislation get you? I answer, nowhere.

Second. Rumors of war always precede war, and thus the price rise will contain the element of profit even before the ceiling is clamped down.

Third. Who knows what a reasonable price is and what standards of reasonableness are to be followed? Who will determine this standard?

Fourth. Are prices going to be related to cost, and if Congress has authority to fix prices it ought to follow as a legal conclusion that it must also fix costs? How much is labor going to be paid? How much salary is going to be paid big business executives? Are bonuses going to be allowed? See testimony of Eugene Grace before Nye committee to effect that he received \$2,800,000 in bonuses during World War. Who is going to determine the reasonableness of thousands of items of cost which will affect prices during a war? When is this going to be determined, during the excitement of war? It would take nearly as many accountants to find these costs as it would soldiers fighting at the front.

Fifth. Are the industrial leaders who are interested in supplying war materials going to fix prices on their own products as was done during the last war, and then use "dummy" contract officers to sign the contract in order that they may escape responsibility? See report of select committee investigating War Department, 1919—Graham report. See also Thomas report of Senate.

Sixth. How much of an army would it take to police and check this plan to determine whether products are being sold above or below the "ceiling prices."

Seventh. Under the plan as I understand it, munitions makers who use their plants for war materials will get a contract for materials which will permit them to make a 6-percent return upon so much of the plant as is being used for war materials. How is the value of the plant going to be divided between war materials and nonwar materials and

who is going to make such a division? Furthermore, the high prices necessary to keep the high-cost producers in business will mean high and inflated values for such plants. The munitions makers will therefore see to it that they get as high a value as possible. Instead of cost-plus contracts then you will have 6 percent on highest value claimed which might be the same as cost plus 10. The greater the cost, the greater the plus.

Eighth. In determining prices and costs will access be given to the books of companies or will they tell Government auditors that they cannot be bothered during the war with bookkeeping.

Ninth. How is depreciation going to be determined? Is value or cost going to be the base and what percentage will be allowed. The Supreme Court has said that depreciation must be determined by a physical inspection of the property coupled with the use of mortality tables. Who is going to inspect the 30,000 or more munitions plants and when. How much will be allowed for amortization of the plants in order to return to the owners their honest investment. It took I. C. C. 20 years to find the values of one industry: the railroads.

Tenth. I challenge any Member of Congress today to give you the honest cost of making a pound of powder or a ton of steel. Who knows what a reasonable price for steel or powder would be today?

Now for the other side of the plan; to take away by an excess profits tax all excessive profits over say 5 or 6 percent.

First. We all know how difficult it is to ever recover any moneys on behalf of the Government when it has once parted with it. (Look at the Mellon case today. Government claims he owes \$3,000,000; he claims the Government owes him \$139,000.)

Second. Every dollar which is incorrectly charged to operating expenses will decrease by 100 cents the net return and hence the net amount of the tax. Therefore, it will be to the interest of the munitions makers to charge nearly everything to operating expenses just like the old cost-plus contracts.

How much limitation is going to be placed on cost items such as salaries, bonuses, depreciation, amortization, buying from affiliated concerns, and so forth. This plan really looks to me like the old cost plus 10 in disguise except that instead of cost plus 10 it will be investment or value plus 6.

Third. Will not the munitions makers make such large claims for amortization and depreciation as to wipe out the net income for tax purposes? Think of the prolonged litigation over values, expenses, claims, and so forth. Bethlehem Steel Co. is still litigating over certain war claims, and war has been over now nearly 17 years.

Fourth. Congress just finished experimenting with a similar plan. In section 15a of the Transportation Act, uniform freight rates were fixed similar to uniform prices under this plan. A freight rate is nothing but a price paid for transportation. Congress realized that under uniform rates some will earn more and some less than a fair return, and so it sought to recapture—similar to excess-profits tax—from the strong or more fortunate roads all moneys over one-half of a 6-percent return on the fair value of the property. What happened? The I. C. C. working on the scheme for 13 years, and the low-cost producers, that is, the coal roads, the steel roads, and the roads connected with "big business" made all the money and kept it. The Government did not collect anything, although when the act was repealed these rich roads owed \$450,000,000 excess profit.

The railroads got the benefit of a 40-percent increase in rates, the highest in history, to make the act effective. This would compare with this plan to keep prices high enough to help the weak. The railroads got the benefits of this increase, but the Government got no excess-profits tax. The weak roads had to come in and borrow this amount of money from the R. F. C. How is Congress going to regulate munitions companies which are not engaged in interstate commerce? A recent court decision has said that "emergency" does not justify changing the Constitution.

If this bill goes over, the munitions makers can say to the public, "You have nothing to be alarmed about. We

have taken the profits out of war." But nobody knows what they mean by "taken." They will then be all set to go to war at a guaranteed profit, which they cannot and are not making today. This plan will not work to take the profits out of war.

It is my thought that the place to start is with a constitutional amendment which will give the Congress the power to take the profits out of war, and then we shall not be in trouble if a war is declared.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. CULKIN. Does the gentleman remember the Lever Act which was passed during the last war?

Mr. COCHRAN. I think I remember it; yes. Although there were several Lever Acts during the war.

Mr. CULKIN. The Supreme Court held it unconstitutional on five distinct grounds.

Mr. COCHRAN. What did that act deal with? Agriculture?

Mr. CULKIN. The general price of merchandise in the country.

Mr. COCHRAN. I do not remember the details of the Lever Act; I remember the gentleman himself; he was a Chairman of the Committee on Agriculture and a very able legislator.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. O'MALLEY. If the gentleman is in favor of a constitutional amendment, during 1933 I introduced a bill providing for just such an amendment to the Constitution as the gentleman suggests.

Mr. COCHRAN. I am not on the Judiciary Committee; I cannot get the gentleman's bill out of the committee. See the Chairman of the Judiciary Committee, probably you can induce him to report your resolution which I understand you have reintroduced. I know the gentleman has urged the consideration of his resolution.

I feel exactly as does the gentleman from Illinois, and I think every Member of this House, man or woman, without exception, wants to take the profits out of war; and I am willing to go just as far as any man or woman in this House to do it. I repeat I expect to vote for this bill solely because it is the best we can get, and it is a start in the right direction. I am in hopes that when this bill comes back to us in the form of a conference report some provision will be included that will assure us that the profits will be taken out of war. [Applause.]

Mr. ANDREWS of New York. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, when this legislation first came into the House I confess I regarded it with suspicion. I had watched the course of the Nye investigating committee, and in common with all Americans was astounded at the revelation that followed that investigation. For a time I thought this bill was in the nature of a red herring drawn across the trail of necessary legislation, but after I heard the distinguished and able Chairman of the Military Affairs Committee of the House speak yesterday I changed my mind. Today I stand here content and willing to support the legislation, because, with him, I am for necessary preparedness and an adequate Army and Navy. He and his committee are the technicians which this House has placed in charge of this matter, and after his declaration on the floor during the debate on the rule I am content to follow his lead.

Like him, I am for a vigorous nationalism and an adequate Army and Navy. With the world in arms it is no time to Chinify America. I am likewise in favor of any measure which will prevent profiteering in time of war. Munitions makers, like morticians, play a necessary and important part in our scheme of things, but the revelations of the Nye committee show that while men were dying the munitions profiteers were draining the Treasury.

That has been the history of every war in which we have participated. It is a fact that during the Civil War the beginnings of many of our great fortunes were established through the medium of fraud and theft. This was done

at a time when the Nation's life trembled in the balance and millions of men were shedding their life's blood for the preservation of the Union. During that epic struggle, and even during the Revolutionary War, these gentry bribed corrupt Government officials to accept as Army and Navy supplies shoddy clothing, worthless tents and blankets, good-for-nothing shoes, adulterated, deleterious food, and guns which were frequently more dangerous to the men using them than to the enemy.

The story was recently told how one of these groups during the World War made a profit of \$3,000,000 out of an investment of \$5,000. The story is now told that these munition groups not only roll up vast profits while the Nation is in an emergency but actually foment war in times of peace. This hellish procedure of fomenting war should be stopped by appropriate legislation which defines such conduct as treason and punishes it with death.

This bill, however, lays down the fundamental proposition that property is no more sacred than human life, as it empowers the President of the United States to take over all the material resources of America. It empowers him to create such agencies as are necessary for this purpose. Supplemental taxing legislation, as has been stated here repeatedly, is essential for the perfection of this pending bill. The distinguished chairman of the committee says that such legislation will be supported by him and his committee. This provision is already in the pending Nye bill, and I understand the chairman of the committee will meet that bill sympathetically. I am sure of that. Such taxing legislation will be promoted and safeguarded by the able leadership of the chairman of the committee in whose patriotism and ability I have great faith. The gentleman has assured the House of that procedure, and I am content and happy to follow his leadership and to urge the passage of the pending bill. [Applause.]

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. How does the time stand?

The CHAIRMAN. The gentleman from New York has 45 minutes remaining, and the gentleman from South Carolina has 71 minutes remaining.

Mr. RANKIN. May I ask the gentleman from South Carolina if it is expected to take this bill up under the 5-minute rule this afternoon?

Mr. McSWAIN. My best judgment is that we will just about conclude the general debate this afternoon.

Mr. RANKIN. I wonder if we could have an understanding to that effect?

Mr. McSWAIN. What does the minority leader and the gentleman representing the minority say?

Mr. SNELL. If we finish the general debate and read the first section of the bill this afternoon, that will be agreeable to this side.

Mr. RANKIN. And allow it to go over until tomorrow for amendment?

Mr. McSWAIN. Yes.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DORSEY].

Mr. DORSEY. Mr. Chairman, it is often a fortunate trait of human nature that we forget unpleasant experiences. Men who heaved a sigh of great relief when they tossed off the uniform in 1919 now don that same khaki with relish on Memorial Day. Around the fireplace in any veteran post you will find men who, with smile and jest, relate incidents which were packed with annoyance when they happened in 1918.

It is typical of veteranism that its members can extract the laugh out of trying and unfortunate happenings in service. And it is characteristic of the human race that time breeds indifference to mistakes that once exercised us greatly. Let me take you back in memory to the immediate post-war period, and you will recall how our citizenry was aroused by the inordinate war profits and excessive wages which obtained in many industries. Our people were sufficiently agitated about the matter that we find President

Harding making these comments in his inaugural address, delivered March 4, 1921:

If \* \* \* war is again forced upon us, I earnestly hope that a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty for whatever service, military or civic, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activity to private gain amid defensive war while another is fighting or dying for national preservation.

Because this quotation comes from the inaugural address of our first post-war President, we can take it that our people felt deeply about this subject in the years immediately following the World War. But, let me repeat, human kind is prone to forget unpleasant things.

Bernard Baruch, because of his experiences as Chairman of the War Industries Board, was called before the War Policies Commission and outlined his suggestions for a system to take these huge gains out of war. Among other phases of the question, he showed the inflationary results that followed in the trail of the cost-plus contracts, and how the American taxpayer was saddled with a debt far in excess of the amount that would have to be paid if there had been some machinery, such as the McSwain bill proposes, which would have held down these inordinate profits. Said Mr. Baruch:

Inflation enormously increases the cost of war and multiplies burdens on the backs of generations yet to come. The war debt of the Nation is necessarily incurred in terms of debased dollar values. In the inevitable post-war deflation the debt, of course, remains at the inflated figure. Thus the bonds that our Government sold in the World War for 50-cent dollars must be paid through the years by taxes levied in 100-cent dollars. For example, our total war expenditure was \$39,000,000,000 incurred in terms of 1917, 1918, 1919, and 1920 dollars. In terms of the purchasing power of 1913 dollars it would have been only \$13,000,000,000, or in terms of 1930 dollars probably not more than \$15,000,000,000. Such a grotesque result would be almost unbelievable were the figures not living facts. If anything can be done to avoid this practical doubling of the economic burden of the war, certainly we should spare no effort to accomplish it.

It is often a fortunate trait that we forget unpleasant experiences, but when we are paying \$25,000,000,000 in excess cost, some of which will be paid by our children; when we live in a distrougth day and can ascribe some of the distress to the war profits Mr. Baruch describes, it is time we took it on ourselves to prevent a recurrence of the way we handled World War contracts. It is fortunate that we forget unpleasant experiences, but we who were adults in July 1914 are not alarmists when we point to present-day Europe and Asia and say that these continents need but another Sarajevo to flame them into hostilities. We have learned not to lean too heavily upon the alleged security which our ocean boundaries afford.

The condition we seek to remedy was caused by the urgent need for prompt delivery of war material and equipment and in many instances there was little knowledge of actual requirements. No sensible contractor would take a contract on a definite price basis, with costs of labor, materials, and overhead continually skyrocketing. It was absolutely necessary under such conditions to award contracts on a bonus or cost-plus basis, resulting in the expenditure of millions of dollars more than we would have spent had prices been controlled through some price-fixing agency.

Now, here is the story of what resulted from inflation which attended the cost-plus contracts: The higher the prices soared, the greater were the profits to the contractor. Let me cite an example of this. In the testimony given before the War Policies Commission in March 1931 the records show that the average profits of certain steel companies in 1912 was 4.7 percent; for 1913, 5.7 percent; for 1914, 2.8 percent; and for 1915, 5.2 percent. These same companies showed a profit in 1917 ranging from 30 to 159 percent. And that does not include the tremendous bonuses which were given to officers and key men in industry for the purpose, apparently, of augmenting war profits. Let me cite some of

the war profits of munition companies, 1917-19, as listed in the records of the Senate Munitions Committee:

Bethlehem Steel, \$61,800,000, or 43 percent, in 1917.  
Atlas Powder, 27 percent in 1917.  
Colt's Patent Firearms Co., \$5,797,000, or 60 percent, in 1917; \$5,693,000, or 64 percent, in 1918; and 51 percent in 1919.  
Savage Arms Corporation, \$6,577,000, or 65 percent in 1917; and \$6,917,000, or 43 percent, in 1918.  
Bethlehem Loading Co., \$151,000, or 362 percent, in 1918.  
Nagel Steel Co., 319 percent in 1917.  
Winchester Arms Co., 40 percent in 1918 and 63 percent in 1919.  
Newport News Shipbuilding & Drydock Co., \$3,298,000, or 86 percent, in 1917, and \$3,990,000, or 72 percent, in 1918.  
New York Shipbuilding Co., 41 percent in 1918.  
Midvale Steel & Ordnance Co., 43 percent in 1917.  
Jones & Laughlin Steel Co., \$48,869,000, or 47 percent, in 1917.

The outline I have given is familiar to every one of you gentlemen, because we lived through this condition; many of us participated in the World War and all of us are helping to pay the bill. If the general public may have lost a little of its enthusiasm for the control of profits in war, it is only because it has been saddled with immediate problems that are closer to the home and fireside. But the veteran has never forgotten, because he was grossly victimized by the condition. In my own city of Philadelphia, which is but typical, some manufacturers were paying "fur-coat bonuses", so called because they were large enough to permit filing clerks to buy expensive sealskins and other choice examples of the furrier's art. I was happy to see these young ladies were made warm and attractive, but at that very time our soldiers were returning with nothing in their pockets but an honorable discharge and the \$60 Army bonus that would buy a suit, but no overcoat, at the then prevailing prices. We might well have asked why the manufacturer and all his workers were worth so much more than a combatant in the economic scheme.

There are all kinds of people in this world, and I would be the last to cite this case as average, but I know of two manufacturers who, in a burst of frankness, bewailed Armistice Day and the end of the World War. They were working toward some definite amount of wealth, say, a quarter million or million, and the capitulation of the Kaiser's forces interrupted their accumulations before the financial goal was reached. After they had made their enormous profits, the returning soldier came back to double rents and, possibly, a demanding landlord who had fallen under the spell of the acquisitive lust which was in the air during and immediately following the war period.

I have told you that veterandom has never forgotten this was profiteering and you will see that the American Legion and the Veterans of Foreign Wars have gone on record with their universal draft resolutions in every annual national convention since 1921. There are people who think that the Legion and the Veterans of Foreign Wars are hungry for war just because they show a concern about adequate defense of the Nation. It can be said in all accuracy that war was never more abhorred than in present-day America by all the elements of our population. The stage and screen, those delineators of popular thought, have given us war as a deglorified thing. Previous war plays had depicted the hero dying in center stage, wrapped in a flag and with some utterance about God and country upon his lips. What Price Glory was written by a man who lost an arm on a French battlefield, and while Laurence Stallings captured some of the camaraderie of combatants, he also pictured nerve tension to the breaking point, the muck, mire, and lousiness of war, and even the moral losses of men who may stop their bullet on the morrow. All Quiet on the Western Front came from the pen of an erstwhile enemy. It, too, was graphic in its exposition of the horrors of war.

These moving pictures were seen by millions of our people, young and old alike. They have not diminished the reverence of our rising generation for the military heroes of our

Nation who made America possible and helped to preserve it. But these young men and women have no misgivings about war itself. They are informed by the screen and current literature, and they ask, with the oldsters, why soldiers worked at this dirty business for a dollar a day, while manufacturers of war materials waxed rich on cost-plus contracts. They agree with Sherman that "war is hell"; and this depression has impressed them with enough economics that they will not lightly treat the creation of a new batch of millionaires in the next conflict.

Let us not be blinded with the thought that another war is impossible. Knowing that war is possible with nations still so far apart in their desires or actions to eliminate it, we must realize that now is the time to correct the conditions which undoubtedly burden us in its aftermath. These conditions are inevitable unless we pass such legislation as is now proposed in this McSwain bill. Let me cite the following statement, which was contained in the Government's brief in the recent suit brought by the Government against the Bethlehem Shipbuilding Co.:

No one can say that this country is done with war or how soon a national emergency will again exist calling for the maximum production of every shipyard throughout the United States. \* \* \* At such a time there will undoubtedly again be those who will look upon the national emergency as an opportunity to make enormous profits for their respective companies and themselves at the expense of the Government, and their patriotism and sense of propriety will not, in themselves, be sufficient to restrain them from taking full advantage of such opportunity.

In war the entire social structure is involved. In the absence of the control of profits, such as was experienced during the World War, its aftermath brings a weakening of the whole financial structure and even the weakening of the morale of society. The next war—and God forbid that there will be a next war—conducted on the basis of the last one will be so destructive of the important elements of our civilization that we will shudder to think of the consequences.

Quite aside from the money saving effected by this bill and the downright democracy expressed in its spirit, is the important fact that we will have an immediate coordination in an emergency between industry and the men who wear the uniform.

In our past conflicts we have entered war much as the volunteer fireman who hears the fire siren while taking a bath. All has been hurry and there has been no well-knit plan that anticipated industry and the military forces playing on the same team. In our haste to get the materials that must back up the forces in the field we have paid outlandish prices that have saddled the Nation with enormous bond issues.

Of course, there can never be complete democracy in warfare, for the soldier puts all in jeopardy when he stakes his life. Is it, then, too much to ask that industry be restricted to but a fair profit? You Congressmen who decry the adjusted-compensation issue as a perennial question can hereby obliterate the need for any future adjustment or so-called "bonuses" by establishing this equality between the people who produce the materials of war and the men who use them in defense of the Nation.

Again, speaking of veterans, they are the essential leavening when we discuss this entire problem of national defense. Never call them jingoistic, they who know what a putrid game war really is. Remember, too, that your average World War "vet" is now at that point of life where he has a son of military age or at least in close proximity thereto. This veteran has tasted war and liked it none too well, and he will never rush his callow offspring into the game of Mars without provocation. Recall, also, that veterandom named only one holiday out of the World War. Was it Chateau Thierry anniversary to commemorate our victory over the vaunted Prussian guard? No. It set aside Armistice Day, the day that marked the end of hostilities. So your veteran is not militaristic, but that is not to imply that he is indifferent about national defense. He may not be willing to go as far as the most enthusiastic subaltern in what constitutes adequate defense, but he sees no virtue or common sense in disarming our Nation to the point where

we invite war. Many of the Christian sects see eye to eye with the veterans in the intent of this bill, all the way. With other sects we are as one in our zeal for peace, but we cannot agree that dangerously curtailed armaments will accomplish our common purpose in the light of the present situation in Europe and Asia.

So, I repeat, that American veterandom is the essential leavening when we discuss this question of adequate armaments and how we are to line up our men and our industries if war should again overtake us. What they offer us is seasoned with experienced, a sort of middle-ground counsel that we can all follow. They ask that we control men and industry alike in the next emergency. Let both be placed at the disposal and directions of the Commander in Chief of our armed forces, the President of the United States.

Where other bills have died in committee because they were controversial in the provisions they prescribed, this McSwain proposal lays down the broad, general principle that munition and material providers must work on even terms with those who man the ships and the regiments when emergency strikes. The details are left to the President and his advisors to be worked out in the light of the then existing conditions.

This is no partisan measure. In voting for this bill, men on both sides of the aisle will be doing the popular thing and will receive commendation from the people who sent them here.

People forget unpleasant experiences, but the depression and the struggle to meet taxes has brought home to many how profligate were the cost-plus contracts of the World War. The article Arms and the Men which appeared in Fortune Magazine did much to bring about the Senate investigation which has focused the public eye on war profits. This inquisitorial body has developed much information, including the million-dollar bonus of a large industrialist.

Thanks to the new airing of war-time profiteering, we now have an America ready to take this step forward to democracy in war. Religious freedom, abolition of debtors' prisons, emancipation proclamation, public schools, general conscription of soldiers, income tax, and now, with your concurrence, we can take, we must take the forward step to control of property and industry in time of war. In supporting the McSwain bill you are asking the whole Nation for patriotic cooperation in emergency, not just the man who leaves his plow or loom or desk for the battlefield. Democracy marches on if you decree it. The American Legion and brother organizations, out of their ripe experience, ask parity between the man who makes war equipment and he who uses it in your defense. They claim that the sovereign government which conscripts one can exercise a like sovereignty over the other. Our people are ready for this plan. Do not disappoint them. [Applause.]

Mr. McSWAIN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, in speaking on a subject like this I am sure that we should eliminate, as far as possible, personalities and, as far as possible, emotions. As I think about this subject today I think about old Jeff: McLemore, of Texas. I hope the reporter gets that colon. Jeff: would turn in his grave if it is left out. He presented a resolution here which might have kept us out of war, the resolution providing that American citizens should stay off of armed merchantmen. What happened to Jeff: McLemore? He was hounded right into his grave because he did not want us to go into that war. He was intelligent enough to know that British propaganda was more effective than German propaganda, and, therefore, we were liable to get in on the side of the Allies. He did not want us to get in on either side.

Mr. Chairman, that is the way I feel about all future wars—let us stay out of them. One of the things that impressed me about this Jeff: McLemore resolution was that Congress itself began to get into a hysterical state. I hope we do not get into a hysterical state. I know the Nation at that time got into a hysterical state and people were writing to their Congressmen about as follows: "I see you

"think more of the Kaiser than you do about the United States of America." They began to put pressure on their Congressmen. I hope we will take the attitude that we are the leaders of our people, that we are not going to join in any hysteria of the people, but we are going to lead them in the right direction.

Mr. Chairman, let us get down to a consideration of the McSwain bill. I am not going into a detailed discussion of it, because most of the points have been covered. However, I make two points against this bill, and I make them just for the RECORD. According to the way the bill is written, I believe that it does conscript labor. I believe it does not conscript capital or, at least, does not effectually conscript capital. Therefore the bill should be defeated. Those are the two views I have in reference to this bill.

Now, Mr. Chairman, I may have made a mistake myself. I once stated that this is a "step in the right direction", and I have heard one man after another get up here and say this is a step in the right direction; but in making this step, let us be careful that we do not go back two or three steps and do a lot of things which we ought not to do.

The question came up about the attitude of various members of the committee in reference to the question of salaries. On page 116 of the hearings in reference to taking profits out of war, I asked Gen. Hugh Johnson about limiting salaries.

I asked General Johnson about limiting salaries, and he said:

Well, I personally think it should be done in time of war; yes.

And such provisions are not in the McSwain bill, and neither are there any tax provisions.

Then, when Secretary of War Dern appeared before the committee, he said:

Price fixing alone cannot accomplish the desired result. It must be supplemented by reasonable and effective procedure in letting contracts and also by excess-profits laws.

This is what the Secretary of War said. There was a great deal said about industrial mobilization, and we have 100 pages of this House report on industrial mobilization; but no proper set-up is made in the McSwain bill for that purpose, while it is effectually covered in the bill which will be proposed in the Senate.

