SENATE

TUESDAY, MAY 14, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 11 o'clock a. m., 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 Monday, May 13, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. LEWIS. I announce that the junior Senator from South Carolina [Mr. BYRNES], the Senator from Utah [Mr. KING], and the senior Senator from South Carolina [Mr. SMITH] are unavoidably detained; that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands; that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Oklahoma [Mr. GORE] are absent on official business; and that the Senator from Louisiana [Mr. OVERTON] is absent because of illness.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

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

POSTMASTER GENERAL FARLEY

The VICE PRESIDENT. Under the unanimous-consent agreement the Chair lays before the Senate the resolution S. Res. 74.

The Senate resumed the consideration of Senate Resolution 74, which has been reported adversely by the Committee on Post Offices and Post Roads, as follows:

Whereas it has been reported that James A. Farley, acting as Postmaster General and in various other capacities for the United States Government, has conducted a private business for the selling of materials to persons engaged in doing public construction work for the United States Government, and that in some instances concerns buying materials from the said concern in which the said James A. Farley is interested have received contracts through as many as three low bidders being disqualified; and

Whereas it is further alleged that the said concerns favoring the firm of the said James A. Farley with business have been able to secure changes in specifications netting them large sums in profits after the award of contracts, and it being alleged that such changes are deliberately made for the purpose of allowing large profits and avoiding competition; and

Whereas it is further publicly known that the said James A. Farley has used the Printing Office and facilities of the United States Government for the purpose of gratifying personal whims and caprices of personal and political friends, even to the printing of stamps never to be used; and

Whereas it has been further charged that the said James A. Farley is implicated in a wire service leading into the gambling houses in the United States from the race tracks, and is using the functions which he supervises for the Government to pursue said businesses for profit to himself and to his friends; and

Whereas it is further alleged that without pay or compensation for the same the said James A. Farley has commandeered for his personal use facilities of public-service corporations borrowing money from the United States Government; and

Whereas it has been charged that the said James A. Farley, on the eve of a loan being granted to a railroad in West Virginia, telephoned the leading factor of that concern that it was to his interest to take a certain political position affecting the election of a United States Senator; and

Whereas there are general and specific charges of misconduct, irregularity, dishonesty, and other activity on the part of the said James A. Farley, it is due to the people of the United States, the Government of the United States, and the said James A. Farley that a reasonable and fair disclosure be made of said matters: Now, therefore, be it

Resolved, That the Senate of the United States does hereby order an investigation into the public and official conduct of the said James A. Farley and all matters conducted by him affecting the business of the United States and the expenditure of funds of the United States, and that the said committee be composed of 3 Members of the United States Senate, not more than 2 of whom shall be members of the same political party, to be selected by the Vice President of the United States and to be approved by the said Senate; and that said committee shall have all authority necessary and proper to procure evidence, summon witnesses, to hear testimony, and compel the production of books, records, accounts, statistics, employ experts, and do any and all such other things as may be necessary to carry out the purpose of said investigation; and be it further

Resolved, That any reports of investigations and data secured by the Department of the Interior, particularly through Louis Glavis and those associated with him, on the affairs in which said James A. Farley has participated for the Government of the United States, be forthwith furnished to the United States Senate to be, after proper perusal by Members of the said United States Senate, referred to the said committee to be provided for herein.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Louisiana [Mr. LONG] to the resolution.

Mr. LONG. Mr. President, I call the attention of the Chair to the fact that I am beginning to talk at exactly 12½ minutes past 11 o'clock.

The VICE PRESIDENT. The clerk will properly keep the time under the unanimous-consent agreement. One-half of the time is to be controlled by the Senator from Louisiana and one-half by the Senator from Tennessee [Mr. MCKELLAR].

Mr. LONG. Mr. President, yesterday afternoon the Senators from Tennessee [Mr. MCKELLAR], North Carolina [Mr. BAILEY], and Texas [Mr. CONNALLY] were very apprehensive as to the genuineness of an affidavit which I offered. I not only have present in one of the galleries of the Senate the party who made the affidavit but likewise another lady who volunteered last night to give another affidavit. I ask Senators to listen to me read another affidavit which not only proves the first affidavit, in part, but gives a lot more information that is quite startling to anybody except someone who wants to whitewash Jim Farley.