Lt. Col. Bennett A. Molten, national secretary of the Reserve Officers' Association of the United States, stated that this bill should contain a profit tax as high as 95 percent levied against the net profit sustained.

Another one of our witnesses, G. K. Brobeck, national legislative representative of the Veterans of Foreign Wars, speaking for that organization, said:

As we have considered the bill introduced by your distinguished chairman, we submit it does not remove the profit motive from business or from war.

Now, this testimony came from the House side. Since this time various testimony has come up from the Senate, and although it may be a little tiresome, I want to read it.

James A. Drain, past national commander of the American Legion, and G. K. Brobeck, legislative representative of the Veterans of Foreign Wars, before the United States Senate Munitions Committee, Thursday, March 14, 1935, pages 9198 to 9201 of transcript:

Senator VANDENBERG. Have you studied the McSwain bill?

Mr. DRAIN. No.

Senator VANDENBERG. Many posts of the Legion are endorsing the McSwain bill, and I was wondering why, because, it seems to me, that it falls far short of the objectives which you defined in your memorandum.

Mr. DRAIN. That is my impression, sir, but, as I tell you, I have not studied the bill, and I do not feel competent to express an official opinion upon it.

Senator VANDENBERG. It is your impression that the McSwain bill falls far short of the objectives which you outlined?

Mr. DRAIN. That is my impression; yes, sir. It is a step in the right direction, but I think it does not go far enough.

Senator VANDENBERG. Have you read the McSwain bill, Mr. Van Zandt?

Mr. VAN ZANDT. No; I have not, but my legislative representative has.

Senator VANDENBERG. Give your name for the record.

Mr. BROBECK. G. K. Brobeck. I have read and, I believe, analyzed the McSwain bill, and in testifying before Mr. McSWAIN's committee we suggested that it was a step in the right direction, but also called definitely to the mind of the committee that we thought, even though we thought it might be a step in the right direction, it was an act which really guaranteed profits in time of war.

Senator CLARK. More of a toddle than a step?

Mr. BROBECK. It is a kind of toddling step, by setting a yield at a date picked prior to the declaration of war, which merely is a guaranty of property during the time of war.

Senator VANDENBERG. I take it that you are not endorsing the McSwain bill?

Mr. BROBECK. Not very heartily. We feel that it is a sort of left-handed gesture.

Senator BONE. What would be the effect—and either one of you gentlemen may answer—if a concern, proceeding under normal conditions, could produce something for \$1, which they were selling the Government, and in war time, under a war tempo of production, mass production, they could step up the production of that article to a point where they could produce it for 50 cents, and we froze prices at \$1? Mass production would simply mean that that firm would make more profits, would it not? The more consumption of the article the more profit the firm would make, and freezing prices would be the best thing on earth for a firm.

Mr. BROBECK. If I may answer, I think there is no question about it, and our attitude on the McSwain bill was very definitely stated. It fundamentally guarantees a profit, and we are unalterably opposed to profits in time of war. It will increase profits.

Senator CLARK. Not only that, but, as Senator BONE has pointed out, if the article comes into mass production, it would simply mean that much more velvet under the terms of the McSwain bill.

Mr. SISSON. Mr. Chairman, will the gentleman yield for a question?

Mr. MAVERICK. Yes.

Mr. SISSON. The statement was made by at least one member of the committee, in substance, that no one appeared at the committee hearings in opposition to this bill. The gentleman is a member of the committee, and I desire to ask if it is not a fact that at the time Mr. Hushing appeared, representing the American Federation of Labor, that this provision providing for conscription of the unorganized militia was not in the bill.

Mr. MAVERICK. I am not certain about that. May I ask the gentleman from South Carolina if he knows?

Mr. McSWAIN. No; I am sorry, but I do not remember the date he appeared or the date the amendment was offered, but let us assume that the statement is true.

Mr. MAVERICK. I will say to the gentleman there were several witnesses who appeared against the bill.

Mr. McSWAIN. There were other people who appeared; for instance, Miss Rankin, formerly a Member of this House, and Professor Libby, and one or two others who appeared in opposition to the bill.

Mr. MAVERICK. Does the gentleman mean that as any reflection upon them?

Mr. McSWAIN. No; I just want to tell the whole truth about who appeared.

Mr. MAVERICK. Now, I want to say something about Miss Jeannette Rankin since that has come up. She has a right to be against war. She voted against the World War in 1917; God bless her for it.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. KVALE. If a complete picture of the matter were understood, and if the hearings in full were read, would it not appear that the American Legion, the Veterans of Foreign Wars, the American Federation of Labor, the Railroad Brotherhoods, and the National Council for the Prevention of War, all five organizations, appeared in favor of the elimination of profits and not a reduction of profits; and the only ones that argued for limited profits were the War Department and the Coalition of One Hundred and One Percent Patriots?

Mr. MAVERICK. Yes; the so-called "American Coalition of Patriotic Societies." The gentleman's statement is correct. In other words, various organizations appeared and said they were for the principle of taking the profits out of war, of course, but they did not specifically endorse any particular kind of legislation. I think this is well understood by everybody.

The point I wish to make about this bill is the one that I originally made, and that is it has no revenue provisions in it, and I know what the Constitution says. Nobody need ask me, "Does not the gentleman from Texas know that the Constitution says so and so", because I know it; but I know it could be brought out on this floor with a rule which would make it entirely proper for a bill that covered all subjects to be discussed and passed on at one time.

Here is the reason I am opposed to this bill, and I am not reflecting on Mr. McSwain's or anybody's intentions. I am opposed to it because if we pass this bill now it will be worse than nothing, because whenever war hysteria rages or whenever war raises its bloody head they will mob everybody who wants to take out war profits, just like they tried to do to old Bob La Follette when he got up on the floor of the Senate and made the same statements at various times. They will mob Congressmen and Senators and people all over the country with such hysteria and propaganda whenever the question of war profits comes up.

This is the reason I think the matter ought to be settled now, and we ought to settle it completely; and in this way we can protect ourselves, I hope, against the hysteria of war.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield for a question?

Mr. MAVERICK. I yield.

Mr. DUNN of Mississippi. The gentleman said a few moments ago that this bill seemed to include the proposition of conscripting labor.

Mr. MAVERICK. Yes.

Mr. DUNN of Mississippi. Will the gentleman show me in this bill where there is any such inclusion, as a matter of information?

Mr. MAVERICK. It is in section 3, because "the unorganized militia", according to the bill, covers all those between the ages of 21 and 31; in fact, it covers the whole male population.

Mr. DUNN of Mississippi. Then it is the intention of the committee, as a matter of fact, that the so-called "unorganized militia" shall include labor and the conscription of labor?

Mr. MAVERICK. I do not know for sure about that. It does include it, I think, and I think when the matter comes up the chairman may be willing to amend it.

Mr. HILL of Alabama. If the gentleman will permit, of course, the unorganized militia includes everybody, whether he is a laborer, doctor, preacher, lawyer, or what not. The unorganized militia is the manhood or the man power of the Nation.

Mr. RANKIN. Why limit it to those ages?

Mr. MAVERICK. I see. Then it does conscript labor, and the bill should be defeated.

Mr. SMITH of Connecticut. Does not that refer to the increase of the Military Establishment?

Mr. MAVERICK. No; it does not; it applies to everybody. [Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOEPEL].

Mr. HOEPEL. Mr. Chairman and Members, the intent of the bill which we are now discussing is generally satisfactory. However, the bill contains several weaknesses which I propose to discuss and one of which I shall endeavor to correct when the bill is read for amendment.

I do not wish to disparage the sincere intent of the chairman and members of the committee, and I hope they will pardon me when I refer to this measure as akin to other legislation which we have enacted since the new deal became effective. The people are becoming conscious of the fact that the promises and hopes in the new deal, to which they pinned their faith, as yet are far from realization; in fact, if we are honest with ourselves, we must confess that we have actually retrograded rather than progressed in our efforts toward recovery.

This bill, and the most of the new-deal legislation, reminds me of a story which was told to me in my early days as a soldier. The incident occurred at the target range where a group of officers were firing for record. Those of us

who had this experience know that our percentage was signalled to us by the markers or readers of the target which, in the days before the use of the telephone, was done with a flag. While one of the officers was between a series of shots at the target, the officer paused for a moment and had his attention directed to some ducks which were flying across the line of vision. Instead of firing at the target, he fired at the ducks, when lo and behold, the marker in the distant pits raised the flag and registered a bullseye! In the opinion of the enlisted man who was marking, the officer was entitled to a perfect score.

We in the new deal have made a few shots at the target, but the most of our shots have been directed in the air at the elusive ideals of theorists, with the result that our score thus far has resulted in an increase in unemployment, an abnormal increase in the national debt, and inordinate criticism of many of the new-deal policies.

The bill under discussion to eliminate profiteering in war falls wide of the mark, if our target is actually the outlawing of war itself. In legislating to eliminate the profits of the next—apparently anticipated—war, it appears to me that we are putting the cart before the horse. In my opinion, we should legislate to insure our neutrality, under possible distress, and we should subscribe unequivocally to the principle of protection against future war through the elimination of the provocation to war.

In this connection, we must recognize the dangers inherent in our present situation, in which the favored few cling to their special privileges, continuing to increase their tax-exempt bond holdings and exacting their profits from the misery of the masses. Such a condition is the hotbed of discontent, suspicion, and distrust, which are the seeds for internal and external conflict. As a part of our program for a permanent peace, why not enact legislation to eliminate the profiteer in peace as well as in war? Why should we not tax the overprivileged and apply the funds thus obtained toward putting the unemployed back to work? If we did something of this kind, it would be effective, not only to bring relief to our people now, but as a means of promoting national harmony and international amity.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. HOEPEL. I yield to the gentleman.

Mr. DUNN of Pennsylvania. If we took the profits out of war and every nation did the same thing, there would not be any war, would there?

Mr. HOEPEL. If all nations took the profits out of war, it would do a great deal toward destroying the incentive to war. In addition, however, we should enact laws which would more adequately define our neutrality and thus prevent us from being inveigled into a war with which we have no concern.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. HOEPEL. I yield.

Mr. CHRISTIANSON. I was much interested in what the gentleman said about taking the profits out of peace as well as out of war. It occurs to me that we could very well do our bit to prevent the likelihood of future wars by making peace profitable and war unprofitable.

Mr. HOEPEL. Certainly.

Mr. CHRISTIANSON. I would like to have the gentleman's opinion and an explanation of how he makes his answer coincide with the view which he expressed a moment ago that peace also should have the profits taken out of it.

Mr. HOEPEL. In urging the elimination of the profits of peace I refer to those enjoyed by a privileged few only, for there are peace profiteers as well as war profiteers. I agree with the gentleman that peace must be made profitable, but its profits must be distributed among all the people.

We are in a more serious condition today than we were in 1917, and there is growing resentment against an economic system which permits concentrated privilege and profit to exist side by side with the most tragic conditions of distress and unemployment. That is the reason I am suggesting drastic steps to correct this paradoxical situation.

Mr. CHRISTIANSON. But the gentleman concedes that much of our present trouble is due to things which happened during 1917 and 1918, and that it is an aftermath of the war?

Mr. HOEPEL. The gentleman is correct and not only because of world conditions and international relationships, but because of the situation existing within our own country, we have reason to be apprehensive of the outbreak of another war. I am absolutely opposed to sacrificing the sons of America to Mars, the god of war, under the stimulus of the international banker and the munition maker, both of whom will profit unduly in the event of war, regardless of any legislative enactment. I am unalterably opposed to forcing the young men of America into the Army or Navy and to sending them to foreign shores to settle the quarrels of the internationalists.

In my opinion, the United States should make a positive declaration now to the effect that Americans who sail on vessels of belligerent countries, or even in American vessels, in the zone of hostile operations, will not be accorded the protection which we have held to be the Government's responsibility to an American citizen abroad. There is no reason, in my opinion, why the lives of my children or the children of others should be sacrificed to maintain the principle that American citizens may with impunity enter areas of hostilities.

Furthermore, as I recall from my own experience in 1914, our soldiers and sailors were sent into Mexico supposedly to protect American property and American lives. At that time I met an alleged American in a hotel in San Antonio, who had lived in Chihuahua for 30 years. He had raised a family of children there, yet this individual was clamoring for American troops to be sent into Mexico to protect his investments. How puerile and unreasonable it appears that we should accord the protection of citizenship to individuals who have expatriated themselves from our country for long periods of years. In my opinion, if Americans wish to invest or live in foreign countries they should accept the risks and responsibilities which accrue to them through such habitation and investment.

The Mexican Government now has a law which provides that the ownership of property in Mexico automatically grants Mexican citizenship. Americans who wish to live in foreign countries and who remain there beyond a stipulated period, should, in my opinion, be considered as expatriates; at least, they should not be accorded the protection given to a citizen permanently domiciled in the United States. If, as we honestly believe, we are arming for defense purposes only, common sense would dictate that we enunciate principles in accordance with modern life which would prevent the loss of hundreds of thousands of American lives and the expenditure of billions of dollars in support of an archaic theory of the rights of citizenship.

A clear-cut definition on questions of neutrality, in respect to the furnishing of munitions and the extension of loans, would lessen the possibilities of foreign entanglements, but, in my opinion, the coveted world peace will be attainable only when men recognize and accept their responsibilities to their fellow men and to the Deity.

We fought the last war to make the world safe for democracy, yet the fact is that there is less democracy in the world today than ever before. Since the World War we have signed various pacts to outlaw war, and yet there has been more war in that period than there was prior to the consummation of these pacts. The fact is that these international pacts, while they are steps in the right direction and much to be sought after, will never be effective until the greed and avarice, naturally inherent in men, are removed, or at least materially reduced in the chancelleries of nations.

The mad race for gold and a preferred status in trade must give way to mutual understanding among the people of the nations and the spirit of cooperation and the attitude of "live and let live" must manifest itself more positively. At the present time the currencies of the world and the tariff barriers are in a state of chaos. The financial and trade

wars which are now taking place in the world, unless outlawed through a stabilized international currency or some other medium equally as effective, will, I fear, coupled with the growing unrest among the peoples of the world, lead ultimately to break-downs in government and to physical warfare.

The adage "to the victor belong the spoils", which has been subscribed to by the modern politician despite our civil-service laws, apparently had its inception in the practices which prevailed in ancient warfare. Even as late as the Boxer Rebellion the so-called "civilized nations of the world", including our own, were guilty of looting. This bill which we have under discussion seeks to eliminate the pre-war and war loot of the munitions profiteer and his spokesman, the international banker, that cursed individual who recognizes no nationality and who worships at the altar of gold, regardless of the suffering which his machinations bring to the victorious as well as to the vanquished nations.

Certainly the inordinate profiteering incident to the last war is not to be condoned under any circumstances in any future conflicts which may harass us, and it is a heartening sign that there should be a wide-spread determination to prevent a repetition of such unholy practices. But the fact remains that if we are honest in our alleged desire to outlaw war, we are considering the wrong method of approach in this bill. It will not be necessary for us to expend additional billions for war, as we are now doing, nor to legislate to prevent profiteering in war—apparently anticipated—if we will destroy the bridge which leads to war through the enactment of legislation abolishing special privilege and more adequately defining our neutral attitude in the event of war between other nations, and if, in addition, we will renounce the principle of government protection to our citizens when they enter the zone of hostilities or otherwise align themselves, directly or indirectly, with any belligerent.

The warning, given to us by our first President, to avoid foreign entanglements, and the further admonition of President Lincoln that in our conduct toward other nations we should exercise charity toward all and malice toward none, are, in my opinion, our anchor of hope and the principles of justice to which we, as a Nation, should commit ourselves in order to avoid the curse of war.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, no Member of either House of Congress has advocated more consistently the passage of legislation to take the profits out of war than have I. No other Member of this body has been more persistent in advocating the elimination of the possibility of war profits in case this Government should ever be dragged into another armed conflict.

The first speech I made in Congress on this subject was in 1928, in connection with the Capper-Johnson bill, which proposed to conscript everything in case of war, mentioned this afternoon by the gentleman from New York [Mr. FISH] in discussing this bill. In that speech I said:

I am not a recent convert to the soundness of the pending measure. Many years ago, as a member of the State Senate of Oklahoma, I sponsored a resolution urging the Congress to pass the universal draft act, a resolution which was adopted by a unanimous vote by our legislature. I have advocated this measure in my campaigns, believing it to be of great, vital importance to the peace and security of mankind.

Mr. Chairman, I have read the pending bill carefully, and have listened to all of the debate thus far on the measure. I have also read the voluminous committee report of some 37 pages. I wish that I might in good conscience say that this bill, if and when passed, would forever end war profiteering. But no one, not even the sponsors of this measure, pretend to say it will do that. The report of the committee begins by saying that—

This bill is a statement of broad policies, and is deliberately intended to avoid the mistake of seeking to legislate as to details so far in advance of the possible outbreak of war.

Aside from stating broad policies, there is not very much to this bill, but it is evidently a gesture in the right direction. The committee in the very first paragraph of its report cautions Members of this House in no uncertain terms against permitting any amendments that may be proposed to the pending bill. Personally, I think it ought to be amended to put teeth in it and shall not hesitate to offer and support amendments for that purpose. Merely to state "broad policies" of the Government in case of war will not be any guaranty of peace.

Personally, I should like to see the Nye bill or some similar measure substituted for the pending McSwain bill. If you will examine the Nye bill, you will immediately discover that it contains many important provisions that are conspicuous by their absence in the pending measure.

This bill contains no provision to tax war profiteers in case of war, although the report discusses that subject and recommends that those who profit in times of war be taxed 100 percent of their excess profits. Unfortunately, however, we are called upon to vote on the pending bill rather than this splendid committee report.

The Nye bill is a comprehensive, far-reaching measure. It does contain these all-important provisions to tax all excess profits by individuals, corporations, or others who might scheme to make their millions from the misfortunes of war.

Mr. Chairman, as I stand here on the floor of this House and speak from the same spot where I stood 7 years ago when I made my first speech in favor of legislation to outlaw war profiteering, I am more deeply convinced than ever before of the absolute necessity for Congress to draft capital as well as men in case of war. In fact, I would go further and draft capital first. I would draft every available resource. I would say to Wall Street, the international bankers, the professional jingoists, and all others who advocate war that when they start a war, that by the eternals they will pay for that war. [Applause.]

If proper legislation is passed that will really put teeth into the law—and by that I mean if the Government will tax all excess profits of the munitions makers, raincoat makers, sugar kings, coal barons, international bankers, and other jingoists who profit most out of military murder politely called war—there just will not be any war. [Applause.]

If Congress would do its full duty millions of mothers holding their offsprings to their breasts will not have to shudder in the future at the thought that their sons, who are dearer to them than their heartstrings, will ever be called upon to offer their lives to the gods of war, perhaps on foreign soil.

Legislation to outlaw war has been pending in Congress since 1922. The people are growing tired of so much talk and so little action. Generations yet unborn will be called upon to help pay the staggering cost of the last war. If you have read the committee report in connection with the pending bill you will note it points out, and rightly so, that profiteering doubled the cost of the World War. That debt is saddled upon the backs of our children and our children's children, so if for no other reason than the tremendous tax burden that always follows in its wake, that is abundant reason for the outlawry of war. No civilized man or woman could possibly want to see our country again thrust into the throes of war, but war profiteers should not be classed among normal civilized human beings. They are vultures who feast off the misfortunes of war-ridden humanity.

Someone has intimated that some war veterans are opposed to this legislation, but I am glad to say that every war veteran, so far as I know, in this Congress favors the complete elimination of war profiteering. They may disagree concerning the pending bill, but there is no disagreement as to the necessity of legislation to outlaw war. That is only natural. Many men on the floor of this House have first-hand information about war. These men who have stood in the jaws of death know too well that war is a horrible nightmare. Before the war many of us thought of an armed conflict in connection with the waving of flags, the beating of drums, the blowing of bugles, and the parading of well-

groomed soldiers with flashing swords, shining helmets, and neat uniforms.

Today, however, these same men think of war in all of its horrors. They know that war is gruesome and seldom settles anything. Men who have faced machine guns, who have suffered the privations and hardships of war, who have stood in the mud, slime, and filthy, cootie-infested trenches of Flanders Field, Chateau-Thierry, and the Argonne Forest, abhor the thought of another armed conflict.

As I stand here today my memory carries me back to those never-to-be-forgotten days of 1917 and 1918. I can see the Thirty-sixth Division, a Texas and Oklahoma division, in which I served in the humble capacity of a buck private, just 17 years ago this spring, as we were loaded into troop trains like so many cattle and started on our way to France.

We can see our comrades as they were loaded and packed into the old *George Washington* liner and other ships, where the enemy greyhounds of the deep lay in wait to drag them down to death. We see them landing on foreign soil and listening to tongues they do not understand. We see them on those long, weary hikes to the front lines, drenched with rain and walking in mud to their shoe tops. We see our boys dying by the hundreds from exposure, fatigue, and lack of proper nourishment and medical care.

We see these raw recruits hurled into the front lines against seasoned enemy soldiers and we sometimes boast of the fine record that our particular division made for themselves. We were over there to help make the world safe for democracy, but it seems that we are just now beginning to realize that we made the world safe for nothing except the millionaire munitions makers, the unconscionable raincoat profiteers, the heartless sugar kings, and other damnable, unscrupulous, and unpatriotic plunderers who profited to the tune of millions during that war.

As we consider this bill today, I am constantly thinking of that buddie of mine who walked by my side through the rain, slime, and mud to the front lines. Late one afternoon his fever rose and he became so weak he could not carry his pack. That night he lay down with me under the same pup tent and before morning came, he had paid "quick pneumonia."

the supreme sacrifice from the effects of what they called

I resolved then, as no doubt hundreds of others did in similar cases during that dark period of war, that if I returned again to my homeland that I would dedicate my life to the task of trying to outlaw future wars. I am convinced that the greatest guarantee to the young men of today and to future generations of remaining in peace with our neighbors is to say to the world in no uncertain terms that no one will be permitted in the future to amass fortunes or make profits at the expense of human blood.

Let me say, as I have said before on the floor of this House, that I am convinced the American people want an abiding peace. There is no question but that they also are convinced that, if a real lasting peace is to be maintained for this and future generations, that Congress must pass adequate legislation to eliminate any possibility of future war profiteering. It is the province of Congress to say, by appropriate legislation, that the wealth of the land is no more sacred than are the lives of human beings. We must say to the Du Ponts, the Morgans, the Mitchells, and the Mellons, and all of the other so-called "respectable millionaires", many of whom doubled their fortunes during the last war, that their fortunes shall be treated with no more respect than the poorest farm boy who may be drafted to wear the uniform. [Applause.]

This Government ought to go still further in order to protect the people against the exploitations of the munition makers and war racketeers. It ought to place a contraband on munitions of war. I trust this bill will be amended to do that. Never again should it be possible for the heartless munition makers, who have their emissaries in Washington, as well as the capitals of other countries, secretly trying to foment war here and abroad, to ship munitions to belligerent

countries. This Government ought to take over the munition factories, so that our citizens might have the assurance that, while they are being taxed to the limit to provide the sinews of war, that the damnable munitions makers of America will not be furnishing powder and bullets and shells of every description to shoot down the youth of this land.

Assuming that the McSwain bill is going to be amended to eliminate some objectionable features and other amendments incorporated to actually draft the financial resources of the country, I shall support the pending measure as a gesture in the right direction. I believe it will at least have a moral effect against war. But there is no occasion for anyone on this floor to "kid" themselves into believing that it is going to guarantee the elimination of war profiteering in its present form. It is my suggestion that Congress should follow up the passage of this measure with a real constructive and comprehensive measure like the Nye bill, or else substitute it for this measure. A long-suffering public is growing weary of peace talks. It is time that Congress assert its authority and enact legislation that will really take the profits out of war.

Mr. McSWAIN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I hope at this session of Congress we may be able to pass legislation which will take the profits out of war. It would be a great honor for the United States to be the first country in the world to do that; and I know if the United States would take the profits out of war, the people in every other country in the world would demand that their rulers do likewise. If that is done, there would not be any more wars. [Applause.]

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, I am sure the chairman of this committee and the members of the committee are sincerely working toward the same thing that all of us who have spoken today are working toward. We simply think in different terms. I should like to vote for this bill and support it, but I fear if it should pass as it is it would keep us from getting a real piece of legislation now, at a time when we are nearer to it than ever before. I am going to offer some amendments to the bill tomorrow. The way it stands today it is a sort of "Mother Hubbard" bill; it covers everything and touches nothing. The war cost the United States \$29,000,000,000. Do you know how much of that went to the pay of the soldiers? Five percent. The rest of it went to the war profiteers, and then those same profiteers tried to keep this Congress from passing adjusted compensation to pay the soldiers something equivalent to unskilled labor, though it would not have been equal to that at that time.