Here is an affidavit taken before Mr. Charles F. Pace, financial clerk of the United States Senate:

My name is Miss Lottie Koch. I live at 616 Seventy-third Street, Brooklyn, N. Y. I make this statement, to be verified as an affidavit, of my own free will and accord, and without the promise of reward. I came this morning of my own free will to Washington, D. C., to the office of United States Senator HUEY P. LONG, where I gave him the following knowledge, which I now restate as my affidavit:

I was an employee of the firm of James Stewart & Co., Inc., from May 27, 1918, until November 29, 1934, in the capacity as file clerk. While there I knew Mrs. Helen Humphreys, who was a confidential attaché and telephone operator in the office of the concern. Along about June or July 1934 it was reported that Federal investigators were coming to look into the files of James Stewart & Co. There was great excitement in the office. I was called by Mr. A. M. Stewart and instructed to bring to him any letters in the files from Mr. Jim Farley. I went into the private file of Mr. Watts and got two letters from Mr. Farley and carried them to Mr. A. M. Stewart and handed them to him in the presence of his secretary, Mr. Robert Kob, and Mr. M. E. Kalette. These two letters were as follows:

One was a letter from Mr. Farley to Watts relative to some Mother's Day stamps. Mr. Watts had written Mr. Farley asking for a special sheet of the Mother's Day stamps and Mr. Farley had written Mr. Watts back that the issue was in great demand and that he would send him some of the stamps if he could get them.

The other letter from Mr. Farley was signed "Jim", and contained a short paragraph reading as follows:

"The matter is in abeyance. Contract is yours. (Signed) "Jim."

Deponent knows that this letter pertains to the Vesey Street post office.

Along about this time Major Stevens, the Washington representative of James Stewart & Co., was in the office in connection

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with the Federal investigators, and was very busy running from one part of the office to another to tell them what this file or the other file might contain, and whether it should be supplied or not. In due course the company began to remove from its files certain papers, particularly including the files pertaining to the granite work on the courthouse building, and in course of such work began as though it were installing a new filing system, and over a period of several months, in which said James Stewart & Co. was removing files from the cabinets, and at the same time installing a new system. Finally, on November 29, 1934, deponent was discharged, and the only statement ever given to her was by her successor, who told her that "Your memory is too good."

Deponent started in with the said company working for $20 per week and rose to a salary of $190 per month, which, after the general offices had taken two cuts in salary, was reduced to $150 per month. No complaint was ever made against her services until the trouble came up over the Federal investigation, and when that arose, one of the vice presidents, Mr. Lohmann, who handled none of the Government work, but who was a vice president of the company, protested that deponent had never failed to be able to secure anything from the files that was needed, but as soon as the courthouse work had been completed, and the work of removing certain papers out of the files pertaining to the same and to other work, deponent was dismissed.

Deponent can state that Mrs. Helen Humphreys was so close in the confidence of the Stewarts that she was invited to their most intimate affairs, including their funerals and their weddings, and drew a salary, she thinks, of about $63 a week.

Deponent would be pleased to appear before any committee to give this testimony under oath.

(Signed) LOTTIE KOCH.

UNITED STATES OF AMERICA,
District of Columbia, City of Washington:

Before me, the undersigned authority, personally came and appeared Miss Lottie Koch, as introduced to me by United States Senator HUEY P. LONG, who, being by me first duly and legally sworn, says the allegations and facts of the above and foregoing statement are true and correct.

LOTTIE KOCH.

Sworn to and subscribed before me this 14th day of May 1935.
[SEAL] CHARLES F. PACE,
Notary Public, District of Columbia.

My commission expires February 12, 1936.

As I have stated, this affidavit was sworn to before Mr. Charles F. Pace, financial clerk of the United States Senate, whose office adjoins the Senate Chamber. Attached to that affidavit is a statement by Mrs. Helen Humphreys, reading as follows:

STATEMENT BY MRS. HELEN HUMPHREYS

In the presence of the witnesses attesting hereto, I wish to reiterate all contained in the copy of the affidavit filed in the United States Senate, which I read in the papers, and express my desire to testify under oath concerning the same, and to point out the places where an investigation will show the particulars of record, such as files, books, and accounts of the Government, and particularly records of insurance companies, and the books and vouchers showing to whom were paid the premiums, as mentioned in my previous affidavit.

(Signed) Mrs. HELEN HUMPHREYS.

Witness:
Attest:
E. J. HICKEY.
HUEY P. LONG.

That statement is witnessed by Mr. E. J. Hickey, one of the employees in the office of the Secretary of the Senate, and also witnessed by myself.

I send the original affidavit to the desk.

Mr. President, let us go a little further. Let us go further, when we are talking about whitewashing old Jim, before this alabaster coat is put on this man who says he will not allow himself to be investigated and who, according to these reliable, responsible, and truthful witnesses, not only rifled the files of the Government but rifled the files of Stewart & Co. Before Senators get ready to whitewash him, we had better see what the Government itself says about this gang of brigands and thieves.