One of the first amendments that I intend to offer is one that will fix the rate of pay of soldiers equivalent to that of unskilled labor in that particular period. I think it would be a good thing if a price ceiling could be fixed, but if we do that and no more, we will not have accomplished a thing. There is not a thing in this bill giving a bit of authority that did not exist during the last war. It is true that the War Board had to take their authority from a letter written by President Wilson, but at the same time the same power existed and in almost every case was exercised as that which is granted in this bill.

I wish we could vote on the report. There is some good stuff in the report, and if we could adopt that instead of the bill we would have something. But it is not in the bill.

The next amendment I shall offer is one to conscript the management of industry. No one has yet convinced me that you cannot conscript industry with a blanket conscription that will force industry to obey, and if it does not obey, then I say mete out to it the same treatment that is meted out to a soldier when he refuses to obey. You cannot make me believe that the Government of the United States cannot lay its hands on the material resources of this country and use them for the prosecution of war. You cannot make me believe that the Government cannot lay its hand on money to finance the war. I know you had all of that in

your committee hearings and I read every word of it, but I am still unconvinced that the majesty of the flag can command men and yet must get down on its knees and beg for enough money at 4 percent interest to pay for the food that the men eat. Abraham Lincoln said:

I can take the widow's only son from between the plow handles and put him at the battle front where his life won't be good for 6 minutes, but I cannot lay my hand on enough money to pay for the food that he eats.

Mr. Chairman, that was just as true in the World War as it was in the Civil War and that condition is not changed in this bill. If we will put it in there tomorrow so that the Government will conscript the material resources of this country, and the management of industry, as well as the man power, then I shall vote to support the bill.

Mr. McSWAIN. May I ask the gentleman what he means by "conscripting industry"?

Mr. LEE of Oklahoma. Management.

Mr. McSWAIN. Does the gentleman mean to bring the superintendent of a mill or the president of a mill into military service? Is that the gentleman's idea?

Mr. LEE of Oklahoma. That is a question that I will not have time to answer fully, but by a blanket power stating that at the beginning of war every manager of industry is thereby and thereafter at the immediate disposal of the Government and subject to military order and command would automatically conscript him, and that they should hold themselves in readiness awaiting orders, just like we were told to hold ourselves in readiness awaiting orders to move.

Mr. McSWAIN. If the gentleman will read section 4 he will find that under the priority power and the licensing power you can make a factory do what you want it to do or you will put it out of business.

Mr. LEE of Oklahoma. Is that any power we did not have before?

Mr. McSWAIN. Certainly that power did not exist before in law. It was exercised as a matter of concession.

Mr. LEE of Oklahoma. But the power was there. What is the difference?

Mr. McSWAIN. No; the power is not there.

Mr. MARCANTONIO. But the power was exercised just the same.

Mr. McSWAIN. The people thought it was there and they did not question it. Is the gentleman opposed to the conscription of labor?

Mr. LEE of Oklahoma. I shall not inject the question of the conscription of labor into the debate as an argument against your bill, but, personally, I do not see why every man in the country and every dime of resource should not be at the call of the Government in case of war. That is my personal opinion. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. LEE] has expired.

Mr. McSWAIN. I yield the gentleman 1 additional minute.

Will the gentleman yield further?

Mr. LEE of Oklahoma. I yield.

Mr. McSWAIN. I do not see how the gentleman can consistently ask to bring into the military service of the country the president or the superintendent of an industry, and not agree to go all down the line, because the trouble might occur down the line just as much as it might occur at the top. Through the priority and through the licensing system we can make the fellow at the top obey, because if he does not we will shut his plant down.

Mr. LEE of Oklahoma. You had that power but it was not written into law. For 3 months the Du Ponts stood off the Government at the crisis of the war, refusing to manufacture powder at Old Hickory because their margin of profit was not large enough, while our boys were facing death over there. Is that not so?

Mr. McSWAIN. We did not have the power. That was the trouble.

Mr. LEE of Oklahoma. You did not have the power.

Mr. McSWAIN. No.

Mr. LEE of Oklahoma. Did not Mr. Baruch, in his testimony before the gentleman's committee, say that he had the power to commandeer any plant in the country?

Mr. McSWAIN. He had the power to commandeer, but he did not have the power to conscript the superintendent or the principal and put them into military service.

Mr. LEE of Oklahoma. That is what I want to put into this bill.

Mr. McSWAIN. All right. That is good. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. LEE] has again expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, when the gentleman from Texas [Mr. MAVERICK] spoke, he referred to a page in Wisconsin history with which I am thoroughly familiar; that is, the persecution of Senator La Follette because of his stand against the World War. Now, we had other people who voted against the World War, but who, after war was declared, voted for all measures desired by the profiteers. They were not persecuted. On the other hand, we had Members who voted for the war but declined to vote for the profiteering measures, and they were persecuted just as vigorously as was the senior Senator from Wisconsin. I mention that for this reason: That we are trying now to legislate for a time that will come when we will be in war. We will not be in war unless we first create a state of war hysteria that makes a declaration of war possible. After that is possible, we all know the country is going to have only one object, and that is the winning of the war, and woe to any man who stands in the way of winning the war.

Now, we are not going to take the profits out of war. This bill is not going to take the profits out of war. I think that is perfectly clear from the testimony taken before the many committees that have held hearings on this subject during the past 12 years or more.

I want to refer briefly to the war plan of the War College. It is called the "mobilization plan", put out by the War Planning Division of the Army and the Navy. It has been approved by the Secretary of War and the Secretary of the Navy. These plans were for sale in the document room for 15 cents.

These plans contemplate, in the event of another war, the imposition of a military dictatorship on the United States, just as effective as anything that now prevails in Germany or Italy. A short time ago Senator CLARK, of Missouri, introduced in the United States Senate seven measures which were copied from the mobilization plan of the Army and Navy. Those measures are S. 1716 to S. 1722, both inclusive. For your information, those bills would give the President complete control over the issuance of securities in any form and full and complete control over the financial structure of the country. It would give to the President, that is, the military dictatorship, complete control over all production, foodstuffs, materials, commodities, rights or services essential in the prosecution of war; the power to fix prices, compensation, and profits; to limit or prohibit the purchase, sale, use, manufacture, or distribution of any foodstuff, material, commodities, rights, or service whatsoever. The third bill would give the President the right to take over the use and ownership of any and all personal and real property. The fourth bill would give the military dictatorship, that is, the President, the right to set up machinery for the complete insurance of foreign commerce against the risk of war.

The fifth bill gives the President—the military dictatorship—complete control over all imports and exports, and control over all persons engaged in such trade. This bill also contemplates setting up machinery for trading with the enemy.

#### CHILD LABOR IS AUTHORIZED

The sixth bill provides for the drafting of all male citizens above the age of 18. It contemplates drafting laborers as well as soldiers, and creates a War Labor Administration to deal with this phase of the plan. The use of child labor is apparently contemplated, because the bill states:

While the employment of children under the age of 16 years in industry and agriculture will be avoided wherever possible, it must be recognized from the beginning that the nature of the emergency may require such employment in its later stages.

It will be noted that these seven bills give the military forces full authority over the entire man power of the Nation. The draft bill provides for trial by court martial of any person eligible for the draft who fails to respond.

The bills also give the military dictatorship complete control over personal property by permitting the President to confiscate private property at his own price and dispose of it on such terms as he may make. If the owner objects to the price fixed, he is to be paid 75 percent of that figure, and the bill jestingly provides that he may sue for the balance.

Under these bills complete censorship of the press would be accomplished as well as of the radio and everything else. The bills, if enacted, would practically result in suspension of the right of habeas corpus proceedings and civil liberties generally.

It should be noted that these bills are merely a part of the War College plan and are not to be ascribed to the President who happens to be in the White House at the moment.

All we need at any time to give us a military dictatorship comparable to what now obtains in Italy and Germany is merely the development of war hysteria and a declaration of war or a declaration by Congress that a national emergency exists.

These bills were introduced by Senator CLARK against the opposition of the War and Navy Departments. He introduced those bills because he wanted the people to have an opportunity to consider the plans of the War College, which would be imposed upon the country in time of war hysteria, if we ever had war again.

He introduced these so they might be considered at a time when there still existed the possibility of calm and dispassionate consideration. Obviously, the War Department was opposed to the consideration of measures of that kind today, for these measures could be introduced successfully and passed only during a period of war hysteria.

The War College realizes that it could not pass through its real program for a complete military dictatorship in the absence of hysteria.

They have, however, decided to put through the nearest thing to it that stands a chance of passage under the circumstances. This is the McSwain bill. That is why it is before us and when you analyze it you will readily see that this bill puts across the principal elements of the War College plan.

In the first place, the President—the military dictatorship—is given the power to conscript not only men for the military service, but, in fact, all men between certain ages. This has been admitted by the sponsors of the bill. This would permit the conscription of labor. This would permit the complete regimentation of the American people in the same way and to the same extent that it has been accomplished by Hitler in Germany and Mussolini in Italy.

Having given the President this far-reaching power over labor the bill then provides not only that these powers may be made available to the military dictatorship in case of war with a foreign power but also in case of domestic difficulties.

Already labor after 6 years of depression has undergone unbearable pressure. The 21,000,000 people on relief indicate this. The 12,000,000 unemployed is evidence of this fact, and at the same time we have a situation where 1 percent of the people own 60 percent of the Nation's wealth and where one-tenth of 1 percent of the people on the one hand have an income as great as that of 47,000,000 people on the other. The rulers of the land realize there is a limit to what the American working people will stand for. They anticipate that the people in sheer desperation may resort to the weapon of the general strike. That is why they seek the enactment of the McSwain bill.

The military forces of the Nation will then be able and ready to deal with a desperate and outraged citizenry. Congress need only declare that a national emergency exists and the President, through the instrumentality of the mili-

tary forces, will be able to do in this country what Hitler has done in Germany and Mussolini in Italy.

I object to the McSwain bill because it is a dishonest and misleading piece of legislation. For this reason it is dangerous. It creates the impression erroneously that profits are to be taken out of war. That has been brought out by several of the gentlemen on the Democratic side of the House who have asked questions and made speeches. It is evident that they believe that this measure will take the profits out of war. They have indicated that they will vote for the measure because they believe that it would serve to take the profits out of war.

If this measure is passed we shall immediately see the patriotic organizations referred to by the gentleman from Minnesota [Mr. KVALE] as belonging to "the coalition of patriotic societies" proceed to spread the good tidings to all the American people that profits have been taken out of war.

Why should we create this false impression in the minds of the people? It seems to me that this is being done deliberately. It is one of the purposes of the bill. It is being done so that there will be created in the minds of the people the belief that profits have been taken out of war. If the people are led to this erroneous belief, it will make it easier to lead them into war. It will make it easier to bring pressure on Congress at some future date to declare that a national emergency exists. It will make it easier to push through further legislation for the conscription of labor, further suppression of civil liberties, and for the complete control of the people by a military dictatorship.

The people who have sponsored this bill as a means of taking the profits out of war know it would not have this effect. During the time that remains I want to read briefly some of the testimony given by past commanders of the American Legion. I refer first to statements made by Mr. Spafford, who was commander of the Legion in 1928. On May 21, 1928, he gave this testimony:

Mr. JAMES. How are you going to draft capital under your bill, under section 22?

Mr. SPAFFORD. You cannot draft capital; you know that, sir.

Mr. GARRETT. Why?

Mr. SPAFFORD. The Constitution of the United States says that you cannot take a man's property without just compensation.

Mr. Ralph T. O'Neil, former National Commander of the American Legion, appearing before the War Policies Commission in 1931, testified as follows—page 13:

Now, you will recall, I stated a few moments ago that it is our theory when you take money, material, or supplies, that the owners of those materials or supplies or money should be paid a fair profit.

Page 22 and following:

Mr. COLLINS. In other words, you favor about the same agencies to handle the fields, the factories, and the mines, and the railroads that we had during the last war?

Mr. O'NEIL. Along that general line as we had at the close of the last war.

Mr. COLLINS. That is what I say; you would bring into existence again those same agencies through some sort of legal enactment.

Mr. O'NEIL. Yes; generally speaking.

Mr. COLLINS. Now, how would you deal with labor \* \* \* ?

Mr. O'NEIL. \* \* \* I think there should be some regulation of labor; that is my own personal opinion. It is a question of how far you can go under this resolution, perhaps. \* \* \* I assume that if you cannot conscript labor you, perhaps, cannot force them to serve at any particular price.

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Mr. COLLINS. In your statement that you made previously, that would give them a reasonable return on their investment.

Mr. O'NEIL. Oh, yes.

Mr. COLLINS. Well, that is the same as the cost-plus plan.

Mr. O'NEIL. It is not far off in principle, of course.

Mr. COLLINS. That is what I thought.

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Mr. COLLINS. In other words, your idea is that instead of taking the profits out of war you ought to yield to industry in time of war a certain return on their investment. That is your idea, boiled down, as I see it?

Mr. O'NEIL. Yes. If we do not want to change this constitutional provision, you have to do that.

Mr. COLLINS. And you are not proposing an amendment to the Constitution?

Mr. O'NEIL. No.

Mr. COLLINS. And in event of war you think they ought to be paid up to 7 percent?

Mr. O'NEIL. That is a fair return; yes.

Mr. SHORT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. McSWAIN. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I shall touch just one phase of this very large question. With the general purposes of the bill to take the profit out of war, I am in sympathy, but like many other Members of the House, I am considerably disturbed and worried by the labor-conscription feature of the pending bill. My good and honest friend from South Carolina, the Chairman of the Committee on Military Affairs, says there is no labor-conscription feature, but that is not the way we read the bill. It is not the way the leaders of organized labor read the bill, and they have equal rights with other individuals and groups to be heard in a discussion of this measure.

In replying on yesterday to the gentleman from Texas [Mr. MAVERICK], Chairman McSWAIN said:

If the gentleman will carefully read the language of the measure, the purpose is to draft into the military service of the United States and not to draft for the purpose of laboring at all.

But let us analyze the bill. Section 3 gives the President the power to draft into the service of the United States such members of the unorganized militia as he may deem necessary. Mark the language. It does not say that the President shall have power to draft into the military service of the United States persons of the ages described, but it does say he shall have power to draft them into the service of the United States. It does say that he shall have this authority whenever in his judgment an emergency demands the immediate increase of the Military Establishment, but it then goes further, as just stated, and gives him authority to draft them into the service of the United States, nonmilitary as well as military.

This, in my opinion, gives the President sweeping power to conscript labor for industrial employment whenever, according to his interpretation, that sort of conscripted service is necessary to the Military Establishment or to carry on the military needs of the Government. There is even a question as to whether it would not authorize the conscription of women for industrial employment and some very good authorities believe that it does. I am not entirely satisfied on that point, although I know we are accustomed to believe that the term "unorganized militia" refers to all male citizens of the United States between the ages of 18 and 45 who are not enrolled in any of the military establishments.

Now let us look further into section 3. In line 21 the President is given authority in time of a national emergency to commandeer "public services" for use of the Government. That certainly calls for an explanation. What are public services? Would not the services of workmen and working women in their working capacities be public services to the Nation in time of a national emergency? And what is a "national emergency?" A national emergency need not be war. In some of our acts of Congress we have declared that the depression is a national emergency.

I sent today to the document room of the House and asked them to send me all of the acts under the new deal that declared a national emergency to exist. I have them here; there are 12 of them. Look at them. We have at the present time 12 times a national emergency. If that is the case, should the pending bill pass, the President of the United States could proceed at once under a national emergency to draft people into the service.

A great strike that paralyzes transportation and a shortage of food supplies with threatened starvation to millions might be a national emergency. In this section of the bill we make the President of the United States as powerful a dictator as Hitler or Mussolini, and we give him authority to conscript men and women for public services in any national emergency that may not be a war at all. We give him authority which conceivably might be exercised in the case of a great

strike to compel employees to render public services by returning to work or by going elsewhere to work according to Executive direction.

My apprehensions in regard to this legislation are shared by leaders of organized labor, for whom I have the highest respect. Edward Keating, a former distinguished Member of this body and now editor of *Labor*, the official organ of the railroad brotherhoods, opposes this bill as one that might make possible the conscription of both men and women for industrial as well as for military service. There is no more able exponent of labor in America than Mr. Keating, or one with a broader humanitarian vision.

Daniel J. Tobin, of Indianapolis, a great leader of organized labor, whom President Roosevelt for a long time had under consideration for appointment as Secretary of Labor in his Cabinet, writes to me from Indianapolis that he has carefully examined the bill now before the House, and he adds:

It is my opinion, after 30 years of experience in the labor movement and having an active part from a civil standpoint in keeping the wheel rolling during the World War, I repeat, there is no need for the conscription of men in industrial employments. The Government had quite an unpleasant experience in running the railroads during the last great war, although at that time I believed, with many others, that it was an absolute necessity for the Government to take over the transportation lines. But, even then, there was not any conscription of employment and with everyone working as before except those under Government regulation and operation we got results.

When the Government begins to conscript, or take over, slaughterhouses and civil employments, it will have more on its hands than it can successfully carry on. Our Government in time of war has an enormous job on its hands to look after the military and naval end of the conflict and to see that industries are properly managed so that we may have the proper output and to prevent strikes and lockouts from the standpoint of conciliation and not from the point of view of forcing everything under military control. The McSwain bill, as you so thoroughly analyze, as at present written would mean the conscription of human beings for employment as well as in defense of our country.

In expressing this opinion, I have no hesitancy in saying that it is the opinion of the legitimate, bona fide organized labor movement of America.

I want to support the bill of the gentleman from South Carolina, but I cannot do so unless it is amended in clear and specific terms so as to exempt the conscription of labor for industrial employment. I am sure that many other Members of the House feel exactly as I do about this matter. I think the gentleman from South Carolina, for whose sterling character I have the greatest admiration, has been eminently fair in bringing in his bill wide open for amendments. I know he is sincere in believing that the measure as it stands does not authorize the conscription of labor for industrial employment, but in respect to the opinions of those who differ with him, I believe he will agree that his bill needs clarification. I have prepared for that purpose a simple, direct amendment, the adoption of which I believe will satisfy all persons who are opposed to the bill on the grounds of conscription. At the proper time I shall offer this amendment as a provision at the end of section 3 of the bill. My amendment is as follows:

*Provided*, That nothing in this act shall be so construed as to authorize the President to conscript human beings for service in industry.

I ask my lovable friend from South Carolina, who has already stated that the purpose of the bill is not to conscript labor, whether in the interest of clarifying the measure and composing differences he will not be willing to accept my amendment?

Mr. FADDIS. Mr. Chairman, if the gentleman will permit, I may state that the purpose of the bill is not to conscript labor. For the purpose of clarifying the measure and also that the Members of the House may know that this point will be cleared up, I will state that the committee intended, when this legislation was drawn up, that there should be no attempt to conscript labor, and at the proper time some member of the committee will offer an amendment that will amply take care of the objections made in this respect.

Mr. LUDLOW. That is very encouraging; I thank the gentleman; but I wonder if the gentleman from South Caro-

lina would express himself on this particular amendment I have offered, or does he feel that he cannot go so far at this time?

Mr. McSWAIN. Mr. Chairman, of course the gentleman recognizes that the amendment of a member of the committee would have priority over amendments offered by those not members of the committee; and before the gentleman from Indiana spoke, the gentleman from Pennsylvania told me that he desired to clarify the bill in this respect. We want to say that we are in entire accord with the views of the gentleman from Indiana, and we thank him for his contribution. [Applause.]

Mr. LUDLOW. That being the case I should like to say that I am immensely pleased, because I think that will meet the objections of many Members of the House. I recognize, of course, that a member of the committee would have precedence over me to offer the amendment. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. McSWAIN. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I had expected to conclude the debate on the part of the proponents of the bill, but inasmuch as two members of the committee handling the bill, who desire to address the Committee of the Whole House on the state of the Union are not on the floor, I shall go forward at least briefly at this time.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. BELL. I am very much interested in this bill. If I understood correctly the statement of the chairman of the committee yesterday, it was to the effect that upon the passage of the bill now under consideration he would introduce another bill, which would come from the Committee on Ways and Means, to put some taxing features into this bill, so it actually will take the profits out of war; that this bill is preliminary to the other. Did I understand the gentleman correctly?

Mr. McSWAIN. Yes; it may be necessary to supplement this bill, the only one the Committee on Military Affairs had jurisdiction to consider, with legislation from the Committee on Ways and Means; from the Committee on Foreign Affairs, as was discussed by the gentleman from New York [Mr. FISH]; from the Committee on Banking and Currency; and perhaps from the Committee on Labor and other committees having jurisdiction of various factors in this whole problem.

Mr. BELL. Was it the plan of the committee to cooperate later on with the Committee on Ways and Means for the purpose of bringing in a bill to supplement this one?

Mr. McSWAIN. I am quite sure it is. The report of the committee itself states that a bill should go before the Committee on Ways and Means directing the taxing at 100 percent of excess war profits. I cannot pledge the whole committee, but I can pledge myself as I did yesterday on that proposition. I want to say also that the only way any composite bill could be brought in by any one committee would be for the House to create, under a special rule, a committee and at the same time giving it jurisdiction of such composite bill. For instance, we see in the *RECORD* this morning what purports to be the tentative draft of a bill that is being considered by a special committee in another branch of Congress. If that bill were introduced into this body, and I am sympathetic with the general idea of the bill, and the purposes of the various provisions in it, may I ask to which committee the bill would be referred? What committee would have the predominant interest in that legislation? The Speaker, under the rules of the House, would have to cut that bill up into five or six different sections.

Mr. BELL. Does not the gentleman think that such a committee ought to be appointed and authorized to deal with this subject as a whole, so that when the bill does come before the House we will have a bill that will satisfy the minds of all those who want to take the profits out of war?

Mr. McSWAIN. May I say to the gentleman that I think one step at a time by committees having experience and training in the different classes of legislation will finally re-

sult in building up a more workable and practical system of legislation to meet the situation which we expect to meet. May I say to the gentleman that the idea which the gentleman has in mind was in my mind throughout all of these years when I was seeking to set up the War Policies Commission. I endeavored to have that Commission frame a composite piece of legislation to cover the whole field, bring it in here and ask Congress to enact that legislation as a whole. However, I could not get that resolution through. The Congress at that time said: "No; we will not give a special commission like the War Policies Commission, which has personnel on it not Members of Congress, the power to bring in a bill." I wanted them to have the power to bring in a bill. That was in my original resolution, but that feature was cut out.

Mr. Chairman, we have been in this fight for 11 or 12 years, and when we get in sight of the first step do not say, because we cannot go all the way in one bound, "We will not go at all." Let us take it as we find it. When you go out bird hunting you do not wait until you see a whole covey of birds fly up. You take a shot at the first bird that flies up.

Mr. McCORMACK. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. This bill states that—

Whenever Congress shall declare war or the existence of an emergency due to the imminence of war.

What is the necessity for the words "or the existence of an emergency due to the imminence of war"?

Mr. McSWAIN. That will be up to the Congress. It will have to be declared by the Congress.

Mr. McCORMACK. If Congress declares an imminent situation to exist, that is an actual declaration of war?

Mr. McSWAIN. It might or might not be.

Mr. McCORMACK. Well, what is the necessity for that language?

Mr. McSWAIN. I will explain it.

Mr. McCORMACK. All right.

Mr. McSWAIN. Suppose it was almost certain for some months in advance that we would be embroiled in a war, but prices commenced to rise far in advance of the actual declaration of war. This Congress could say that an emergency now exists; "We are not going to declare war, but to keep this run-away condition in prices from stifling and choking the power of this Nation to make war we will now declare an emergency and authorize the President to put a ceiling upon prices." That is all this measure does.

Mr. McCORMACK. I have not a lack of harmony with the gentleman; however, it seems to me if, for example, there was an imminence of war at the present time with some other country, and we will assume that the Congress was to declare that fact, so far as the other country was concerned, that would be tantamount to an actual declaration of war, and whatever chance we might have to avert the war would be seriously interfered with. That is why I think it should be confined to an actual declaration of war.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, as I understand this pending measure it is merely a declaration of policy in advance of war. In other words, it is carrying out the adage "In time of peace prepare for war", and it carries with it ample authority for the President of the United States to carry into effect the policy that is here authorized or adopted if and when the Congress declares an emergency to exist or makes an outright declaration of war.

Some of the gentlemen who have spoken in opposition to this measure do not seem to get the general idea. The difference between the present situation and the situation in which we found ourselves during the late war is this: We are taking steps now at a time when there is no pyramiding of prices to declare a policy under which the President of the United States, as the Commander in Chief of the Army and Navy, may establish a ceiling or freeze prices. That

is quite a different situation from that in which we found ourselves in 1917 and 1918 after the European nations had for 2 years or more been in active preparation for war and actually engaged in war, and when as a result of the demand for our products to meet the needs of European governments, prices at that time reached the sky in some instances.

As stated by the distinguished Chairman of the Military Affairs Committee, if it is found that even during times of peace and in anticipation of a condition that might provoke war, prices are too high, this authority may be exercised, and I am not yet persuaded that there ought not to be some means in this country of even freezing prices in times of peace. Of course, this bill merely declares a policy and provides the method by which the policy may be made effective. It is known by all men in this House who are well informed, and, of course, all of them are, that the Military Affairs Committee is not a committee that can legislate upon the subject of taxation; therefore, it could not bring in a bill providing for the levying of taxes, and especially the levying of taxes that would meet war conditions.

I doubt if there is a Member of this House who would say he would vote for a tax measure that would levy taxes in times of peace that he would not vote for in time of war. Therefore, it is just preparing the way so that it might have this effect. I have heard the arguments upon the floor of this House ever since I have been in Congress that there were profiteers in the country. I have heard some of the best men in this country denounce the profiteers, and they may have been guilty of profiteering. It is said here, and reliably so, that there were billions of dollars made in excess profits during the World War. I am persuaded if this country's business men, if this country's factory owners, if the financiers and owners of the great steel plants and munition manufacturers of this country know 10 years or 20 years in advance of a war that the policy of the Government is that they are not going to be permitted to make great, gigantic profits when a war does come, they will not build their plants as war plants and for war needs but will build them for the needs of industry in this country as it develops.

Industry in a land of peace and plenty like this will always develop to the point where it will be capable any day, any hour, any night of meeting the demands of war, and when this bill goes into effect it is notice to industry, it is notice to the multimillionaire, it is notice to the president of the great Bethlehem Steel Co. and to the president of the United States Steel Corporation and to the Du Ponts, and all other war munitions makers in this country, that the United States Government has adopted a policy that says you cannot have 200-percent or 1,000-percent profit upon your production.

This means that peace has been declared already, and I think the record of the Military Affairs Committee will show that when the title of this bill came out in its original form it was merely a bill, as recited, "to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense", and upon my suggestion the words "and promote peace" were added to the title of the bill.

I did this because I believe that as the United States has been the great, shining example to the nations of the earth—

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. DUNN of Mississippi. I notice on page 2, and I am asking this as a matter of information and as an ex-service man who gave 2 years to his country in the World War—

Mr. MAY. I congratulate you, sir. It is to you and your comrades that the world shall forever be indebted for your heroic and sacrificial service.

Mr. DUNN of Mississippi. What is meant by the words "unorganized militia"?

Mr. McSWAIN. Mr. Chairman, will the gentleman yield for a statement?

Mr. MAY. Yes; I yield to my distinguished chairman.

Mr. McSWAIN. It has been the language of the common law for hundreds of years that the "unorganized militia" means all male persons capable of bearing arms who were not already in the organized militia, such as the National Guard.

Mr. DUNN of Mississippi. Do we not have today, separate and apart from the laity, what is commonly known as the "State militia"?

Mr. McSWAIN. We have that; yes.

Mr. DUNN of Mississippi. And they are not a part of the armed forces?

Mr. McSWAIN. The National Guard is now a part of the armed forces.

Mr. DUNN of Mississippi. And is not this a direct implication that you are driving home the fact it applies only to the State militias and not to the laity proper? I know from personal knowledge how my comrades of the World War fought so valiantly, and I do not think there should be any sort of chance for discrimination against them. My Nation is in war; we must all bear the burden.

Mr. McSWAIN. If I may answer that, no; because, under the National Guard Act passed by this House and by the Congress on June 15, 1933, the National Guard can be immediately ordered by the President of the United States into the national service. So when they go out there is nobody to draft except the unorganized militia.

Mr. DUNN of Mississippi. I have made the observation for the reason that I remember well the President's proclamation after our Congress declared war in 1917, that the word "citizen" would suffice in the common, ordinary parlance, as we understand it, and as for me, I shall always answer my country's call whenever and wherever I am needed, and I am sure all good Americans will do likewise. [Applause.]

Mr. McSWAIN. If the gentleman was in the National Guard in 1917, he will recall that they were drafted into the Federal service.

Mr. DUNN of Mississippi. No; I was not in it. I was a volunteer, as I shall be again if the time ever comes that our country is so unfortunate as to be plunged into war.

Mr. McSWAIN. But under the terms of the new National Guard Act, which was supported by the National Guard Association, the National Guard can now be ordered into the Federal service at any time.

Mr. MAY. That is it, exactly, but I am glad to say that my colleague [Mr. DUNN] from Mississippi was not only a good soldier, but he is a great American also.

Mr. SMITH of Connecticut. If the gentleman will yield, the National Defense Act, section 57, provides that the militia is divided into three classes—the National Guard, the Naval Militia, and the unorganized militia.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield, although I have only a few minutes.

Mr. LUDLOW. The unorganized militia, I may add, is composed of persons between 18 and 45 years of age.

Mr. McSWAIN. The unorganized militia.

Mr. LUDLOW. Yes.

Mr. McSWAIN. There is no limitation in the Federal law upon that subject. Under the common law it includes all persons capable of bearing arms.

Mr. LUDLOW. The Library of Congress so informed me the other day.

Mr. McSWAIN. If they say so, I am wrong, and I stand corrected.

Mr. MAY. Now, Mr. Chairman, may I make just one further brief statement, and that is, as I have repeatedly stated upon the floor of this House, that I am bitterly opposed to war and strongly in favor of world peace, but my disagreement with many good people equally as sincere as I arises out of our difference in judgment and not to any difference in our ultimate objective. There are those who believe in peace at any price and they, I think mistakenly, believe that we should leave this vast, growing, powerful Nation of ours

with its hands tied, wholly unprepared to defend itself if attacked, while I believe that if there ever comes a time when any nation on earth chooses to attack us, if they know that we are adequately prepared to defend ourselves, they will be less likely to attack us. I ask you, my colleagues, is our country, whose footsteps have always led toward the paths of peace, and whose policy is not one of aggression, but one of defense and tolerance, to be rendered helpless in the hour of great peril by those who would have peace at any price? As for me, Mr. Chairman, I repeat I want peace. I love peace, I covet peace, and I will go so far as to repeat that I so greatly desire peace that, if need be, I am willing to fight for it, but I want to be prepared to fight, if fight I must. Did you ever realize that our war establishment is not in fact a war department, but is in reality a peace establishment because it has never really provoked or brought on a war while, on the other hand, it has successfully concluded and settled in glorious victory every conflict in which this Nation, as such, has engaged. Finally, Mr. Chairman, in the language of Stephen Decatur, "My country—may she always be right, but right or wrong, my country." That is my sentiment. [Applause.]

Mr. ANDREWS of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman and Members of the Committee, I do not believe that this legislation will actually and effectively take the profit out of war. There is not a Member of this Committee who has made an intensive study of the matter who will venture to say that this measure will stop profiteering in time of war—not one Member of the Committee. On the other hand, they all do say and contend that it will have to be followed by other legislation, which will undoubtedly have to originate in the Ways and Means Committee of this House.

Mr. McSWAIN. We think that if they are clamped down by this bill, there will be no chance to make any profits except through an increase of industry.

Mr. WITHROW. I do not agree with you. I have great respect for the chairman of the committee, and if it was within his power to complete this legislation I would be for it, but the remaining legislation which is necessary on this subject is not under the control of the gentleman's committee.

Even if this half of the legislation necessary on this subject were effective, it would still be necessary to secure action on an income taxation provision by the Ways and Means Committee, and we have no assurance whatever that such action will be taken by the Ways and Means Committee. Why should we do only half of the job when there is no assurance that the remaining and most important half will be completed? Why not enact complete and adequate legislation on this subject without further delay?

I wish to call especial attention to several sections of this bill. For example, the section which the chairman of the committee mentioned, which freezes the price ceiling. Any one who has had anything to do with manufacturing, who has had any contact with manufacturing, realizes that during time of peace the cost of selling an article ranges from 20 to 90 percent of the selling price of that article. During time of war, however, the selling cost is greatly reduced or entirely eliminated, so that if we merely freeze the price, we are in effect increasing the manufacturers' profits from 20 to 90 percent, which is certainly excessive.

Section 2 of this bill says that the President may have the right to regulate prices in time of war. He would no doubt appoint a commission and hold hearings to establish prices. Such action must of necessity be slow, so that by the time it was possible to adjust prices the war would probably be over. Certainly the horse would be stolen before the barn door could be locked.

In addition, this bill provides the authority to conscript labor and to conscript industry in time of war. We have had experience with Government war-time operation of industry. During the World War the Government took over the railroads. The result was that the railroads continued to be operated by the same men who were operating them before

the war, and those gentlemen proceeded to make a farce of Government control. The only difference was that all the railroads proceeded to rebuild their establishments at the expense of the taxpayer.

This measure would make it possible for all industries to rebuild their plants during war time at the expense of the taxpayer.

Sections 4 to 6 of this measure are just repetitions in which it is provided that all the war profiteers may be treated fairly and liberally, and section 7 provides a penalty if they do not treat one another fairly. [Laughter.]

Our Nation demands that this Congress enact legislation which will actually and effectively take the profit out of war. This half-way measure which is now being considered will not do that. If we pass this bill, I and all of you know that no supplementary legislation on this subject will be passed by this Congress.

I also want to say that this is not a case in which the Senate can pull our chestnuts out of the fire by substituting the Nye taxation features, which we all know would adequately meet this problem. This is due to the fact that all taxation legislation must arise in the House and cannot be instigated in the Senate.

It is perhaps unnecessary to remind you that the legislation which has been suggested by Senator Nye, and which I have tried to substitute for this half-way measure, makes possible the use of every helpful device which is included in this bill, and in addition provides for the confiscation by the Government of all profits over 6 percent in the form of an income tax during time of war. That, in my opinion, is a real and effective means of taking the profit out of war.

No more fitting monument could be erected to the memory of those brave men who have given their lives in the service of their country than the enactment of legislation which will actually and effectively outlaw all private profit in the event of future war. Such legislation should, and I am sure will, serve as a guaranty that this Nation will not be drawn into any foreign conflict for the profit of any individual or group of individuals.

I feel that such legislation, more than all of the peace conferences which have been or will be held, will serve to insure that the United States will not be guilty of aggression in any war. It will serve as a challenge to the saber-rattling nations of Europe and Asia to follow our example in maintaining peace with their neighbors and with the world.

It is almost beyond belief that there are those who would profit from the blood shed by the youth of our Nation and from the suffering of their widows and orphans.

In the name of humanity and for the preservation of our Nation we must here and now enact legislation which will actually and effectively eliminate private profit in time of war. [Applause.]

(The time of Mr. WITHROW having expired, he was given 5 minutes more.)

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. Yes.

Mr. AMLIE. Can these powers be invoked only in case of war with a foreign power?

Mr. WITHROW. No. As I understand it, they could be invoked in case of any national emergency. I imagine if there were a strike it might be possible to invoke these powers.

Mr. McFARLANE. And I should like to hear some discussion on this point. If we needed a little help to enforce some of the alphabetical program would it not be possible to declare an emergency and call out the militia for that purpose?

Mr. WITHROW. Mr. Chairman, I want to stop profiteering in time of war. I believe in reasonable profits, but will the chairman of this committee submit to having this bill sent to the Ways and Means Committee in order that they may put in the bill those taxing provisions which are necessary to make it effective?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. McSWAIN. Mr. Chairman, I yield myself 1 minute in order to answer the question asked by the gentleman from Wisconsin. When he asked that question he ought to know that no chairman of the committee will subordinate the jurisdiction of his committee. I respected the jurisdiction of the Committee on Ways and Means by not invading its province. I certainly will not surrender the jurisdiction of this committee on any matter. We have brought in legislation here that we believe will be effective, and as far as our committee can go. I am willing as a Member of Congress to go before any other committee and fight for legislation that will supplement this in the interest of national defense.

Mr. ANDREWS of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, it seems to me that we are splitting hairs on this bill. We are going into the minutia of detail. I am in favor of this bill, because I am in favor of taking the profits out of war, and I believe that this committee has done a pretty good job. I do not believe that they would claim it is 100 percent perfect, but I have not yet seen a bill emanate from this House that is 100 percent perfect. All they are doing, and I reiterate I think they have done a good job, is to take a step in the right direction. It has been said this afternoon that for many years we have been trying to get a bill through this House somewhat along this line, with its objective the taking of profits out of war, and we have not yet gotten a bill through this House along that line. Some gentlemen say we do not need this bill, because during the World War the President issued an order along this line and had the authority at that time. By the same token you might just as well take all of your statutes and throw them in the fire and run this country by Presidential edicts. We want this bill passed, because it is a start in the right direction. It is a statement of policy, it is something that will give us some idea of what we may expect in case we are unfortunately drawn into war in the future. I am a veteran of the World War. It is true that I did not spend many months in it, but those I did spend were as a private in the Infantry, and I know a little about war. In my home city, Portland, Oreg., we have a veterans' hospital. There are many men and some women in that hospital for whom the armistice has not yet been signed and to whom the war will never be over, because they are suffering the tortures of the damned on account of that terrible war that was fought, we were told, to protect democracy.

Practically every war is started because of selfishness, greed, and avarice, because profits can be made. One would think from the arguments of some of the gentlemen here that if this bill is passed we will not get another chance to improve upon this bill at any time in the future. Let them come on with their amendments, if they are legitimate, and offer them, and let us consider them.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. Yes.

Mr. ANDREWS of New York. There is one thing that does not seem to me to have been brought out as yet, and that is the fact that the conferees that may be appointed on this bill might agree to accept an amendment of the Senate imposing taxes, and I would be very much interested in having an expression of opinion from the gentleman from South Carolina [Mr. McSWAIN] upon that point.

Mr. EKWALL. I think there is no question but that if the bill goes to the other end of the Capitol and is sent to conference that the conferees of the House will be glad to accept a reasonable amendment of the Senate.

Mr. McFARLANE. But a tax amendment offered in the Senate would not be germane under the Constitution, which provides that all tax matters must originate in the House. How are we going to get a tax amendment on this bill which will really take the profits out of war?

Mr. EKWALL. Possibly that is true.

Mr. MARCANTONIO. Furthermore, any such effort on the part of the Senate would not be within the differences

that would exist between the House and the Senate and would not be proper.

Mr. McSWAIN. The point has been made often when conferees went beyond the scope of the legislation proposed by the respective Houses that a special rule could be adopted to make the additional matter in order.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. I cannot yield further.

Many encomiums have been directed to our genial friend who is chairman of this committee. They say they are willing to trust him, but, by implication, are not willing to trust other great committees of this House to whom other features of this legislation would go. I am willing to trust any committee of this House [applause], because I know that every man and every woman on those committees is just as patriotic as I am.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. EKWALL. I know they are imbued with the same ideas that I am. I do not think there is a man or woman in this House or in the Senate who will not subscribe to the proposition that we should take the profit out of war, because the moment the word goes out that we have taken the profit out of war in this country it will reduce to an irreducible minimum the chance of our getting into war. I say this bill is a bill in the right direction and in the interest of insuring, in the future, that profits shall not be coined from the tears of the mothers of this country, and from the suffering and misery which always attends war. I think we ought not quibble and become too technical about it. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. EDMISTON], a member of the committee.

Mr. EDMISTON. Mr. Chairman, I agree with my colleague from Oregon [Mr. EKWALL]. I am in favor of this legislation. The heading of the bill, "To prevent profiteering in time of war and to equalize the burdens of war", states just what this bill does, in my opinion.

I have listened to the Members who are opposing the measure. Probably this bill does not go as far as some of us would like it to go to prevent war, but certainly this bill is an improvement over existing conditions, and I believe will tend to prevent future wars. I do not think any of the other leading nations of the world can resist following with legislation similar to this, because, to my mind, it is a tremendous advantage to the United States of America to have this sort of legislation to enable us to keep out of war; but if we are forced into a war of defense this measure will aid our country in conducting that war rapidly to a successful conclusion. I do not believe the other nations of the world can afford to let us have that advantage and not follow our example by enacting similar legislation in their countries. If all of the leading nations of the world will enact similar legislation, it would certainly have a tendency to make the world stop, look, and listen before declaring war.

The gentleman from Illinois [Mr. DIRKSEN], I believe, criticized the bill because of the language in section 3, "that in the event of war or a national emergency declared by Congress to exist", the powers of this bill might be exercised. The gentleman did not object to it in the event of war, but he objected to the language "or national emergency declared by Congress to exist." I cannot see why that is any reason to oppose the legislation because of the language that the powers of this bill may be exercised when Congress thinks a national emergency exists, even though we are not at that time in a state of war. If the emergency of our country is that serious, it seems to me that the powers of this bill to prevent a serious condition in the country should be exercised.

The report on this bill came out of the Committee on Military Affairs after hours of hearings. The Chief of Staff of the Army, General MacArthur, is in favor of this bill. Rep-

resentatives from the American Federation of Labor appeared and had no objection to the legislation.

[Here the gavel fell.]

Mr. EDMISTON. Gen. Hugh Johnson, who had a leading part in the administration of the Draft Act in the World War, appeared before our committee and heartily endorsed this bill. Mr. Bernard M. Baruch, whose activities to aid President Wilson speed up and control war-time industries are well known, appeared before our committee and heartily endorsed this very bill. I value the opinion of these gentlemen, because they had the experience of trying to do the things this bill provides during the last war this country was engaged in. They know what they were up against, and all of them stated to us that had they had a bill like this during the World War they could have done their jobs more rapidly and much better, and the aftermath of the war would have been much better for the whole country.

Mr. ANDREWS of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, there is before the House, bill 5529, laudable enough in its adherence to the principle of removing the profits from war but utterly inadequate for the maximal accomplishment of that aim. Its greatest fault is that no provision is made for removing the profits from the preparation for war. It is not sufficient that profit be removed from the actual conduct of war. It is absolutely essential that economic gain be eliminated from the preparation for war.

The plan of the Senate committee investigating the munitions industry proposes a limit to the profit which may be made by a munitions company in time of peace. An income tax of 50 percent would be levied on all individual and corporate incomes under 6 percent and a tax of 100 percent would be levied on all individual and corporate incomes over 6 percent. The adoption of that suggestion would be effective.

A measure properly to promote peace should adopt a pay-as-you-go policy in case of unavoidable war. The adoption of this procedure would result, not only in curbing actual war activities and terminating a war sooner than could be expected under an elastic credit system, but it would abolish for future generations the economic distress and the burdening taxation which inevitably follows war, and hold economically enchained generations whose sole connection with the war for which they are paying consists of their historical studies while in school.

The Senate munitions investigation has shown us all too clearly the connection between war and extra dividends. Here are a few figures taken from Moody's Analysis of Investments, 1912-19, as presented by the chairman of the Senate committee investigating the munitions traffic: The average profit in the 4 years preceding the war for the United States Steel Corporation amounted to \$105,331,000 a year. In the 4 years during the war this sum averaged \$239,653,000 per year. In the case of Du Pont Corporation, the profit ran from more than \$6,000,000 a year to over \$58,000,000 a year. In the case of Bethlehem Steel, from \$6,840,000 annually to \$49,427,000 a year. These are but two of the many examples that might be cited of the profit that comes from war and the preparation for war.

We have seen during the last few months how the Electric Boat Co., of Groton, Conn., brought suit to recover moneys from Germany for royalties on submarines which it claimed Germany had built upon patents, plans, and designs owned exclusively by the Electric Boat Co. We have seen how American cruisers went to Turkey and there demonstrated the latest products of the Driggs Armament Corporation. While 100,000 American boys lost their lives in 1917 and 1918—during the 4 years of the World War—22,000 new millionaires were created over here. These are but few of the many facts that have been ferreted out in recent months. They form part of the reason why the American people insist that never again shall any person make money out of war or the preparation for war.

I cannot support the McSwain bill because should this measure pass it would prevent the passage of an efficacious measure, which would contain provisions potent enough to really carry out the will of the American people, who want peace in no uncertain terms.

The McSwain bill overlooks the all-important fact that money can be made in the preparation for war. It is a comparatively easy thing to date contracts made during the war to the period prior to the declaration of war. I repeat that to pass the McSwain bill would be to defeat our purpose.

I suggest instead that we delay action on this measure until we have had an opportunity to confer with the Senate leaders who are engaged on this legislation and assimilate with the proposal which emanates from the House, those provisions of the Senate bill which are freely acknowledged to be vital to a measure which sincerely and honestly seeks to promote peace by taking profit out of war. The Senate committee has been at work many months, and is equipped to furnish us with concrete suggestions to accomplish our aim to maintain peace.

I was in hopes yesterday that the vote of the House would send this bill back to the committee for further deliberations, from which would result a bill lacking none of the provisions needed to carry out the desire of the American people for peace. The report on the McSwain bill anticipates that the American people will censure the omission of a provision for the levying of an excess-profits tax. The Committee on Military Affairs explains that it has no jurisdiction in raising revenues by any form of taxation. The committee expresses its "deliberate conviction that 100 percent of all profits shown to be due to war-time business conditions shall be taxed out of the person, firm, or corporation earning such excess profits." I am glad the committee has announced its favor of the proposal, but that does not alter the unfortunate fact that the necessary provision is not contained in this measure.

I would be in favor of reporting this measure to the Ways and Means Committee, so that there would arise no question about incorporating in a measure to take profits out of war the right to tax profits. Without such a provision a bill to take profit out of war is only a delusion and a snare.

I believe that any bill that is really to accomplish its purpose must adopt the following principles:

First. There should be a prohibitive tax of at least 50 percent on all corporate profits above 6 percent.

Second. There should be a strict limit on individual incomes during the war. No person should be allowed to make more than \$10,000 while other persons are fighting for a dollar a day, risking their very lives.

Third. All commodity and probably all stock exchanges should be closed, so that there can be no speculation in commodities and securities during the war period.

Fourth. The Government should have the power to draft leaders of industry at salaries paid to officers of the Army.

Section 3, in that it applies to a condition of war or to a national emergency, is deserving of the righteous indignation of labor. In a word, it unfairly drafts labor. Similarly, this section is antagonistic to the farmers of our country.

We can fight nationalism and false patriotism on their own grounds; we cannot fight the insidious pressure of men desirous of reaping fortunes out of human lives. The man who makes money out of the conduct of a war, or the preparation for war, is as low as the ghoul who stalks battlefields, taking rings off dead bodies.

In Arlington Cemetery there stands the majestic Tomb of the Unknown Soldier. Throughout the year soldiers stand guard. On this tomb are inscribed these simple words: "Here lies in honored glory a soldier known but to God." For the sake of this soldier and for the hundred thousand comrades he represents, for the sake of the bereaved parents, wives, and children, who are the acutest sufferers of war, we must take the profit out of the preparation for war and out of the ghastly business of war itself before we can sincerely demonstrate an honest desire to prevent war. No man who

loves America dare be satisfied with anything less. [Applause.]

Mr. ANDREWS of New York. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, in 8 minutes I am going to try to cover briefly ground that I should like to have had 30 minutes to cover, because I think I could paint a picture that would interest the Members of this body, and which the country should have. Mr. Chairman, at the outset I am going to ask unanimous consent to include in my remarks certain excerpts from the hearings before the committee.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. KVALE. We have heard much about a step in the right direction. I am willing to agree to that, yet I cannot escape the abhorrence and shame that I feel every time I offer that as a reason for voting for a measure in this body. It is an apology. It is an alibi. It is an expression of disappointment. To a certain extent it is an insincere reason for supporting a measure in which I have no faith. Even then, I may eventually vote "aye" on this bill for that very reason.

With that prelude, I wish to say also, as I said yesterday, that I have a warm regard and a high esteem for the chairman of my committee. I am going to be impertinent enough—and I hope he will not regard it as such—to offer certain pages in the hearings to which I want to refer the Membership of this body.