I have a new compilation of which any Senator may have a copy. If any Senator reads this compilation, he will not hesitate a moment to agree that the investigation ought to occur. The Senator from North Carolina [Mr. BAILEY] said he had read all in this file. I had not read it until this morning, but after I read it I wondered how the Senator from North Carolina could ever rise on the floor of the Senate again and tell the Senate that he is the son of a preacher, after I found this in the files that he did not see. [Laughter.] Here it is. If Senators will take these things and read them, they will find that all this file is complete incrimination of the deepest dye by Ickes' employees, Wharton Green and Glavis, these investigators. There never was a deeper dyed conspiracy of such a criminal aspect laid to an organization in the history of the world than is laid to this crowd represented right here in this file. Let me read a line or two of it. Here is one of the letters from Wharton Green to Glavis, on page 14 of the compilation. I merely call attention to the underscored lines in the letter. There is plenty more of this, and much of it is of this kind:

The close contact between Stewart's organization and the Procurement Division is to my mind indicated by the fact that Stewart knew from Washington that this courthouse investigation, which he stopped, as he stated, "because of orders from Washington", would also be resumed for the same reason.

Notice that. This is the same Wharton Green making his report to Glavis. I said there was no question about the officers and the men in charge of this work and this office down here being in close contact with the Stewart outfit and being a part of them; that they knew more about it than was known here, and when the investigators went there they had orders from Washington not to allow them to see the files which this very Department had sent them there to get.

This is the very Department, as will be shown by these letters, which sent these investigators to the Stewart offices in New York City for the purpose of getting the papers showing this diabolical swindle and fraud, and when they got there the Department gave orders not to allow the investigators to go into those files which were not at that time destroyed.

Whitewash them? Send them to the United States Senate. Like Frederick the Great, who said he would have somebody in Heidelberg explain why he took Vienna, Mr. Farley will have somebody in the United States Senate explain why they swindled the Government out of $500,000 and rifled the files and put in a new filing system later. He will have somebody in the United States Senate to explain this thing. Do not worry about that! Go ahead and exonerate him and you will hear more from the country when you do.

Listen to this:

In other words, there exists now and has for a long time a constant contact and complete understanding between Watts, Stewart's New York representative; Stevens, Stewart's Washington representative; Reynolds, of the Procurement Division; and Roberts, formerly of the same division.

We may not be able to secure proof there were irregularities in connection with the award of contracts or subcontracts on either the courthouse or post-office annex, but the circumstances that those connected with same appear greatly concerned is indicative of something.

Then what did they do? When they went into it, what did they say? Here is what they said, just before they locked the gate and said, "Don't come back here." Look over here to this letter on page 17:

Referring to mine of the 19th instant—

This is from the same man—

I am informed that the principal change from the contract drawings and specifications, which has been made by the Treasury Department since the award of the contract to James Stewart & Co., of New York City, was the substitution of Vermont marble for the marble specified—

I want the Missouri Senators to listen to this—

(said to have been known under the trade name of "St. Genevieve" (?)), and that for this change James Stewart & Co. allowed the Government but $140,000, whereas the actual difference in cost was about $550,000.

Listen to that, Senators! I told you $387,000, according to my figures yesterday afternoon. Here are the figures out of the file of the Secretary of the Interior which say that the difference was around $410,000; and any man who will take a lead pencil and a piece of paper and subtract one from the other is bound to come to the conclusion that that fraud was perpetrated. Here are these letters, one letter after the other, every one of which certifies to the fact that they locked the door up there and would not allow these men to go in and see what had occurred.

That is not half the story. This is about the toughest, crookedest, rottenest, most open, most corrupt fraud that

has ever been put on paper. There never has been a fraud like this in a court. There never has been a case so openly crooked and alleged to be and certified to be so rotten and so crooked and so corrupt in the history of this Government. There never has been crookeder, rottener, lower-down stealing ever put in the nostrils of the people to have a defense made. Do not worry about it; there will be a defense made in the United States Senate.

What did they do? Here is what they did: They sent these men to New York—you have the letter before you—and they did not get old man Cass Gilbert to sign this thing to permit the change, but they got it done down here in the Treasury Department. The architect was afraid to do it. The architect made an affidavit—I have it there for you—that he had nothing whatever to do with changing those prices and nothing to do with fixing the value. On the contrary, they came down here to a man whose appointment was given by Farley—2 of them, 3 of them—and they made that change between the 15th day of June and the 26th day of June 1933; and when the investigators went up to get the papers, what did they say? They said:

We are not going to allow you to go into this thing any further. It is already killed. Mr. Cass Gilbert died of a broken heart after he found out what had been put over on him, and we are not going to allow you to go any further into it.