I am talking to the empty benches this afternoon, and not to those who are loyal enough to sit through a tedious debate, because I hope that some of the absentees may read these remarks in tomorrow morning's RECORD. If they doubt the undaunted spirit of the chairman of our committee in this cause, if they doubt his sincerity of purpose, if they doubt the zeal with which he has devoted himself to this fight, they may find, among many others, his quotations on pages 70, 192, 317, 486, and 490 of the hearings which will dispel that doubt most speedily. So I dismiss that phase of this debate without offering the quotations to which I refer, for they are well surrounded by others almost equally worth quotation, at least in my estimation. I shall be for JOHN McSWAIN until I lose faith in human nature. That is a big mouthful and I state it with deliberation.

Furthermore, I am willing to admit that this bill will do some good and that it is a step in the right direction. In that regard let me refer you to a few sentences from page 6 of the hearings, a colloquy between the gentleman from New York [Mr. FITZPATRICK], then a member of the committee, whom we have since regretfully lost through promotion, and the chairman with reference to the prices paid during the last war, and with reference to the situation this bill is designed to correct. No longer will there be profits of 600 to 1,000 percent, or more, it is true. But profits will continue, I again assert, and it is that particular feature of guaranteed profits to which I wish to address myself for these few minutes.

I may do one unkind thing—I hope not—in referring you to page 491 of the hearings, to a statement made by the chairman of my committee before the Industrial Mobilization Board, in which he enunciated certain criticisms directed against the Johnson bill at that time. The chairman then said he regarded the Johnson bill as rather immature. He said further:

I am for its principle absolutely, but I think its danger consists in its brevity.

That is my identical position today, my dear chairman of my committee, whose name the present measure bears—

I think that we have got to be sufficiently specific to insure that this procedure of drafting both man power and material resources shall not only conform to the Constitution, but that it shall also conform to the sentiments and the righteous public opinion of the people of this Nation; and it will be the cheapest form of preparedness that has ever been invoked for us to write, if necessary, this legislation into a hundred or five hundred or a thousand pages of statute books, so that this law in all its details, so far as they may be anticipated reasonably now, based upon past experience, shall stand there as a sort of warning to jingoists and

militarists and all who hope to profit by war, and certainly hope not to suffer by war, that they must not rush this Nation heedlessly into war.

And again, Chairman McSWAIN, I say those splendid words of yours, uttered 11 years ago on another occasion, are applicable in this debate and well worth the consideration of this body and of thinking citizens all through this land.

Yesterday a few good friends and colleagues of mine upon the committee sought to administer to the gentleman from Texas [Mr. MAVERICK] and to myself a friendly spanking because they honestly differed with us as to what this measure ultimately would do and possibly might permit. That does not disturb me at all, and I am not going to be resentful of that; nor am I going to be hurt about it. I only say to those gentlemen that I respect their sincerity and I ask them to respect mine. I am tempted to wonder, though, if they read the hearings, in the course of which I questioned witnesses during times they may have been absent necessarily from the committee room. Certainly I had thought the attitude of Mr. MAVERICK and of myself, and our convictions as well, were well understood by even casual friends on the committee roster.

And if we chose, out of regard for our committee chairman, to subdue our objections in committee to the point where we failed to shout "no" on the critical vote or failed to avail ourselves of the right to file a minority report—and I may say that more than one whose name has not yet been brought into this discussion indicated to me grave doubts as to approval of the bill—and air our misgivings on the floor, that is our responsibility. For that I, at least, am not answerable to any colleague, on the committee or in the House, save for myself. At least I may say that I do not regard myself as inferior to or subject to anyone among them. I consider them my equals, at least in rights and privileges.

Furthermore, I may add that some time ago I personally gave notice informally to my committee chairman that I must oppose the measure on the floor, and he will certainly be glad to corroborate my statement, if I know him, that he directed me unhesitatingly to do exactly what my heart told me to do, and that he would harbor not the slightest bit of hurt or ill will, and that he would not permit it to change our personal relationships.

For the sake of those who are interested, the following citations and quotations will save much thumbing of pages and needless searching through the volume of testimony.

Read first this extract from the testimony of National Commander Belgrano, of the American Legion, on page 12 of the volume. He there states, in reply to a well-directed question by Representative FITZPATRICK, a colleague whom we since have regretfully lost through promotion to another major committee:

Mr. FITZPATRICK. Do you believe that if the Government can conscript human life, they ought to be in a position to conscript properties or the profits to be taken out entirely?

Mr. BELGRANO. Yes, Mr. Congressman; we believe that unqualifiedly.

Mr. FITZPATRICK. If a law providing for that had been in effect in 1917, as you have stated, there would not have been the millionaires who were created in this country during the war?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. And of the \$19,000,000,000 that was spent by the Government during 1918, no doubt about \$14,000,000,000 of that was profit?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. According to the figures given here, of 400- and 500-percent profit?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. And, as you referred to the bonus, in 5 years there were refunded to this same group from the Treasury of the United States 4 billion dollars, which would have paid off the bonus?

Mr. BELGRANO. Yes, sir.

Mr. FITZPATRICK. And those 4 billion dollars were refunded to the same groups that are now members of the Economy League?

Mr. BELGRANO. Yes, Mr. FITZPATRICK; I agree thoroughly with your remarks. The Legion claims that not only should the Government have proceeded to point its finger to the man power of this country and conscript it but the Government should also have drafted capital and industry and all the material resources of the country, for the protection of all the people, on an equal basis.

Mr. FITZPATRICK. If it were so provided that that would happen, I doubt if we would ever have another war.

Again, on page 30, Vilas Whaley, chairman of the Legion's national legislative committee, of Racine, Wis., states:

I want to suggest that any legislation for universal service the Legion believes should contain a provision for the taxing of excess profits even up to 95 percent. That was the recommendation of the War Policies Commission.

The Legion believes that no one in time of war should expect to make profit and no one should seriously oppose the enactment of this legislation, because it becomes noneffective except in case of war.

We believe, men of this committee, that after all of these years of conflict, and in view of what has transpired in the countries outside our border, that the time is here and now, in this session of the National Congress, to make this bill the law of the land to outlaw war and to take the profit out of war.

Note, Mr. Chairman, the phrase—

To outlaw war and to take the profit out of war.

Next appears the authorized spokesman for the Veterans of Foreign Wars, on page 201, and I quote:

As we have considered the bill introduced by your distinguished chairman, H. R. 3, we submit that it does not remove the profit motive from the business of war. The Veterans of Foreign Wars have expressed through their national conventions the definite thought that the way to make those who spend so much of their time spreading a gospel of hate for the man who has served this Nation in the armed forces, is to urge the adoption of a plan which will have the purpose of forcing these same individuals to suffer at least some of the economic stringencies of war.

We are all seeking the same ultimate objective. We all want peace with honor. It is the opinion of our organization that the surest way to have peace with honor is to attack the cause of war in a definitely vital spot. The Veterans of Foreign Wars are convinced that the point of attack is "the wartime profit system." We know well that many will hold what we propose is idealistic and not practical. We followed the so-called "practical" people in 1917 and 1918. We plunged into the last war without any attempt, at least no attempt which made itself apparent, to really develop the economic side of preparedness. Yes; we suffered the economic prostitution of American ideals to make the world safe for the "money changers." Now, we want to set up the new plan. The Veterans of Foreign Wars feel that the new plan should be so wrought that the Government has a positive power of control over capital and industry as well as man power. We should be as cold-blooded with our industrial and banking barons as they were with us in 1917 and 1918.

It is the sincere hope of the Veterans of Foreign Wars of the United States that your committee, using H. R. 3 as a starting point, will develop a program of legislation which will force the capital and industry of our Nation to do their duty without profit during the next war.

Mr. KVALE. Did you hear my questions yesterday with reference to the plausibility of setting up a system that would guarantee profits instead of eliminating them?

Mr. BROBECK. I think that is the reason our national legislative committee, in a recent meeting, was somewhat concerned over this bill. We believe that the idea is fine, but we do not think anything should be set up which guarantees a profit because of war.

Mr. Chairman, that was George Brobeck, of Minnesota, their national legislative representative, talking. That does not sound to me like blanket approval of this particular bill, even though it does express complete sympathy with the broad purposes of the author of the measure, Mr. McSWAIN.

The American Federation of Labor next appears before the committee through its authorized legislative representative, our friend Mr. Hushing, and he says in decisive language, on page 205, that—

Mr. HUSHING. The announced purpose of the bill directly under consideration, of course, is "to prevent profiteering in time of war and to equalize the burdens of war and thus to promote the national defense", but with the immense power this committee has, and with the different suggestions that have been laid before it, it is hard to know how far the committee might go. In our opinion, the entire matter is open and subject to any action this committee sees fit to take.

The CHAIRMAN. That is true, the whole subject is opened by it. The bill is only the groundwork upon which to build.

Mr. HUSHING. That is my understanding, exactly.

Now, one of the principal purposes set forth is to prevent profiteering in time of war. Of course, any decent citizen is opposed to profiteering, and we are very much opposed to it. There is more than one method to prevent it, in our opinion. It might be done by putting a limitation on profits, or it might be done by taxation.

Again, it might be done, as has been proposed, by conscription of wealth or labor, or both. In our opinion, and if my memory serves me correctly, others have testified that it is not constitutional to conscript either labor or capital. If the proposal is to

conscript labor, we certainly will oppose it. I think Commander Spafford agreed, in the hearings held several years ago, that capital could not be conscripted, and if the proposal they were then making—and by "them" I refer to the American Legion—was to conscript wealth and capital, and if his statement was true that capital could not be conscripted, that would leave only labor to be conscripted.

Then, Mr. Chairman, he follows that with a hundred pages of extracts from former testimony and from previous resolutions and actions of the federation that should prove of profit to Members to read carefully.

After that comes many pages of interesting and courageous testimony from the lips of a former Member of this body, the Honorable Jeanette Rankin, in this hearing representing the National Council for Prevention of War, together with its executive secretary, Mr. Frederick J. Libby. Interested persons may read for themselves, but one gem is here reproduced from Miss Rankin's testimony, for it bears directly upon the vague catch phrases which are responsible in large part for the stampede we are witnessing in this body. In reply to an interrogation by Representative MAVERICK she stated:

MISS RANKIN. Thank you. I wanted to say this one word. I really think you ought to take out of the bill that effrontery which says that we will equalize the burdens of war. There is no possible way to equalize the burden for the man who made the supreme sacrifice. There is no possible way to equalize the burden for the man who lost his eyes or the mother who lost a son, and to put the sacrifices of war on the basis of money, it seems to me, is appealing to something very low in the American people.

Then follows the report of Mr. Lovell for the railroad brotherhoods, and while he is more cautious in his admonitions to the committee he does in most respectful but in most positive terms stress the magnitude of the task of the committee and urge full deliberation. Instead, the records disclose that but 5 days were given to open hearings, and I refrain from comment on the executive hearings that followed.

But I beg the membership of this House to note from these quotations and from the verifications that they can most easily make for themselves that in every instance these organizations which have been paraded before you as favoring this bill have unalterably expressed themselves as in favor of eliminating profits from war—I said "eliminating"—not of guaranteeing those profits. Not only guaranteeing them, but guaranteeing them, as I said in my scattered remarks yesterday, to the high-cost producer, so that the low-cost producer, the large unit, mind you, the men who control the raw resources of the land, will have a heaven they never could hope for in the wildest kind of boom times during peace days. This is fact, not my opinion. Consult the record. Please, I say it again, secure a copy of the hearings before the measure comes to the reading stage and before the final vote is reached.

Who favors limited profits? At least the War Department, according to the testimony, page 45 of the hearings, page 127, page 131, and then pages 147 to 173, inclusive. Those pages contain the tentative contracts that have been drawn up on which industrial people have been consulted, with reference to which all the interested business executives have been frequently interrogated, and upon which there is agreement between the War Department and industry, guaranteeing them a profit of 6 percent, after negotiations have arrived at the costs of the various operations, deductions, exemptions, and the incidentals that inevitably must accompany every contract.

Read them and you will learn something; you will find that the only ones who acquiesce in the opinion of the War Department, that we must not do anything that will curb unlimited and speedy production. The only ones who agree and acquiesce are the coalition, that group of all these patriotic societies most of which ascribe to themselves 100 percent of all the patriotism that exists in the country and criticizes everybody who disagrees with them.

So, Mr. Chairman, in view of the permission to extend my remarks, let me only add that neither I nor any colleagues of mine seek to have this body digest the program of any com-

mittee nor that of any committee that may disagree with them.

[Here the gavel fell.]

MR. ANDREWS of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

MR. SHORT. Mr. Chairman, ever since the close of the World War each and every administration and practically every outstanding leader in both Houses of Congress, regardless of politics, has favored the principle that is involved in this legislation. There is no Member of either House of Congress who has been more faithful, more industrious, more courageous, more untiring in his efforts to secure the enactment of laws which would take excessive profits out of war, which would prevent profiteering in time of war, than our very genial and able Chairman of the Committee on Military Affairs of the House, the gentleman from South Carolina [Mr. McSWAIN], whom we all greatly admire because of his ability as a statesman and whom we all love because of his qualities and character as a man. [Applause.]

We have heard a great deal of loose talk, really, concerning the provisions of this bill. We have been talking about taking the profits out of war, but this bill is really to prevent profiteering in time of war; and I want to point out to the membership of the House that there is a vast difference between taking all profit out of war and preventing profiteering, which means excessive profits, in time of war.

If you will turn to page 306 of the hearings had by our committee, you will find that I asked Mr. William C. Hushing, national legislative representative and general organizer of the American Federation of Labor, this question:

Would you be willing for both industry and labor to make a legitimate, reasonable profit?

His answer was, "Yes."

I then asked him this question:

Even in time of war?

And again his answer was in the affirmative.

Then I queried:

They would have to make some profits in order to exist, would they not?

And, of course, he answered "Yes" to that question.

To those who are afraid that this particular bill will conscript labor, may I state that there appeared before our committee not only Mr. Bernard Baruch and Gen. Hugh Johnson but also the Chief of Staff and other Army witnesses, including the Secretary of War and The Assistant Secretary of War, as well as the national commander and other representatives of the American Legion, and not a single witness favored the conscription of labor. No member of the committee insisted upon conscription of labor. On page 194 I stated to Mr. Woodring, Assistant Secretary of War:

Furthermore, if you conscript labor, you will need an army at home to run industry instead of having it in France to fight the battles?

Mr. Woodring answered:

You certainly will.

I said,

You will need a policeman in every industry. I do not want to inject politics here, but during this noble experiment, the colossal failure of the N. R. A., it has been shown that we cannot even take care of it in time of peace, let alone in time of war.

To that query I think the Secretary of War agreed.

Now, Mr. Chairman, no one will claim that this bill is perfect and the gentleman from South Carolina [Mr. McSWAIN] would be the last gentleman of all to make such claim.

[Here the gavel fell.]

MR. ANDREWS of New York. Mr. Chairman, I yield the gentleman 1 additional minute.

MR. SHORT. I do say, however, I think the gentleman from Illinois [Mr. DIRKSEN], with a penetrating insight and with a logic which is unexcelled I think by any other Member of this House, pointed out a serious defect in the bill on page 2, lines 9 and 10. The gentleman objected to the

clause "or of a national emergency declared by Congress to exist."

I am sorry I cannot agree with my esteemed colleague on the committee from West Virginia [Mr. EDMISTON]. I think that amendment should be offered to strike out the above clause, as well as an amendment striking out the clause suggested by the discerning gentleman from Massachusetts [Mr. McCORMACK] on the first page.

The words objected to by the gentleman from Massachusetts appear in lines 3 and 4 on page 1 and are as follows:

Or the existence of an emergency due to the imminence of war.

If those two clauses and other similar clauses are retained in the bill as written, it seems to me that the national emergency which we are living under at the present time and which the Congress has declared, would permit the President of the United States to exercise these extraordinary powers now. Heaven knows, he has too much power already!

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. McCORMACK. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I would state to the gentleman that my objection lies to those same words wherever they may appear in the bill.

Mr. SHORT. The bill should be amended by having the language as it is in lines 3 and 4, page 1, and in lines 9 and 10 on page 2 of the bill stricken out.

Mr. McCORMACK. I think the gentleman and I are in harmony. In other words, my inquiry goes to striking out the language which relates to the existence of an emergency due to the imminence of war wherever such language appears in the bill, because that amounts to an actual declaration of war.

Mr. SHORT. The gentleman is absolutely correct, and as a member of the committee, I intend to offer amendments which will accomplish this end. I believe such amendments will be acceptable to the committee because they will remove the most objectionable feature of the bill. I agree with the gentleman from Massachusetts and with the gentleman from Illinois that these extraordinary powers granted to the President of the United States should not be exercised except and until war is actually declared by the Congress of the United States.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Chairman, the time remaining is so short that I will limit myself to one or two observations on the general subject of this bill.

As a result of the country's situation we find ourselves today living in an era of great hysteria, and along with it we must admit that as Americans we are strongly inclined to be extremists. I do not believe there is a Member of this House who does not realize that some of the disclosures in reference to profiteering during the last war are a very sad page in the history of that war. Such disclosures have made sensational headlines and public opinion has been crystallized. I do not believe there is a Member of the House who would want to see a repetition of that page if it can be avoided.

May I also suggest to the House that while this bill is designed to assist in the prevention of profiteering in war, when war comes again—and I hope not in our day—someone and some Congress must prosecute that war. That is one of the great arguments, in my opinion, in favor of the bill which our chairman, the gentleman from South Carolina [Mr. McSWAIN], has proposed. We want the Government at that time not to be hamstrung. To complete the prevention of all profiteering excess-profits taxes to prevail in war time must be imposed. But the imposition of such taxes under the rules of the Congress is not within the jurisdiction or province of your Committee on Military Affairs. I do not believe there is a member of the Military Affairs Committee who is not in favor of the imposition of heavy excess-profit taxes during war. A simple scheme in the form of a constitutional program for the prosecution of war is what this measure offers in a man-

ner which will limit profits and freeze prices. For the benefit of labor there must be fair profit, and by adding taxes profiteering can be wiped out. With the passage of this bill and another bill with the same motive in the Senate it will go to conference and the conferees can ask for a rule under which to refer the desired tax provisions to the House.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, a good deal has been said about section 3 of the bill. It occurs to me that an amendment ought to be made perhaps to section 3, line 13, by putting in front of the word "service" the word "military" so that the language will be "military service."

Mr. McCORMACK. Would not "armed service" be better?

Mr. HILL of Alabama. Well, armed service, or any word that will make it absolutely clear, so that there can be no doubt about the fact that so far as section 3 is concerned, it means only drafting men into the armed service, as the gentleman suggests, namely, the Army, Navy, or the Marine Corps, and that it has no application whatsoever so far as drafting or conscripting anybody in industry is concerned.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. MAY. As the gentleman will recall, it was thoroughly discussed in the committee and unanimously agreed that there was no intention on the part of anybody on the committee to conscript labor, and the hearings will show this.

Mr. HILL of Alabama. The gentleman is correct in his statement and I tried to make it clear in my remarks earlier in the day. If there is anything in this bill that would in any way lead anyone to believe that it is the intention of the committee that labor should be conscripted or drafted, it was certainly not the intention of the committee to put such language in the bill.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. JOHNSON of Oklahoma. Then the gentleman would not object to any clarifying amendment to express that intention in the bill?

Mr. HILL of Alabama. Certainly, so far as I am concerned and so far as I am authorized to speak for the committee, I am sure the committee wants the wording of the bill just as clear as possible to the effect that labor is not to be conscripted.

Mr. JOHNSON of Oklahoma. I think such clarification should be made.

Mr. HILL of Alabama. The question has arisen here from time to time as to the meaning of the words "unorganized militia." If we turn to the National Defense Act we find that section 57 of that act defines what the unorganized militia is.

This section states that—

The militia of the United States shall consist of all able-bodied male citizens of the United States and all other able-bodied males who have or who shall have declared their intention to become citizens of the United States who shall be not less than 18 years of age and except as hereinafter provided, not more than 45 years of age, and said militia shall be divided into three classes, the National Guard, the Naval Militia, and the unorganized militia.

As the chairman of the committee has tried to make clear, the reason the words "unorganized militia" are used in the bill is because under the law as it stands today the President of the United States can call into service the Organized Militia whenever the Congress declares war. So there is no need of providing in the bill for a call into the service of the Organized Militia. What section 3 does is simply what we did during the World War—give to the President the power to call into the service the unorganized militia of the land, that we may have soldiers and sailors with which to fight the war.

Some gentlemen have raised the question of the conscription of industry. The committee, after extensive hearings and after much thought on the matter, reached the conclusion that so far as the welfare of our country is concerned, and so far as a successful prosecution of a war is

concerned, the less we upset industry the more normal we keep conditions in industry, the better off we will be, and what we have sought to do is to put an end to profiteering and yet not disorganize or upset American industry, having in mind success in winning the war and having in mind a return to normal conditions with as little upset as possible and with as little aftermath as possible at the conclusion of the war. We simply provided, as has been said here time and again, that the President should have the power to clamp a ceiling down on prices as those prices existed in a free market on a given date selected by the President.

Mr. HULL. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. HULL. May I ask the gentleman why you did not carry your bill further and provide the same sort of protection for agriculture that you have attempted to provide for industry in this bill?

Mr. HILL of Alabama. So far as agriculture and everything else are concerned, we handle all of those matters on exactly the same basis. The ceiling that goes down on the prices of manufactured products, of course, would go down on the prices of farm products and would apply to all prices in the country.

Mr. HULL. Suppose you were to have war tomorrow, would you have agricultural products at a standard of about 40 percent below industrial prices, as they are today, continued and then tell the farmers still to carry on?

Mr. HILL of Alabama. No; I call the gentleman's attention to section 2 of the bill which gives the President so much power that even if, after he has put this ceiling down, there should be injustices or inequities, he has the power to change and to vary that ceiling. If the President found that agricultural products as of the given date were being discriminated against, then he could raise the ceiling so as to remove any inequity or any injustice so far as the farmer is concerned.

Mr. HULL. May I not ask if we have not in a very recent act passed by this Congress placed powers in the hands of the President to stop the importation of agricultural products into this country, while at the same time we are continuing to have millions of dollars' worth of importations while our farmers are down and out?

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman 2 more minutes.

Mr. HILL of Alabama. The question has been raised here that certain organizations throughout the country have been cited as being in favor of this bill, when the truth of the business is they are in favor of taking profits out of war but did not know much about the bill itself, and in this connection I want to read the letter of the national commander of the American Legion, written to the Chairman of the Committee on Military Affairs. It is under date of February 5 last, and, among other things, it states:

I am delighted to know of the progress being made in connection with legislation to eliminate the profits from war, and you may be assured that the organization which I have the honor to lead will bend all of its efforts in support of the bill which will shortly be presented to the floor by the House Military Affairs Committee, of which you are the chairman.

With personal regards.

Sincerely yours,

FRANK N. BELGRANO, JR.,  
National Commander.

[Applause.]

[Here the gavel fell.]

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. McSWAIN. I will yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Was this bill we are now considering before your committee when the national commander of the Legion wrote the letter read by the gentleman from Alabama?

Mr. McSWAIN. Oh, yes; the bill was amended at his suggestion. Section 3 contains the heart and nerve of the old Capper-Johnson bill in substance without authorizing the conscription of labor which that bill did.

Mr. ZIONCHECK. But your bill guarantees the draft of labor.

Mr. McSWAIN. That may be the opinion of my friend from Washington, but it is not the opinion of those who have been thinking about this for a long time. We are satisfied that it will reduce profits to a minimum. We are also satisfied that if there should be any profit to escape through the meshes of the system which we propose to set up, we will lead the fight in Congress for the purpose of bringing out any legislation from the proper committee to take away the last mite of war profits or profits due to the existence of war.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. HILL of Alabama. The prices in this country went up 268 percent at the time of the World War. If we clamp the ceiling down, we will stop prices from going up. If they once go up, we cannot get them down. So far as taxes are concerned, the Government can reach out its strong arm and take that measure any time during the war.

Mr. KVALE. Will the gentleman yield?

Mr. McSWAIN. I yield to my friend.

Mr. KVALE. It occurs to me that the chairman would place himself in a peculiar and invulnerable position if he would withhold his bill until the Ways and Means Committee had favorably reported a rule for the consideration of a tax bill.

Mr. McSWAIN. The gentleman cannot say that that bill should come ahead of this bill.

Mr. KVALE. No.

Mr. McSWAIN. Let me say to my good friend from Minnesota that we will help pass that bill. We will do all we can in any way to take the profits out of war.

And let me say to my friends who say that the bill does not go far enough, that it ought to do the whole job, that I assume that I will be a member of the conference committee. You have heard from other Members who will be on the conference committee. I want to say that as far as I am concerned, and I can only speak for myself, that if it is necessary for the legislation to comprehend other features entering into profiteering in time of war, if it is necessary to bring in some new matter, what will we do? We will go to the Rules Committee and ask the Rules Committee to make that new matter in order. Can gentlemen not trust us to do that? You will be in control of that situation. Trust your House and trust your committee to try as far as it can, while respecting the jurisdiction of all committees, to solve this matter.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. THURSTON. I am in deep sympathy with the object and purpose of this legislation and expect to vote for the bill, but I am concerned about this. If the President or the Congress in a great national emergency can lay aside the Constitution and the laws in time of peace, will not the President or the Congress in time of war be in a position to nullify this very act that we are discussing?

Mr. McSWAIN. I am satisfied this legislation is within the power of the Congress to exercise as a war power in time of war. I submit that there is ample authority for saying that this is an exercise of the war power. Some of it is referred to in the report. It is within the provisions and four corners of the Constitution, and not in excess of it.

The CHAIRMAN. The time of the gentleman from South Carolina has expired. All time has expired.

The Clerk will read.

The Clerk read the first section of the bill.

Mr. McSWAIN. Mr. Chairman, due to an agreement made on both sides that we would read only the first section of the bill and leave it open for amendment tomorrow, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee

of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5529 and had come to no resolution thereon.

Mr. McSWAIN. Mr. Speaker, in view of the great interest in this matter, and several gentlemen who desire to speak have not had that opportunity, I ask unanimous consent that all Members may have 3 legislative days in which to extend their own remarks in the RECORD upon this pending legislation.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, being advised by the gentleman from Maryland [Mr. GOLDSBOROUGH] that he will move to strike all of section 3 from the pending bill, "to take the profits out of war", beginning with the first word in said section down through the word "proclaim", with the amendments attached to said language by the Committee of the Whole House on the state of the Union, I feel it my duty both to my colleagues and to the numerous patriotic organizations and societies which for the last 12 or 14 years have been endorsing the Capper-Johnson bill, to state that section 3 is the heart and nerve of the said Capper-Johnson bill with the power which was contained in said bill to draft labor and human forces generally eliminated from said bill. The said Capper-Johnson bill certainly must have had many millions of people to endorse it. I respectfully and humbly endorse it with the exception of the provision contemplating the drafting of human services for other than service in the armed forces for the defense of our Nation.

#### PRESENT STATUS OF SECTION 3

Mr. Speaker, said motion to recommit, if it should prevail, would strike from the bill the language contained in the amendment known as the "Faddis amendment", as amended by the "Boileau amendment", as in turn amended by the "Truax amendment." The effect of these amendments is to provide that no person shall be drafted into the armed forces for service upon foreign soil, except to prevent or repel actual invasion of the United States.

#### PAY OF SOLDIERS

Mr. Speaker, said motion to recommit, if it should prevail, would also strike out an amendment by the gentleman from Oklahoma [Mr. LEE], providing that soldiers drafted into the armed forces for defense should receive wages equal to the average daily wage of unskilled labor at a date to be fixed by the President.

#### PROVISION FOR DEFENSE

Mr. Speaker, since the section 3 as now amended means that Congress must first declare war, and then if an immediate increase in the armed forces be necessary in order to defend the country, the President may exercise the power of drafting soldiers. These soldiers can be used only to defend the United States, and they cannot be used in any industrial capacity, and they must receive the wages of ordinary unskilled labor. Since this is the present situation, it seems to me perfectly fair to ask the Members of the House to vote down the motion to recommit, which would have the effect of striking out this part of the Capper-Johnson bill. The power to draft cannot be exercised until war is declared by Congress. If Congress declares war, then we ought to be ready to start vigorously to fighting and resisting the enemy without delay. If we must wait until Congress either passes a draft law to provide for selective service after the declaration of war, or if we must wait for a sufficient number of persons to volunteer, then our defense may be too feeble at the very beginning. If we must fight in defense, then we should be prepared to strike a quick and heavy blow at the very beginning. Furthermore, the presence of the power to draft does not mean that the President would of necessity exercise it. The presence of the draft provision would doubtless greatly hasten and encourage volunteering.

#### HOW PROPER PREPAREDNESS PROMOTES PEACE

Mr. Speaker, the time to be careful is before getting into war. We cannot get into war until Congress declares it. But every man who believes in proper preparedness ought to

vote to have the country ready to fight quickly and vigorously in defense of our country, if war is forced upon us and if Congress so declares it. I think that section 3, which provides for not only the drafting of human service, but also provides for the commandeering of material resources and financial resources and industrial organizations and public services, such as railroads, telegraph companies, telephone companies, power companies, pipe-line companies, radio communications, and so forth, and so forth, is vital to a proper defense program. We know that our Regular Army and our National Guard and Organized Reserves, all put together, are hardly a handful of all those necessary if we should be forced into a war. If, therefore, the people who own these great material and financial resources know that they can be commandeered in time of war they will be very slow to encourage much war propaganda.

On the other hand, if any possible enemy nation knows that we have great resources, and that we have this legal machinery to make these material and financial resources immediately available, and that we have this legal machinery to make our vast man-power resources immediately available, then any potential enemy nation will be very slow to force war upon us. This is a fact of history and a fact of human nature that all truly wise men admit. Since America will not under any circumstances engage in an aggressive and unprovoked war, and since men cannot be drafted to fight upon foreign soil under the Boileau amendment, and since Congress would not think of declaring such aggressive war, then there will be no war, unless another nation thinks that it can either defeat us or force us to peace on terms favorable to it. If we are prepared to defend ourselves by the legal machinery set up in this section 3, then any other nation will realize that it cannot defeat us nor force us to harsh terms of peace, and, therefore, there will be no war, and, therefore, the peace will be preserved. It takes two to make a war. If we do not start any war against any other nation and if any other nation is afraid to start a war against us, then there will be peace.

#### WHY SECTION 3 IN BILL?

Furthermore, Mr. Speaker, I am seeking to explain how section 3 is in substance the Capper-Johnson bill, and why so many patriotic organizations have approved of the Capper-Johnson bill heretofore, and why I think it does occupy an appropriate place in this bill, "To equalize the burdens of war and to promote peace." It is true that this particular feature does not of itself stop profiteering in time of war. But if it tends to discourage and deter war itself, then it will render legislation to prevent war-time profiteering unnecessary. Of course, if the motion to recommit, amending the bill as contemplated, should by any possibility prevail, the other provisions of the bill are so vital that I would urge every Member of the House to vote for it, and to send it to the Senate with a well-nigh unanimous support, in the belief that when the Senate amends the bill in such form and manner as shall appear to the Senate wise and proper, it will still be possible for us in conference to work out a bill that will stop profiteering, tend to discourage war, thus promote peace, and greatly assist in equalizing the burdens of war. With this brief statement, I must leave the issue to my colleagues, having the same confidence in their patriotism and devotion to the welfare of the Nation that I claim for myself.

Mr. SABATH. Mr. Speaker, militarism has been distasteful to me since my childhood. History tells us that it inevitably leads to oppression, and I have personally seen its practical results.

Having had such convictions it was not an easy matter for me, 18 years ago, to vote to report from the Committee on Foreign Affairs the resolution for the declaration of war. For nearly 2 days and nights the committee had considered and seriously debated whether the conditions actually warranted such a grave and momentous step. Not until President Woodrow Wilson and State Department had furnished the committee with undisputable and convincing evidence of overt acts and of willful disregard of American rights by Germany, her connivance with other nations, and her un-

disguised boasts and threats of what she was going to do to America after the defeat of the Allies, was the resolution reported by the committee and passed by the House.

It is interesting to note that I am the only present Member of the House who was then a member of the powerful Committee on Foreign Affairs. There are, I believe, only 36 Members of this House who were here when war was declared.

I hope that I shall never again be placed in a position to shoulder such a responsibility nor be forced into an awesome and trying situation of casting a vote which results in the sacrificing of tens of thousands of lives and brings lasting suffering and heartaches to millions of mothers, fathers, sisters, brothers, wives, and children.

For these reasons I have unremittingly advocated since the end of that appalling world conflict peaceful adjustment of all international differences. I still have a strong faith that the laudable instruments created for that purpose by the efforts of our late great and beloved President, Woodrow Wilson, will effect this most desirable humane aim.

I believe now as I always have that, instead of composing and settling international differences by the arbitration of sword and gun unnecessarily resulting in the tremendous loss of lives and in the untold sufferings and hardships to millions of peoples, grievances should be dissolved by peaceful negotiations with enlightened consideration. Every honest historian recognizes that practically all wars without exception were due to selfish interests of those who desired to retain the power and to profit unduly therefrom, and were not caused by uncompromising international misunderstandings. I will, therefore, welcome and am anxiously awaiting the hour when this Congress will take a real step and actually set an example to the rest of the world by positive action, so far as possible, and not only vocally, to abolish war as an instrument of settlement of international disputes.

We ought to show in no uncertain terms that it is the decided intent of the Congress not to encourage but to discourage wars. I really think that our legislation should brand and punish as traitors any person and any organization which may directly or indirectly advocate or encourage wars.

I strongly believe that legislation enacted to eliminate the possibility and the opportunity for the accumulation of wealth by industries profiting through wars would have a great tendency to discourage jingoism and war danger it creates. These facts have been clearly demonstrated by the evidence adduced at the recently conducted hearings. By such legislation the incentive would be removed from the avaricious, racketeering element of the militaristic group and other malevolent beneficiaries of war.

Each year for the past 28 years I have observed that when the Army and the Navy appropriation bills are to be considered these nefarious elements begin a crusade of shameful propaganda to bring about increases in appropriations for the combatant departments of our Government.

After reading the bill allegedly proposing to take the profits out of war, I am forced to admit my great disappointment, because there is really nothing in the measure that entitled it to such a term. Instead of being a bill to prevent wars by denying the profit making, it tends, on the contrary, to impose a conscription of man power upon the Nation but not the conscription of wealth.

I greatly regret to state a disgraceful fact that in the past the most influential citizens of the United States—men in high positions in the world of commerce and finance rather than of politics—have used all their power and influence to prevent the drafting of their sons into the armed forces of our country. Every possible escape was devised by them and every influence utilized so that their sons might dodge the draft or, at least, to receive bullet-proof assignments to the noncombatant units such as the Quartermaster Corps stationed in this country. These advantageous positions were used by them to aid their fathers' corporations in acquiring the greatest possible share of profitable contracts. Cooperating with the great number of dollar-a-year gentlemen, who were authorized purchasing agents, these sons took the ad-

vantage of their positions and improperly fostered the interests of their relatives, who became great beneficiaries of war. Such circumstances were the cause for the creation of 5,000 new millionaires in the United States within 3 years, not mentioning the multimillionaires who were advanced to this status from the pre-war millionaire class.

Having witnessed the grief and anguish of the war mothers of our Nation and the hardships and sufferings of millions of our citizens, hardships and sufferings born of war, I repeat my disappointment with the provisions of the pending bill and I would have opposed it were it not for the amendments adopted providing for the taxation of all war profits together with the other amendments which will completely revise section 3. I hope that this section, which provides for conscription, will be entirely eliminated or, at least, the first part of it. If this is done, I feel that I can consistently support the bill and will do everything possible to bring about its enactment. Not until then will this bill have my vote and support.

Mr. BEITER. Mr. Speaker, the intent of the bill which we are now discussing is generally satisfactory. However, I believe that our best contribution toward world peace ought to consist in making it most difficult for us to become involved in war, and with public opinion consulted in advance and with plans already worked out and well understood for effectually controlling both labor and capital and thereby eliminating the element of sordid self-interest by putting profiteering out of everybody's reach, the possibility of the United States engaging in another war should attain the irreducible minimum consistent with national honor.

If anything is to be done along this line, we should amend the Constitution of the United States now so as to require that before war can be declared or participated in—except only in the event of attack or invasion—there must be a referendum, and that if a majority of the votes cast are for peace, there the matter ends, and if the majority be for war, every able-bodied citizen between the ages of 18 and 50 shall be drafted for service, either military or industrial, wherever he or she can be of the most use, and that all profits in excess of 5 percent received by any person, firm, or corporation from the day war is declared until peace is finally concluded shall be turned over to the Government.

There is a celebrated painting entitled "They shall beat their swords into plowshares" that gives a vision of that coming time in the history of the world which was predicted by the poet Tennyson:

When the war-drums throb no longer, and the battle-flags are furled,  
In the Parliament of Man, the Federation of the World.

Is such a time possible in the evolution of nations, and is it more desirable than the present state of armed watchfulness, when the god of war seems continually ready to shake his iron dice and plunge the peoples of earth into another frightful struggle such as the one from which we have just emerged?

Let us look at the question first from the standpoint of expense—the most practical phase of the subject. The latest estimates of the total cost of the World War to all nations involved place the cost at approximately \$235,000,000,000, which is considerably more than the entire estimated wealth of the United States.

The United States was in the war 18 months, during which brief period, according to official data made public on July 1, 1921, the cost to us was \$50,168,625,707. The Civil War debt on July 1, 1865, was, in round numbers, \$2,500,000,000. From July 1, 1865, to July 1, 1935, is 70 years—nearly a century—and \$600,000 of the original war debt still remains unpaid. If it has taken the country nearly a century to pay only \$2,000,000,000 of its Civil War debt of two and one-half billions of dollars, how long will it take us to pay the present war debt of \$50,000,000,000? At the same rate of progress, 1,675 years.

If Great Britain made the payment due us on the war debt, it would cost her 4.1 percent of her budget. She says she cannot pay us, but she is spending 13 percent of her budget on armaments.

If France paid, it would cost her 2 percent of her budget. She says she cannot pay us, but she is spending 27.4 percent of her budget on armaments. After the armistice was signed we loaned France more than a billion of dollars and during the same period of time she loaned other European countries \$700,000,000.

If Italy paid us, it would cost her 1.4 percent of her budget. She says she cannot pay, but she is spending 33.1 percent on armaments.

We conscripted 4,000,000 men for their war. We shipped 2,000,000 across the sea. We shipped almost all in British bottoms, and paid Great Britain \$140 to \$180 for the transportation of every boy. We paid them to transport our boys to their war.

A hundred and twenty-five thousand of these boys never came back.

We are paying \$800,000,000 a year interest on these debts that we contracted for them and that they now refuse to pay.

Quite a burden this for 18 months of participating in a European war. It is quite certain that the great-grandchildren of the men who participated in the World War will still be paying heavy taxes in the effort to reduce its crushing costs.

We have come out of the war with victorious arms, but not in common with the other nations of the world; we realize that the cost was staggering. When Pyrrhus, King of Epirus, was congratulated on his victory over the Romans at Asculum, he replied, "Another such victory and we are ruined." The doom of war is written in the frightful burdens which it imposes upon the present and future generations. It is now admitted that the bulk of the \$10,000,000,000 which the American Government loaned to the allied nations during the war is practically lost.

The railroads of our country are staggering under the effect of the strain of war time and neglect of upkeep. Increased freight rates have paralyzed the building trades and imposed high prices upon every consumer of the commodities of life. What is the teaching of these sobering facts and figures—in what direction lies the path of structure of our civilization, which even now seems threatening to engulf all of Europe? Evidently it is a return to the arts of peace, and the enactment of such legislation as will make war impossible.

Ours is a popular form of government—of the people, by the people, for the people—and the majority is supposed to rule.

If the Nation be at any time in actual danger, its citizens can safely be trusted to rally to its defense, but equally surely may they be relied on not to be suddenly stampeded by ill-considered war enthusiasm.

By amending its own Constitution as outlined and thus setting a practical example which every other nation could—and many, if not all, might—follow, the United States would be taking its place and doing its share toward preserving world peace.

Mr. YOUNG. Mr. Speaker, profiteering in war by the sale of munitions and arms is the vilest business practice known to mankind.

The McSwain bill, H. R. 5529, aims to prevent profiteering in time of war and to equalize the burdens of war. In doing this it will promote the cause of peace and at the same time provide for national defense in event of war.

The American Legion, of which I am a member, has for more than 15 years advocated that, in event of war, wealth and industry should be conscripted the same as men. The American Legion, out of the experience of the World War, has decreed as one of its great fundamental policies there should be a "universal draft." Young men—the flower of our American manhood—left homes and loved ones in response to a grave national duty. They offered their lives as sacrifices for their country. They were paid \$30 per month. Mechanics and shipbuilders, 3,000 miles from the dangers of war, who furnished the munitions of war and the ships to convey the munitions received \$300 and more per month. Industrialists, who came up like mushrooms, made thousands

of dollars per month under contracts to furnish munitions and supplies. This must never occur again.

It is indefensible to compel one man to endure the hardships of war, to offer his life as a sacrifice, while another is earning profits from war.

It is proper and I am happy to support seizure by our Government of 100 percent of all excess profits. During the war period our Government should seize the entire income of every industry in excess of the amount of income during a year or so preceding that war. Let us legislate to make war unprofitable and we shall make peace profitable. Let us make all bear the burden of war. If our country is compelled again to enter a conflict, both industry and man power should be mobilized. When we do this we make it more probable that our country will remain at peace with all the nations of the world.

In every war waged heretofore by our country profiteers and vermin of that ilk have thrived. Gen. George Washington complained of the profiteers of that period. He wrote, "No punishment is too great for the man who can build his greatness upon his country's ruin." I personally know families whose fortunes were created by war contractors. We all know the scandals of the Spanish War and the staggering cost of treasure and human life because we tolerated human vultures who sold "embalmed beef" for our soldiers' use. We know too well of the many fortunes made almost overnight during the World War. This bill provides that the Executive may fix prices as of a date before the declaration of war. After this bill becomes a law there can be no inflation, no profiteering—the prices must remain at the level fixed or below that level. Speculation on the threat of war would be fruitless.

The McSwain bill, which we are debating, is important to every man, woman, and child in America. Ex-service men generally will hail its enactment as a step in the right direction—toward making it less probable that our country will engage in war.

Nations frequently war for purposes of national aggrandizement. Greed breeds war—the desire for more territory, plunder, loot. This bill has been strengthened by amendments in the course of the debate. It is evident that the majority here earnestly desire to take the profit out of war, and in event of war to conscript wealth, industry, and men. There are some here who oppose conscription. Let me say we might as well manfully face the facts. If and when war comes there will be conscription of our man power, and there should be conscription. Let us look ahead and legislate now deliberately and intelligently. We should not wait until possible war hysteria assails our people. Let us plan ahead to conscript industry and the managers of industry, wealth, and the holders of capital. There will then be less likelihood of our ever again entering any war.

We should provide that no person drafted into the armed forces of our country in time of war may be compelled to serve upon foreign soil, except to prevent or repel actual invasion of the United States. We should also provide that soldiers drafted into the armed forces for the defense of our country must receive wages equal to the average daily wage of unskilled labor. During the World War there was no real objection, among thoughtful people, to the selective-service draft. Soldiers did not object to conscription. They did object, and the mothers of this land object with equal force, to civilians profiteering while soldiers serve in the trenches at a dollar a day.

My conclusion after careful study of this bill as amended is to support it and hope earnestly for its enactment. We thereby lay a solid foundation for legislation to make peace more profitable and make war unprofitable to all.

#### THREE AMENDMENTS KILLED IF MOTION TO RECOMMIT PASSES

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, if the motion made by the gentleman from Maryland [Mr. GOLDSBOROUGH] to re-

commit the bill, with instructions that the first sentence in section 3 be stricken out, passes, it will kill three worthy amendments already approved by a vote of the Committee of the Whole House.

It will kill my amendment providing for the conscription of " \* \* \* all persons responsible for the management, direction, and control of industry, commerce, transportation, and communication."

It would kill the Boileau amendment providing that "such members of the unorganized militia drafted into the service of the United States shall not serve on foreign soils, except to prevent, repel, or quell actual invasion of the United States of America."

It would kill another one of my amendments providing that "the per diem pay of such members of the unorganized militia so drafted shall be a sum not less than the daily wage of unskilled labor \* \* \*."

The ex-service men have asked for a universal-service law ever since the war. The third section of this bill, as amended, drafts practically everything and everybody.

The ex-service man's only objection to the last draft was that it did not go far enough. This bill as it is amended drafts all leaders of industry, commerce, transportation, and communication.

As amended it gives power to commandeer the material and financial resources of the Nation.

It was not the conscription that the soldiers complained about before; it was the inequality, the injustice between a soldier's pay and that of a civilian laborer. The man who used the gun received a dollar a day, while the man who made it got \$15 a day. But this bill, as amended, would give the soldier at least an even break so far as wages is concerned. Whereas if we kill this amendment, what guaranty have we that a war Congress will so equalize the financial burdens of war?

Those who oppose this bill do so no doubt in the belief that they are furthering peace, but by making a plan now that would automatically draft everything and everybody in the event of war. Does not that further peace even more by removing all incentive for war by announcing ahead of time that the burdens of the next war must be borne by all?

To refuse to pass a draft law just because you do not want war is just like refusing to take a first-aid kit with you on a trip because you do not want to have an accident.

This bill will be a preventive measure. If we fail to announce our plan of draft in advance it is possible some people will not be averse to war, hoping that they might once more force the soldier to serve for a dollar a day while they make millions as before.

But if we pass this bill, it will be notice to the world that a war will cost everybody in service and money; therefore, nobody will want war.

Some who have opposed this law have spoken as though the draft would begin on the day that this bill becomes law, but everything in this bill is distinctly based upon the contingency of war. No war, no draft. But if war, then a universal draft of everybody and everything.

This bill does not become active except in the case of war, and in that case there would be a draft anyhow. Now, the question is whether or not we in our cool deliberation will plan a fair and just draft, including the captains of industry, financial resources, regulations as to pay and foreign service, or whether we will wait until the war hysteria seizes the country and then have an ill-advised, hastily planned draft driven through Congress under lash and spur.

Once more allow me to emphasize this is not a draft unless there is war; and if there is war, there will be a draft anyway. In other words, no war, no draft. If war, then some kind of draft anyway. You cannot prevent war by refusing to announce to the world that in case of war everybody and everything will be subject to call.

Refusal to carry a spare never prevented a war.

What does this bill contain as it now stands?

First. It would fix a ceiling to prices to prevent skyrocketing.

Second. It gives the President power to adjust prices up and down.

Third. It gives the President power to close the stock and commodity exchanges in order to curb speculation.

Fourth. It provides for conscription of all able-bodied men from 21 to 45.

Fifth. It drafts all the leaders of industry, commerce, transportation, and communication.

Sixth. It fixes a floor to the soldiers' pay " \* \* \* not less than that of unskilled labor."

Seventh. It limits foreign service to that necessary in order to repel an invasion.

Eighth. It gives the President power to commandeer all material and financial resources, organizations, and services.

Ninth. It gives the President power to control all business and manufacturing activities by means of licenses.

Tenth. It gives the President power to determine all priorities.

Eleventh. It authorizes the President to set up all boards and commissions necessary for prosecution of the war.

Twelfth. Finally, it taxes 100 percent of the excess war profits.

I believe this bill represents a great gain toward our goal to equalize the burdens of war. Therefore, I hope it passes as amended.

#### ARMY DAY

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution 13, which I send to the desk and ask to have read.

The Clerk read as follows:

#### Senate Concurrent Resolution 13

*Resolved by the Senate (the House of Representatives concurring), That Saturday, April 6, 1935, be recognized by the Senate and House of Representatives of the United States of America as Army Day, and that the President of the United States be requested, as Commander in Chief, to order military units throughout the United States to assist civic bodies in appropriate celebration to such extent as he may deem advisable.*

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Has this resolution passed the Senate?

Mr. CHANDLER. It has.

Mr. SNELL. April 6 is Saturday of this week. Does the gentleman think he can get any results from a resolution of this kind when the date is so imminent?

Mr. CHANDLER. If we do not pass it today, we certainly cannot; but if we pass it today, we think we can. The plan is under way. This is simply an official recognition of the day.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

#### APPROPRIATIONS FOR RELIEF—CONFERENCE REPORT

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the conference committee on House Joint Resolution 117 have until 12 o'clock tonight to file a report.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, does the gentleman expect to have a meeting of the conference committee this evening?

Mr. BUCHANAN. Yes; and if we can get that meeting together we have every reason to believe that we will get a report.

The SPEAKER. Is there objection?

There was no objection.

#### LEAVE OF ABSENCE

Mr. McSWAIN. Mr. Speaker, I am requested to ask permission of the House that the gentleman from Pennsylvania [Mr. DORSEY] have leave of absence for 3 days, on account of death in his family.

The SPEAKER. Is there objection?

There was no objection.

## THE CRUCIFICATION OF TOM MOONEY

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I have long entertained the highest respect and admiration for that fine, courageous woman, our associate in this legislative body, Representative CAROLINE O'DAY.

Today, however, I respect and admire her more than ever because of her brave and worthy action in appealing to President Roosevelt in behalf of the release of labor's persecuted and imprisoned leader, Thomas Mooney. By making this request to the Chief Executive, Mrs. O'DAY has won the esteem and gratitude of millions of workers in every part of our country and in other lands as well, for organized labor in every land regards the cause of Tom Mooney as its own cause and his incarceration as a direct blow at the working class.

There is no blacker page in the annals of history than that of the jailing of Tom Mooney for a crime that it is practically a certainty he never committed. That he was put behind walls and bars, not because he had broken any law but because he was a fearless, fighting, persistent champion of the rights of the California toilers is today conceded by the great majority of people. That the testimony on which he was convicted was false and perjured is proven almost beyond question. That he has been kept in prison so long after his innocence has been so clearly established can be attributed to nothing else than the vicious determination of a brutal and conscienceless plutocracy to crucify the man whose militant leadership threatened their ill-gotten gains.

The wrong done Tom Mooney, whose best years have been spent in San Quentin Prison, can never be undone. It could not be undone if he were paid a million dollars in damages. There is no way on earth of righting such a wrong.

Yet the organized workers of the world and myriads of others who look upon Mooney's confinement as an unspeakable outrage will welcome his belated liberation—if it should come now. Mrs. O'DAY, by adding her voice to the voices of 27 United States Senators, various Congressmen, and so many others, has made a fine contribution to the cause of the oppressed—her finest contribution among many fine acts in her commendable career of public service. Her warm friendship for the President and Mrs. Roosevelt will, of course, give added weight to her recommendation.

About a year ago our former colleague, George Foulkes, then Representative from the Fourth District of Michigan, at the request of a Washington newspaper correspondent, Linn A. E. Gale, who is also president of the Washington Open Forum, wrote the President, asking him to recommend to the Governor of California the pardoning of Mooney. No results came at that time. Now that Mrs. O'DAY has come to Mooney's defense, and just following the admirable decision of the United States Supreme Court in reversing the Scottsboro case conviction, perhaps the hour is ripe for Mooney's liberation.

I have for years believed in Tom Mooney's innocence and advocated his release. I fervently hope that it is now to be granted and that the dark and dismal words of the poet, "Right forever on the scaffold; wrong forever on the throne", may be proven untrue.

## POLITICAL AND ECONOMIC TENDENCIES

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting in the RECORD a speech delivered by the gentleman from Minnesota [Mr. KVALE], in Madison Square Garden, New York City, April 3, 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

Mr. Chairman, previous speakers each have offered constructive comment on some phase of the general subject which focuses this evening's forum on the question of the necessity for defending here and tonight our liberties as citizens of the United States of America.

The depression, and the violent economic readjustment which ensued, has not exactly encouraged sane and sensible thought or action. Contemporary happenings in foreign lands have further plunged us with disturbing rapidity into our present hysterical, panicky, illogical, and fragmentary reasonings. It is a time for tragedy and chaos unless we mass ourselves and frankly and constructively try to preserve the principles that have been the foundation stone of this Government.

Our breath of life through all our years of entity has been the liberty of thought and speech and action. That is distinct from unbridled license, it should be unnecessary to add, but nevertheless it has meant liberty to write or voice our thoughts and convictions upon religious, political, or economic questions as we might be inspired to do. Liberty to meet and mingle as we desired. Liberty to hold our own independent views, and likewise to respect our neighbor who might emphatically disagree with us.

What do we see today? Candidly, we see a national administration—to which I still look hopefully for helpful action and proper leadership—we see that administration increasingly subjected to pressure and propaganda, and with at least some degree of success. That propaganda and that pressure comes from short-sighted industrial and financial leaders in the category generally described by the broad phrase "big business." They would perpetuate capitalism's privileges and advantages under a democratic government without meeting the responsibilities which the new deal has assumed. They would fail to join the march toward the performance of the most necessary task of relieving the distress and misery attendant to the wide-spread unemployment. Capital continues on a defiant and sullen strike. But labor and unemployed have no rights, for them these powerful men would deny any responsibility.

What is more, they appear to believe that they can subdue the desperate complaints and protests, instead of acting to cure the fundamental economic ills. That, it appears to me, is the reason for this mass protest tonight. Unorganized, scattered individual complaints are of pitifully little value when directed against the fat ones who have their fingers on the economic and political nerve centers of the Nation.

Hence the drive to reenact sedition laws. Hence the effort to remove the Communist from under the protective blanket of our rights to free speech. I confess that personally I see something a little absurd in granting full rights of free speech to an individual who, if he were given full power to carry his teachings into effect, would destroy those rights among his first acts. And yet, Mr. Chairman, I do know that we live in a democracy, under a republican form of government, and I do know that one of the first purposes of that form of government, if utterances of our leading thinkers since colonial days mean anything, is to guarantee beyond any question that liberty of thought and action in speech, press, religious worship. A careful reading of the Bill of Rights even demonstrates that the right of revolution is enunciated clearly if other methods of reform or progress fail.

Those who now are responsible for this propaganda deny any intent to disfranchise citizens who offend them. But it is the next logical step. In some States, you know, there have been determined and partly successful efforts to remove the voting privilege from those forced upon relief rolls. No matter to them that the destitute were driven to their state by a bitter economic development for which they had not the slightest responsibility. We are familiar with racial discrimination in more than a few polling places. Through neglect and inaction there arises the possibility that what has happened in other nations in our time may happen here. Then it will be too late to lift voices in protest, whether in news or editorial column, from pulpit or platform, or over the air. Surely it must be impossible, we tell ourselves, that we shall see our elections corrupted until only those who unreservedly favor the group in power will dare to exercise that right. Exactly that picture is in the minds of some men.

To be more specific, I might refer to the people I know the best, my own northwestern farmers. Fighting grimly since the war days against a cruel series of reversals, they have shown a courage and patience and resourcefulness difficult to believe. For 15 years they have seen their civil rights melt away, not in one dramatic overt act such as publication of an edict, show of force, an act of God, but with the soul-torturing and inexorable progress of a glacier or the march of a sand dune.

Oh, they can still exercise their rights to speak, assemble, petition their elected and appointed public servants, and otherwise carry out their functions as citizens. And they do. They are literate, vitally interested; and now, out of the chronic aches of 15 years, has come a grim determination. Disillusion came simultaneously with the drought, which, on top of all the rest, brought desperation.

Now the pity of it. Unorganized, dispersing their efforts, betrayed sometimes by false or incapable leadership, victimized by untimely appeals to what was represented to be their duties as loyal and unselfish citizens, they have permitted the selfish groups of industrialists, financiers, and food processors to bring this once independently wealthy and economically content area to a state of virtually complete impoverishment. A dissipation of wealth and of sources has been wreaked which cannot be remedied in a generation. The despoilers have planned their methods with devilish cunning. They contrived their purpose under full protection of law and Government; they diverted protests into blind alleys; they scattered the opposition; they confused the minds of their victims with protestations of sympathy and help, until tonight I am tempted to make the rather rash statement that my farmer is so dejected and depressed over his situation that he may

well wonder if free speech is any concern of his. The things which civil liberties were designed to conserve and protect have vanished.

And yet when we regard the awful evidence which comes in from every part of the cotton country regarding the status today of the share-cropper, we cannot but be stirred to deepest indignation and frantic preparation for concerted action. My farm owners are dismal when they are evicted from a home that holds memories and thrills of several generations of continuous occupancy. The farm itself in all likelihood was wrested from the wilderness. Its permanent values have steadily been enhanced by construction and improvement of dwellings and buildings. Farmers in addition fertilized the soil, they rotated their crops judiciously, killed off the noxious weeds, improved the quality of their livestock herds, and otherwise contributed to the permanent wealth of their own holdings as well as of their community and Nation. Family members were assured modest advantages as to recreation, health, education, and small luxuries. To such people reversion to poverty is almost unthinkable.

But behold your share-cropper. Accustomed only to fulfillment of the simplest and barest wants, living in Spartan discomfort, persistently and systematically robbed by his landlord in the great majority of cases, working from dawn till dark during the entire season, and what is more, putting his whole family—little children and all—into the fields, that was his almost universal lot. For his reward, he learned at the time of the annual accounting that he had practically nothing to show in dollars and cents for his drudgery and drab existence.

Then a wise Congress decides to curtail cotton production. I shall not quarrel here or now with that decision. I want briefly to discuss its effect. Without wanting to be self-laudatory, I do want this record to show that at the time the House of Representatives passed the measure I expressed grave concern over the effect of the act upon the modest and inarticulate share cropper, only to have my misgivings impatiently thrust aside.

I once traveled through those areas. I visited with the farmers. I have walked through their pitifully inadequate hovels. I have seen their stark poverty. So now, when I find incontrovertible evidence that they are thrown into helpless unemployment in droves, are too abjectly impoverished to move their families or handfuls of possessions in search of work, have no social or civil rights or liberties, are denied by drastic action on part of authorities the right to collective action, are unable to educate their children, are callously ignored by the planter, who was meant to have his full and fair responsibility for their welfare, and who was supposed to share A. A. A. benefits with them in some reasonable proportion, I need see no more to show me my only course.

Perhaps somewhere in this hall tonight there is opportunity to purchase an inexpensive little pamphlet published by the League for Industrial Democracy, entitled "The Plight of the Share-Cropper." It represents the findings of Norman Thomas as set down after a personal and thorough survey, and also embodies the Amerson report, a factual summary of conditions among these unfortunate and friendless people. Think, that in these free and democratic United States of ours, should be an entire area where a whole economic group can be caught in a press, not of their own making. Disenfranchised, subject to every ravage of starvation, illiteracy, lack of medical facilities resulting in alarming spread of epidemics, they face the future with utter despair. When they endeavor to reach those in authority or an unenlightened public with a statement of their condition and an appeal for help, the reply to them is repression, abuse, force, and threats of violence, without a constructive act to aid them in their distress.

To conclude, then, in summary, and at the risk of painful repetition, may I submit to this gathering that, in my opinion, the new deal has no more important task immediately before it, while this form of government obtains, than to preserve for the farmer and worker, black or white, radical or reactionary, Republican or Communist, his right to free speech and assembly, to an unfettered press, to the inalienable rights of any citizen of this land to his life, his bit of property (if he be that fortunate), and to his perhaps hopeless pursuit of happiness and economic security.

Those are the reasons why I have been glad to have the opportunity of adding my bit to the united protest that goes out from this hall tonight. May this meeting and its influence warn thinking citizens that we neglect our duties as citizens in a critical time in this Nation's history unless we do what we can to counteract the insidious and invidious attacks of those selfish and shortsighted groups who are plunging this country into hysteria today. We are verging toward a rekindling of virtual war psychology.

Remember, and remember well, the oft-quoted admonition which still holds true—"Patriotism is the last refuge of a scoundrel."

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, indefinitely, on account of illness in family.

To Mr. GREGORY, for 5 legislative days, on account of illness in family.

To Mr. DARDEN, indefinitely, on account of illness of father.

#### ADJOURNMENT

Mr. McSWAIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Friday, April 5, 1935, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON THE PUBLIC LANDS

(Friday, Apr. 5, 10:30 a. m.)

Committee will hold hearings on various bills.

##### COMMITTEE ON THE DISTRICT OF COLUMBIA

(Friday, Apr. 5, 10:30 a. m.)

Subcommittee on Public Health, Hospitals, and Charities will hold hearings in the caucus room of the old House Office Building on bills H. R. 6232 and H. R. 7204, relating to smoke-control regulations.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 3003. A bill to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes; without amendment (Rept. No. 584). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 4459. A bill to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; without amendment (Rept. No. 585). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6594. A bill to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; without amendment (Rept. No. 586). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 7160. A bill to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges; without amendment (Rept. No. 587). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. Senate Concurrent Resolution 13. Concurrent resolution to recognize April 6, 1935, as Army Day; without amendment (Rept. No. 607). Referred to the House Calendar.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DELANEY: Committee on Naval Affairs. H. R. 780. A bill for the relief of Raymond C. Bogart; without amendment (Rept. No. 588). Referred to the Committee of the Whole House.

Mr. CHURCH: Committee on Naval Affairs. H. R. 845. A bill for the relief of Herbert L. Stafford; without amendment (Rept. No. 589). Referred to the Committee of the Whole House.

Mr. MILLARD: Committee on Naval Affairs. H. R. 855. A bill for the relief of David Schwartz; without amendment (Rept. No. 590). Referred to the Committee of the Whole House.

Mr. YOUNG: Committee on Naval Affairs. H. R. 1070. A bill for the relief of Thomas T. Gessler; without amendment (Rept. No. 591). Referred to the Committee of the Whole House.

Mr. SCHUETZ: Committee on Naval Affairs. H. R. 1470. A bill for the relief of Carl A. Butler; without amendment

(Rept. No. 592). Referred to the Committee of the Whole House.

Mr. DARROW: Committee on Naval Affairs. H. R. 1714. A bill for the relief of Russell H. Lindsay; without amendment (Rept. 593). Referred to the Committee of the Whole House.

Mr. BURNHAM: Committee on Naval Affairs. H. R. 2118. A bill for the relief of John P. Seabrook; without amendment (Rept. No. 594). Referred to the Committee of the Whole House.

Mr. O'CONNELL: Committee on Naval Affairs. H. R. 2315. A bill for the relief of Anthony Peter De Young; without amendment (Rept. No. 595). Referred to the Committee of the Whole House.

Mr. McGRATH: Committee on Naval Affairs. H. R. 2555. A bill to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; without amendment (Rept. No. 596). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 2611. A bill for the relief of John E. Fondahl; without amendment (Rept. No. 597). Referred to the Committee of the Whole House.

Mr. KNIFFIN: Committee on Naval Affairs. H. R. 2710. A bill for the relief of George Francis Grundy; without amendment (Rept. No. 598). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 3216. A bill for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps; without amendment (Rept. No. 599). Referred to the Committee of the Whole House.

Mr. SEARS: Committee on Naval Affairs. H. R. 3366. A bill for the relief of Victor Oscar Gokey; without amendment (Rept. No. 600). Referred to the Committee of the Whole House.

Mr. SUTPHIN: Committee on Naval Affairs. H. R. 3604. A bill to place William H. Clinton on the retired list of the Navy; without amendment (Rept. No. 601). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 3760. A bill for the relief of Capt. Arthur L. Bristol, United States Navy; without amendment (Rept. No. 602). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Naval Affairs. H. R. 4274. A bill correcting date of enlistment of Elza Bennett in the United States Navy; without amendment (Rept. No. 603). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 4623. A bill for the relief of George Brackett Cargill, deceased; without amendment (Rept. No. 604). Referred to the Committee of the Whole House.

Mr. ANDREW of Massachusetts: Committee on Naval Affairs. H. R. 5100. A bill for the relief of Michael F. Calnan; with amendment (Rept. No. 605). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 5782. A bill providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy; without amendment (Rept. No. 606). Referred to the Committee of the Whole House.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 4708. A bill for the relief of E. F. Droop & Sons Co.; without amendment (Rept. No. 608). Referred to the Committee of the Whole House.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3950) granting an increase of pension to Nellie Murray; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2995) granting an annuity to John O. Jones; Committee on the Civil Service discharged, and referred to the Committee on Claims.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON: A bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER: A bill (H. R. 7261) to authorize the erection of an addition to the existing United States Veterans' Administration facility, Livermore, Calif.; to the Committee on World War Veterans' Administration.

By Mr. KENNEY: A bill (H. R. 7262) to provide for the establishment of the Camp Merritt National Military Park in Bergen County, N. J.; to the Committee on Military Affairs.

By Mr. McGROARTY: A bill (H. R. 7263) to amend an act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933; to the Committee on Expenditures in the Executive Departments.

By Mr. O'LEARY: A bill (H. R. 7264) authorizing the Richmond-Brooklyn Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 7265) to authorize the Secretary of the Interior to create a townsite on the former Fort Spokane Military Reserve in the State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. WHITE: A bill (H. R. 7266) to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho; to the Committee on Indian Affairs.

By Mr. BOYLAN: A bill (H. R. 7267) to reclassify salaries of employees in the custodial service of the Treasury and Post Office Departments of the United States, including assistant custodian, engineman, fireman, watchman, laborer, charman, charwoman, elevator and telephone operator, cleaner, and janitor; to the Committee on the Civil Service.

By Mr. MEAD: A bill (H. R. 7268) to amend the Railway Labor Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MAY: Resolution (H. Res. 193) for an investigation of the plan for national defense looking to the production of munitions and materials of war and the adequacy of the power supply available therefor, and for other purposes; to the Committee on Rules.

By Mr. DUNN of Pennsylvania: Joint resolution (H. J. Res. 238) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

#### MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, regarding an increase in the personnel of the National Guard of the State of Nevada; to the Committee on Military Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ARENDS: A bill (H. R. 7269) granting a pension to Frank B. Oatman; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 7270) for the relief of Clara Imbesi and Domenick Imbesi; to the Committee on Claims.

By Mr. CALDWELL: A bill (H. R. 7271) for the relief of the estate of Eula Lee Sunday; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 7272) for the relief of John S. Turner; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H. R. 7273) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Washington Parker, a former employee of the United States Naval Academy dairy farm, Gambrills, Md.; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7274) granting a pension to James R. Gibbs; to the Committee on Invalid Pensions.

By Mr. LEA of California: A bill (H. R. 7275) for the relief of the State of California; to the Committee on War Claims.

By Mr. MCGROARTY: A bill (H. R. 7276) for the relief of James J. Powers; to the Committee on Naval Affairs.

By Mr. MCKEOUGH: A bill (H. R. 7277) to authorize settlement, allowance, and payment of a certain claim; to the Committee on Claims.

Also, a bill (H. R. 7278) for the relief of Rex Eugene Bloss; to the Committee on Naval Affairs.

By Mr. REED of Illinois: A bill (H. R. 7279) for the relief of Clement Ildrum Shackley; to the Committee on Naval Affairs.

Also, a bill (H. R. 7280) for the relief of Oscar Avery Bates; to the Committee on Naval Affairs.

By Mr. SCHNEIDER: A bill (H. R. 7281) for the relief of Emma F. Winsey; to the Committee on Claims.

By Mr. SHANLEY: A bill (H. R. 7282) for the relief of certain claimants; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 7283) granting an increase of pension to Louise E. Van Norden; to the Committee on Pensions.

By Mr. TOLAN: A bill (H. R. 7284) for the relief of Arthur C. Pinson and Pearl Pinson; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 7285) granting a pension to Joseph J. Carroll; to the Committee on Pensions.

#### PETITIONS, ETC.

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

6324. By Mr. ROGERS of Oklahoma: Petition headed by G. Cross, of Renfroes, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6325. Also, petition headed by R. Spacy, of Hoopston, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6326. Also, petition headed by B. G. Mims, of Fryeburg, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6327. Also, petition headed by J. Thomas, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6328. Also, petition headed by W. L. King, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6329. Also, petition headed by M. A. Skipper, of Ringgold, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6330. Also, petition headed by A. R. McGinty, of Ringgold, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6331. Also, petition headed by T. J. Walke, of Plain Dealing, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6332. Also, petition headed by E. Wade, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6333. Also, petition headed by W. E. Lay, of Quitman, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6334. Also, petition headed by William Henry Howe, of Plain Dealing, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6335. Also, petition headed by M. L. Garner, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6336. Also, petition headed by J. J. Harvill, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6337. Also, petition headed by Huey Young, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6338. Also, petition headed by R. E. Martin, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6339. Also, petition headed by John R. Watson, Sr., of Ida, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6340. Also, petition headed by J. A. Stewart, of Rodessa, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6341. Also, petition headed by M. Brooks, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6342. Also, petition headed by L. Booker, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6343. Also, petition headed by Raymond Sortor, of Mira, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6344. Also, petition headed by Dan Hines, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6345. Also, petition headed by A. Reese, of Belcher, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6346. Also, petition headed by S. S. Brown, of Frierson, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6347. Also, petition headed by John L. Jones, of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6348. Also, petition headed by William Sanders, of Doyline, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6349. Also, petition headed by Tom Lott, of Doyline, La., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6350. Also, petition headed by J. D. Penton, of Muscogee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6351. Also, petition headed by George Lee Jacob, of Benson, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6352. Also, petition headed by H. B. Howell, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6353. Also, petition headed by Ausby Bell, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6354. Also, petition headed by Simon Jones, of Belcher, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6355. Also, petition headed by Austin Wess, of Homer, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6356. Also, petition headed by J. N. Mathews, of Castor, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6357. Also, petition headed by Troy Carter, of Liverpool, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6358. Also, petition headed by S. E. Hornsby, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6359. Also, petition headed by N. Barber, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6360. Also, petition headed by D. Antoine, of Caspiana, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6361. Also, petition headed by John Frazier, of Mount Lebanon, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6362. Also, petition headed by Herbert Blazer, of Gilliam, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6363. Also, petition headed by M. Jackson, of Arcadia, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6364. Also, petition headed by S. Blount, of Ringgold, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6365. Also, petition headed by C. Brown, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6366. Also, petition headed by K. Thomas, of Gibsland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6367. Also, petition headed by E. Willoughby, of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6368. Also, petition headed by E. T. Wright, of Cedar Grove, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6369. Also, petition headed by Will Wright, of Samantha, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6370. Also, petition headed by Rosevelt Mell, of Grapeland, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6371. Also, petition headed by R. Smith, of Watson, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6372. Also, petition headed by L. Mathews, of Kansas City, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6373. Also, petition headed by Charles Hutchison, of Golconda, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6374. Also, petition headed by Joseph M. Barnhardt, of Concord, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6375. Also, petition headed by Noah G. Sloan, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6376. Also, petition headed by C. M. Mull, of Granite Falls, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6377. Also, petition headed by J. M. Hodges, of Blowing Rock, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6378. Also, petition headed by M. L. Moore, of China Grove, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6379. Also, petition headed by Richard Oxentine, of Blowing Rock, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6380. Also, petition headed by G. Turner, of Hanna, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6381. Also, petition headed by John Samuel, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6382. Also, petition headed by Isaiah Yount, of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6383. Also, petition headed by M. H. Bolden, of Robson, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6384. Also, petition headed by S. C. Robinson, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6385. Also, petition headed by Frank Hurdle, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6386. Also, petition headed by J. M. Mason, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6387. Also, petition headed by A. Henderson, of Houston, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6388. Also, petition headed by F. Hollifield, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6389. Also, petition headed by Michael McMillan, of Keatchie, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6390. Also, petition headed by Chester Woods, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6391. Also, petition headed by D. Douglass, of Bethany, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6392. Also, petition headed by P. Washington, of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6393. Also, petition headed by George B. Lamon, of Benton, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6394. Also, petition headed by Thomas J. Crugan, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6395. Also, petition headed by Joseph Sims, of Rodessa, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6396. Also, petition headed by N. P. Murray, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6397. Also, petition headed by S. S. Wyman, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6398. Also, petition headed by M. Sikes, of Grove, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6399. Also, petition headed by J. T. Butler, of Plain Dealing, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6400. Also, petition headed by H. Hughes, of Homer, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6401. Also, petition headed by N. Thompson, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6402. Also, petition headed by Joseph Wright, of Athens, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6403. Also, petition headed by Allen F. Thomas, of Coushatta, La., favoring House bill 2856, by Congressman WILL

ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6404. Also, petition headed by L. Hatton, of Taylorsville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6405. Also, petition headed by R. R. Moore, of Mooresville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6406. Also, petition headed by W. W. Gadd, of Concord, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6407. Also, petition headed by F. V. Tucker, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6408. Also, petition headed by J. A. Wood, of Grassy Creek, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6409. Also, petition headed by Moore Marsh, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6410. Also, petition headed by Richard Loracy, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6411. Also, petition headed by C. B. Matheson, of Hiddenite, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6412. Also, petition headed by Walter Chambers, of Statesville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6413. Also, petition headed by E. W. Hurt, of Drummond, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6414. Also, petition headed by M. A. Prince, of Wilsonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6415. Also, petition headed by W. D. York, of Morley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6416. Also, petition headed by E. R. Smith, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6417. Also, petition headed by M. Sherrill, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6418. Also, petition headed by Edward Henderson, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6419. Also, petition headed by J. F. Bobo, of Obion, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6420. Also, petition headed by William K. Hause, of Trimble, Tenn., favoring House bill 2856, by Congressman WILL

ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6421. Also, petition headed by R. S. Mingle, of Dyer, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6422. Also, petition headed by J. A. Hopper, of Kenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6423. Also, petition headed by J. E. Dew, of Hallsboro, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6424. Also, petition headed by A. Jankins, of Leesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6425. Also, petition headed by I. S. Carmack, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6426. Also, petition headed by Eldridge Reeves, of Stanton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6427. Also, petition headed by Judson Taylor, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6428. Also, petition headed by N. Tarry, of Obion, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6429. Also, petition headed by Lee Jackson, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6430. Also, petition headed by M. Pratt, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6431. Also, petition headed by D. Lacy, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6432. Also, petition headed by L. Jones, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6433. Also, petition headed by L. Reece, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6434. Also, petition headed by S. L. Smith, of Rutherford, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6435. Also, petition headed by O. Mayfield, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6436. Also, petition headed by A. Moore, of Trimble, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6437. Also, petition headed by E. Adams, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6438. Also, petition headed by M. Word, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6439. Also, petition headed by M. E. Rhodes, of Mason, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6440. Also, petition headed by G. M. Vass, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6441. Also, petition headed by E. Howell, of Henning, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6442. Also, petition headed by T. N. Eddelman, of Kenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6443. Also, petition headed by P. E. Cook, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6444. Also, petition headed by Pete Shaw, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6445. Also, petition headed by Andrew Waterfield, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6446. Also, petition headed by M. Bryant, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6447. Also, petition headed by E. Eanel, of Tipton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6448. Also, petition headed by S. Wiggins, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6449. Also, petition headed by W. T. Mitchell, of Martin, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6450. Also, petition headed by C. P. Majors, of Henning, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6451. Also, petition headed by Frank Tatum, of Prattville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6452. Also, petition headed by G. W. Broome, of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6453. Also, petition headed by Charles G. Glenn, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6454. Also, petition headed by M. S. Johnson, of Jones, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6455. Also, petition headed by S. Houser, of Booth, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6456. Also, petition headed by M. Pruet, of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the

the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6457. Also, petition headed by Lee Jones, of Alberta, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6458. Also, petition headed by S. Smith, of Alberta, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6459. Also, petition headed by C. Lindsey, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6460. Also, petition headed by S. P. Phipps, of Ashland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6461. Also, petition headed by J. S. Mitchell, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6462. Also, petition headed by P. Burns, of Ashville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6463. Also, petition headed by George Kitchens, of Ragland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6464. Also, petition headed by James Atkinson, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6465. Also, petition headed by W. J. Brannon, of Ragland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6466. Also, petition headed by W. P. Rowland, of Cropwell, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6467. Also, petition headed by P. Jackson, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6468. Also, petition headed by E. V. Gafford, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6469. Also, petition headed by M. Wilkins, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6470. Also, petition headed by A. J. Thomas, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6471. Also, petition headed by C. F. Forsyth, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6472. Also, petition headed by A. Green, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6473. Also, petition headed by W. G. Garrett, of Alpine, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6474. Also, petition headed by M. James, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6475. Also, petition headed by W. Smiley, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6476. Also, petition headed by J. D. Griffin, of Ashland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6477. Also, petition headed by S. H. Cashatt, of Edin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6478. Also, petition headed by W. D. Turner, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6479. Also, petition headed by M. L. Thompson, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6480. Also, petition headed by T. M. Newman, of Alpine, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6481. Also, petition headed by Thomas Jones, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6482. Also, petition headed by G. F. Bishop, of Travellers Rest, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6483. Also, petition headed by M. T. Powell, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6484. Also, petition headed by T. J. McDowell, of Campobello, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6485. Also, petition headed by A. Knox, of Pacolet Mills, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6486. Also, petition headed by J. P. Ewington, of Greer, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6487. Also, petition headed by O. L. Jennings, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6488. Also, petition headed by William Fowler, of Spartanburg, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6489. Also, petition headed by B. Jones, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6490. Also, petition headed by S. Lawrence, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6491. Also, petition headed by W. A. Barrett, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6492. Also, petition headed by J. F. Anderson, of Finley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6493. Also, petition headed by L. Harber, of Friendship, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6494. Also, petition headed by Jim Asbridge, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6495. Also, petition headed by Walter Shepard, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6496. Also, petition headed by W. B. Sutton, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6497. Also, petition headed by E. O. Garrett, of Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6498. Also, petition headed by D. Miller, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6499. Also, petition headed by David J. Bowling, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6500. Also, petition headed by J. H. Austin, of Greer, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6501. Also, petition headed by James D. Blackwell, of Laurens, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6502. Also, petition headed by Henry Davis, of Jonesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6503. Also, petition headed by A. Broadwaters, of Jonesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6504. Also, petition headed by R. Alexander, of Lyman, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6505. Also, petition headed by R. Gilliam, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6506. Also, petition headed by O. T. Ross, of Whitney, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6507. Also, petition headed by Allen Foster, of Jonesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6508. Also, petition headed by M. L. Satterfield, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6509. Also, petition headed by J. R. Sanders, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6510. Also, petition headed by M. C. Greene, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6511. Also, petition headed by A. Orr, of Norris Chapel, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6512. Also, petition headed by Robert Avery, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6513. Also, petition headed by Joseph Thomas, of Tiptonville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6514. Also, petition headed by C. N. Stafford, of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6515. Also, petition headed by Cecil Puckett, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month, to the Committee on Ways and Means.
6516. Also, petition headed by C. McClain, of Tiptonville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6517. Also, petition headed by J. W. Russon, of Booths Point, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6518. Also, petition headed by Thomas Craig, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6519. Also, petition headed by L. B. Runion, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6520. Also, petition headed by J. W. Rogers, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6521. Also, petition headed by J. McKinney, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6522. Also, petition headed by J. O. Davis, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6523. Also, petition headed by L. Gurley, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6524. Also, petition headed by Dave Mattock, of Trimble, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6525. Also, petition headed by P. H. Moon, of Martin, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6526. Also, petition headed by M. J. Tucker, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6527. Also, petition headed by E. W. Reeves, of Burgin, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6528. Also, petition headed by V. Richardson, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.
6529. Also, petition headed by Arthur Jones, of Norfolk, Va., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6530. Also, petition headed by H. Mays, of Movico, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6531. Also, petition headed by C. S. Timpson, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6532. Also, petition headed by George T. Millican, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6533. Also, petition headed by J. Blakenship, of Vincent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6534. Also, petition headed by L. C. Machen, of Hollins, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6535. Also, petition headed by D. A. Smith, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6536. Also, petition headed by W. B. Robertson, of Eden, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6537. Also, petition headed by S. S. Shropshire, of Alpine, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6538. Also, petition headed by Sam Knights, of Deatsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6539. Also, petition headed by E. A. Osbourn, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6540. Also, petition headed by L. Jones, of Safford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6541. Also, petition headed by W. H. Campbell, of Central Mill, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6542. Also, petition headed by J. Colman, of Safford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6543. Also, petition headed by Mr. Sealy, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6544. Also, petition headed by P. E. Bryant, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6545. Also, petition headed by A. H. Allen, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6546. Also, petition headed by D. Black, of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6547. Also, petition headed by S. Weaver, of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6548. Also, petition headed by Phillip Fowler, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6549. Also, petition headed by S. C. Montgomery, of Safford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6550. Also, petition headed by Tom Wilkerson, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6551. Also, petition headed by S. Bittle, of Lincoln, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6552. Also, petition headed by W. M. Canada, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6553. Also, petition headed by H. M. Adkins, of Trussville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6554. Also, petition headed by Albert Ware, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6555. Also, petition headed by W. M. Deramus, of Haynes, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6556. Also, petition headed by J. L. Kilgore, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6557. Also, petition headed by L. V. Beal, of Ragland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6558. Also, petition headed by Harper Bledsoe, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6559. Also, petition headed by Willie Matthews, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6560. Also, petition headed by L. G. Bozeman, of Wetumpka, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6561. Also, petition headed by M. Wright, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6562. Also, petition headed by M. Meade, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6563. Also, petition headed by D. P. Robertson, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6564. Also, petition headed by A. Dally, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6565. Also, petition headed by G. Williams, of Prattville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6566. Also, petition headed by H. Williams, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6567. Also, petition headed by G. W. Bradberry, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6568. Also, petition headed by J. E. Parrish, of Como, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6569. Also, petition headed by E. H. Clark, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6570. Also, petition headed by J. Ward, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6571. Also, petition headed by L. Fuzzell, of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6572. Also, petition headed by Carl Kelley, of Rutherford, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6573. Also, petition headed by B. Klyce, of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6574. Also, petition headed by Joe Radford, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6575. Also, petition headed by L. Tyson, of Henning, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6576. Also, petition headed by W. I. Stone, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6577. Also, petition headed by Gist Wright, of Campobello, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6578. Also, petition headed by S. Guyton, of Pacolet, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6579. Also, petition headed by M. Humphris, of Union, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6580. Also, petition headed by A. L. Roland, of Clinton, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6581. Also, petition headed by I. Wright, of Kinards, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6582. Also, petition headed by J. A. Hall, of Spartanburg, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6583. Also, petition headed by H. Armhess, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6584. Also, petition headed by E. Allen, of Conestee, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6585. Also, petition headed by A. Allen, of Conestee, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6586. Also, petition headed by A. Smith, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6587. Also, petition headed by R. S. Jones, of Chesnee, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6588. Also, petition headed by H. W. Whitt, of Piedmont, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6589. Also, petition headed by T. B. Tarkington, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6590. Also, petition headed by G. G. Lewis, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6591. Also, petition headed by D. B. Eller, of Skiatook, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6592. Also, petition headed by N. Brandon, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6593. Also, petition headed by R. H. Kuykendall, of Hornbeak, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6594. Also, petition headed by M. C. Ball, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6595. Also, petition headed by M. C. Corkram, of Glass, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6596. Also, petition headed by H. S. Eddeemen, of Kenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6597. Also, petition headed by S. A. Forbess, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6598. Also, petition headed by J. Clifton, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6599. Also, petition headed by E. A. Alston, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6600. Also, petition headed by T. E. Taylor, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6601. Also, petition headed by Jim Hathcock, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6602. Also, petition headed by L. Currie, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6603. Also, petition headed by P. Maclin, of Keeling, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6604. Also, petition headed by J. C. Sanders, of Troy, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6605. Also, petition headed by L. R. Wood, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6606. Also, petition headed by R. Halford, of Bradford, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6607. Also, petition headed by B. Fletcher, of Dresden, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6608. Also, petition headed by E. M. Hood, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6609. Also, petition headed by E. F. Adkison, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6610. Also, petition headed by Walter Arnold, of Greenfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6611. Also, petition headed by Lee Sanders, of Gold Dust, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6612. Also, petition headed by J. F. Jernigan, of Cherry, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6613. Also, petition headed by E. J. Hutchison, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6614. Also, petition headed by M. Evans, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6615. Also, petition headed by Juliane Spiney, of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6616. Also, petition headed by E. Scott, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6617. Also, petition headed by R. Hughue, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6618. Also, petition headed by E. Griffey, of Tiptonville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6619. Also, petition headed by R. Barber, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6620. Also, petition headed by E. Barber, of Ridgely, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6621. Also, petition headed by S. E. Simpson, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6622. Also, petition headed by Russell Bradford, of Gates, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6623. Also, petition headed by B. Maclin, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6624. Also, petition headed by John White, of Burlison, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6625. Also, petition headed by M. Danols, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6626. Also, petition headed by C. L. Lacombe, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6627. Also, petition headed by Charles Strange, of Covington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6628. Also, petition headed by Odus McDaniel, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6629. Also, petition headed by Lon Johnson, of Piedmont, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6630. Also, petition headed by O. W. Caine, of Marion Junction, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6631. Also, petition headed by M. Decicle, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6632. Also, petition headed by J. Bert Roper, of Wellington, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6633. Also, petition headed by William Farrow, of Elmore, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6634. Also, petition headed by R. F. Chandler, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6635. Also, petition headed by L. A. Ehod, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6636. Also, petition headed by L. O. Leach, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

6637. By Mr. COFFEE: Memorial of the Nebraska House of Representatives, urging early enactment of House bill 2024; to the Committee on War Claims.

6638. By Mr. COLDEN: Petition of Annie Harris, Charley Jackson, and others (containing 50 names), favoring the Pope plan for old-age pensions; to the Committee on Ways and Means.

6639. By Mr. CRAWFORD: Petition of George Dodge and approximately 200 residents of Saginaw, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6640. By Mr. CULKIN: Petition of the Senate of the State of New York, resolving that the Congress of the United States be memorialized to enact with all convenient speed legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6641. Also, petition of the Senate of the State of New York, asking Congress to pass and the President to approve, if passed, the General Pulaski Memorial Day resolution; to the Committee on the Judiciary.

6642. Also, petition of 11 citizens of Fulton, N. Y., favoring the Townsend old-age plan; to the Committee on Ways and Means.

6643. Also, petition of the Hibbing Woman's Christian Temperance Union (30 members), endorsing the Culkin bills (H. R. 2999 and 4757) to abolish block-booking, and to establish standards of production; to the Committee on Interstate and Foreign Commerce.

6644. Also, petition of the Frances Willard Woman's Christian Temperance Union (66 members) and the Central Union, both of Duluth, Minn., endorsing the Culkin bills (H. R. 2999 and 4757) to abolish block-booking and to establish standards of production; to the Committee on Interstate and Foreign Commerce.

6645. Also, memorial of the State Assembly of New Jersey, memorializing the President and Congress to pass immediately a bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks; to the Committee on Banking and Currency.

6646. By Mr. FOCHT: Petition of William P. Moyer and other residents of Allentown, Pa., opposing the Wheeler-Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

6647. By Mr. HULL: Resolution of the Farmer-Labor and Progressive League of Outagamie County, Wis., protesting against the administration's proposal to limit monthly income to \$50 per individual in connection with pending work-relief legislation; to the Committee on Appropriations.

6648. Also, resolution of the Farmer-Labor and Progressive League of Outagamie County, Wis., opposing the use of work-relief funds for Army and Navy projects; to the Committee on Appropriations.

6649. By Mr. KENNEDY of New York: Petition of the Senate of the State of New York, requesting the Congress of the United States to enact legislation repairing damage done by nature to Niagara Falls; to the Committee on Foreign Affairs.

6650. Also, petition of the Senate of the State of New York, requesting that Secretary of the Interior Ickes be memorialized to appropriate funds for slum clearance and better housing in the State of New York; to the Committee on Appropriations.

6651. Also, petition of the Assembly of the State of New York, requesting the Congress of the United States to enact the necessary laws to extend to the people of Puerto Rico complete and full local self-government; to the Committee on Insular Affairs.

6652. By Mr. KRAMER: Resolution of Maj. William H. Cook Camp, No. 97, United States War Veterans, West Los Angeles, relating to immediate consideration of House bill 100, etc.; to the Committee on Expenditures in the Executive Departments.

6653. Also, resolution of the State of New Jersey, relating to a bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks, etc.; to the Committee on Banking and Currency.

6654. Also, resolution of the Department of State of the State of California, adopted in assembly March 11, 1935,

relating to memorializing Congress to incorporate in a national old-age-pension plan the principles and objectives of the Townsend plan, etc.; to the Committee on Ways and Means.

6655. By Mr. O'CONNELL: Resolution urging the Congress of the United States to secure the immediate repeal of the cotton-processing tax; to the Committee on Agriculture.

6656. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact legislation providing for an adequate old-age-pension law to be financed by the Federal Government and administered uniformly in each State of the United States of America; to the Committee on Ways and Means.

6657. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact an adequate protective tariff pertaining to the products of American farmers and protecting said products against foreign competition in order to preserve the home market for the American farmer to whom it rightfully belongs; and protesting against any reciprocal tariff or trade agreements by which the interests of the American farmer are sacrificed; to the Committee on Ways and Means.

6658. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to promptly ratify any treaty which may be submitted for the purpose of making possible the Great Lakes-St. Lawrence seaway and to enact such legislation as may be deemed necessary to enable the beginning of actual construction of such project immediately; to the Committee on Foreign Affairs.

6659. Also, memorial of Council No. 115 of the Polish National Alliance of America, of Milwaukee, Wis., urging the enactment of a resolution pending before the Congress of the United States designating October 11 of each year as General Pulaski Memorial Day; to the Committee on the Judiciary.

6660. Also, memorial of Group No. 2100 of the Polish National Alliance of America, of Milwaukee, Wis., urging the enactment of a resolution pending before the Congress of the United States designating October 11 of each year as General Pulaski Memorial Day; to the Committee on the Judiciary.

6661. Also, resolution of the Property Owners Association of Milwaukee, Wis., urging that an equity capital tax be enacted and enforced to apply to all equity in capital in the title in which such equity may lie, such a tax to be in force in the entire United States and its political subdivisions; to the Committee on Ways and Means.

6662. Also, memorial of the farmers' joint legislative committee, composed of the Farmers' National Holiday Association, the Farmers Equity Union, and the Wisconsin Cooperative Milk Pool representing 100,000 Wisconsin dairy farmers, urging Members of Congress from Wisconsin and all dairy States to protest against the inconsistent administrative policy which on one hand advocates a production-control program and on the other hand opens wide the gates for the foreign producer and encourages him to increase his production in all lines of agricultural endeavor; to the Committee on Agriculture.

6663. Also, memorial of the City Council of Two Rivers, Wis., urging the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski Memorial Day resolution now pending before the Congress; to the Committee on the Judiciary.

6664. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to provide an adequate protective tariff to insure against the competition of foreign trade in barley and other farm products and requesting the administration to desist from entering into further reciprocal tariff or trade agreements which endanger the interests of, and discriminate against the American farmer; to the Committee on Ways and Means.

6665. Also, resolution of the Property Owners Association of Milwaukee, Wis., urging that the British land and property tax system be discarded at once in the United States of America and that such discard be effected in all of its several States, counties, townships, villages, and cities; to the Committee on Ways and Means.

6666. By Mr. Pfeifer: Telegram from the Romulus Social Club, Brooklyn, N. Y., concerning the Rayburn-Wheeler bill; to the Committee on Interstate and Foreign Commerce.

6667. By Mr. RICH: Petition of citizens of Renovo, Pa., favoring House bill 5262 and Senate bill 1629; to the Committee on Interstate and Foreign Commerce.

6668. By Mr. RUDD: Petition of the Romulus Social Club, Brooklyn, N. Y., concerning the Rayburn-Wheeler public utility holding companies bill; to the Committee on Interstate and Foreign Commerce.

6669. Also, petition of the Tension Envelope Co., Brooklyn, N. Y., concerning the continuance of the National Industrial Recovery Act; to the Committee on Appropriations.

6670. By Mr. SNELL: Resolution adopted by the Board of Supervisors of Franklin County, Malone, N. Y., on March 21, 1935; to the Committee on Ways and Means.

6671. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress of the United States to enact the Philippine travel pay bill; to the Committee on War Claims.

6672. By Mr. TRUAX: Petition of the International Association of Machinists, Lodge No. 463, Newark, Ohio, by their recording secretary, Clarence R. Young, urging support of the Frazier-Lemke farm-relief bill; to the Committee on Agriculture.

6673. Also, petition of International Association of Machinists, Lodge No. 463, Newark, Ohio, by their recording secretary, Clarence R. Young, urging support of the Wheeler-Rayburn bill for wiping out holding companies; to the Committee on Interstate and Foreign Commerce.

6674. Also, petition of International Association of Machinists, Lodge No. 463, Newark, Ohio, by their recording secretary, Clarence R. Young, urging support of the Wagner-Connelly labor-disputes bill and the Black 30-hour work-week bill; to the Committee on Labor.

6675. Also, petition of the Toledo Central Labor Union, Toledo, Ohio, by their secretary, Otto W. Brach, urging support of the national labor relations bill, introduced by Senator WAGNER, of New York, which creates a new board to supersede the present board as they believe that section 7a can only be enforced if company unions are outlawed, or union discrimination by employers prevented through the enactment of the Wagner and Connery labor-disputes bill; to the Committee on Labor.

6676. Also, petition of John Gerl and 30 other citizens of Toledo, Ohio, urging the Congress of the United States to pass a bill obligating the Government to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years, a monthly pension of \$200 until the end of his or her life upon the sole conditions that he or she retires from all further business or profession for gain, and agrees, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received; to the Committee on Ways and Means.

6677. Also, petition of Charles E. Ausman Camp, No. 98, U. S. W. V., Paulding, Ohio, by their commander, John DeWitt, urging that their Congressmen do all in their power to have House bill 6995 speedily reported out of committee and cause it to be passed by the House without any detractors or eliminations therefrom; to the Committee on Pensions.

6678. Also, petition of Painters, Decorators, and Paperhangers of America, Local No. 7, Toledo, Ohio, by their recording secretary, C. E. Thomas, urging support to retain the National Recovery Act, and retain therein, code provisions, hours, wages, and section 7a, as they believe this will mean increased employment and better living conditions for the working class; to the Committee on Labor.

6679. Also, petition of Painters, Decorators, and Paperhangers of America, Local No. 7, Toledo, Ohio, by their recording secretary, C. E. Thomas, urging support of the Wagner-Connelly labor-disputes bill; to the Committee on Labor.

6680. Also, petition of M. F. Lee and numerous citizens of Chillicothe and Waverly, Ohio, urging support of the im-

mediate cash payment of adjusted-compensation certificates issued to World War veterans; to the Committee on Ways and Means.

6681. Also, petition of Young Men's Democratic Club of East Liverpool, Ohio, numbering some 400 members, by their secretary, Louis Lapin, voting a complete support of the administration public-works bill without the proposed McCarran amendment; to the Committee on Appropriations.

6682. Also, petition of Local Union No. 787, R. C. I. P. A., Crooksville, Ohio, by their secretary, Chester Leasure, requesting support of continuance of Approved Code No. 60, Retail Trade, as this code is much to their benefit; to the Committee on Ways and Means.

6683. Also, petition of public library of Arcanum, Ohio, by Miriam Rosser, president, going on record as favoring the petition of the General Edward Sigerfoos Post No. 156, of the American Legion of Arcanum and the ladies auxiliary, to have appropriated by Congress the sum of \$25,000 for the purpose of the erection of a building to the memory of Gen. Edward Sigerfoos, and further resolving that if such a building be erected that said building should become the home of the General Edward Sigerfoos Post No. 156, the ladies auxiliary of the post, and the Arcanum Public Library; to the Committee on Appropriations.

6684. Also, petition of the Marion Civic Club, Marion, Ohio, by J. W. Jacoby, favoring the proposed legislation in Congress looking to the elimination of utility-holding companies; to the Committee on Interstate and Foreign Commerce.

6685. By Mr. WELSH: Petition from a group of citizens of California, headed by Albert G. Burns, of Oakland, Calif., praying for the establishment of an inventors' loan fund; to the Committee on Banking and Currency.

6686. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, relating to a protective tariff on barley and barley malt; to the Committee on Ways and Means.

6687. By the SPEAKER: Petition of the city of Barberton, Ohio; to the Committee on the Judiciary.

6688. Also, petition of the Women's Sick and Death Benefit Fund, Brooklyn, N. Y.; to the Committee on Labor.

6689. By Mr. PETERSON of Georgia: Petition of the House of Representatives of the General Assembly of the State of Georgia, urging the immediate development of the Chattahoochee River, and for other purposes; to the Committee on Flood Control.

6690. Also, petition of the House of Representatives of the General Assembly of the State of Georgia, requesting the Congress of the United States to look with favor upon establishing of a fish hatchery in McIntosh County, Ga.; to the Committee on Merchant Marine and Fisheries.

6691. Also, petition of the Senate of the General Assembly of the State of Georgia, memorializing Congress to rigidly enforce immigration laws; to the Committee on Immigration and Naturalization.

6692. Also, petition of the House of Representatives of the General Assembly of the State of Georgia, favoring an increase in the use of cotton in the State of Georgia, and for other purposes; to the Committee on Agriculture.

## SENATE

FRIDAY, APRIL 5, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

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

JOHN H. OVERTON, a Senator from the State of Louisiana, appeared in his seat today.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 4, 1935, was dispensed with, and the Journal was approved.