They actually claimed—and you have it before you; it is there, in the papers I have had stenciled for you this morning—they actually claimed that this fraud on the Government of $410,000 to $500,000 had broken old man Cass Gilbert's heart when he found out that the Farley organization had put it over on him, and he did not know anything about it; and when Glavis' men went up to New York to get documents out of the files of James C. Stewart & Co., and they were calling in the women and taking out the papers out of the file, and they were rifling the filing cabinet of what was contained in it because the Federal investigators were on the way, what happened? According to these papers that I have submitted for you to read, if you care to read them, when they got up to New York to see Stewart & Co., the investigators walked into the door of Stewart & Co., and who was there? The officers of Stewart & Co.? No; four officers of the United States Treasury Department were sitting in the private office of Mr. Watts. The investigators walked in to examine the files of Stewart & Co., and these four men, all of whom owed their jobs to James A. Farley, were seated in the private office of Mr. Watts. The investigators walked in and said, "Why, gentlemen, we are surprised to see the Treasury Department representatives here in this office that we have come to investigate." That is all in the papers before you there. The Treasury Department men said, "We are up here to see that you do not go too far. You are not only investigating Stewart", they said; "you are investigating the Government, and we are going to demand of you that you give us the names of these damnable scoundrels who have defamed the names of these Government people before we allow you to proceed any further."

"Why", the investigators said, "gentlemen, that is not under us. That was all thrashed out at Washington, D. C., between the Treasury Department and the Department of the Interior, before we ever came here. That has all been arranged. We have only our duty to perform, to come here to go through these files, to investigate." The Treasury Department men said, "We are not going to have anything like that"; and this Mr. Watts, the vice president of James Stewart & Co., who was made vice president at a salary of $25,000 a year, according to the evidence I have submitted here, for no reason on earth except for the fact that he had an inside contact with James A. Farley—this man was there, protected by four officers of the Treasury Department, who defied Glavis' organization from the other Government department to go into the files of James C. Stewart & Co.; and in the meantime they continued to rifle the files, and to install a new filing system, until eventually they fired the old filing clerk; and then, the next thing, what happened?

The Treasury Department said that if there was going to be any investigation of this matter, they did not think Mr. Glavis ought to be so much in it, and that they ought to be allowed to do it themselves; whereupon Mr. Glavis and his assistants reported that in view of the position taken, there was no need for them to go any further. "Here are the facts. They are there", they said. "There is an absolute understanding; there is a contract; there is a working organization between them. There is no need to go any further, and therefore let nothing be done about it", because the Treasury Department officers would not allow them to go any further in the investigation of this rampant swindle that was going on at the time.

Mr. President, I desire to save a little time for someone else. I have a little more proof here.

The Senator from Tennessee [Mr. McKELLAR], when I began to read him the list of 30 or 40 witnesses here yesterday afternoon, none of whom he summoned, sought to explain that he was not expected to summon anybody. Here is his own resolution from the Post Offices and Post Roads Committee. He never got an appropriation from the United States Senate to summon a witness or to pay for taking the testimony of a witness until May 1, 1935. He knew they were not summoning any witnesses before that committee. He did not summon any witnesses; but, as prejudiced as the mind of the Senator from Tennessee appears to me to be, he does not want to hear the facts. He could not see them when they were there. He would not see them; but they will not face the music. Go ahead; try to whitewash this thing, Mr. President.

According to my understanding, I have occupied 20 minutes of my time. I should like to reserve a little time to see just what can be done under these disclosures which no one can dispute unless he defies the Government that made its own investigation.

Mr. McKELLAR. Mr. President, this resolution was introduced by the Senator from Louisiana [Mr. LONG] on February 11, 1935. It contains six charges, all based on hearsay.

The first one is:

It has been reported that—

The second one:

It is further alleged that—

The third:

It is further publicly known that—

The fourth:

It has been further charged that—

The fifth:

It is further alleged that—

And the sixth:

It has been charged that—

What are these charges, Mr. President? All of them are made on hearsay, none on knowledge. As the Senator from North Carolina [Mr. BAILEY] so accurately and so ably pointed out in his forceful and wonderful speech of yesterday, the facts as to each one of these six charges were all gone into.

The first charge was that certain concerns in New York had been buying materials from the firm of James A. Farley and that such concerns had contracts with the Government. Later on, the Senator charged that wrongdoing was committed by Mr. Farley in connection with the construction of a Federal post-office building in New York.

At that point the Senator from Louisiana offered a resolution, which was unanimously adopted, as I recall, asking for the files of papers in reference to those two contracts as existing in the Department of the Interior and in the Treasury Department.

The request for the papers was granted by the Senate, the resolution was adopted by the Senate, and the papers were furnished by the Department. The papers went before the committee, but instead of doing what the Senator from Louisiana declared they would do, namely, prove his charges in connection with those contracts, they absolutely disproved those charges.

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

Mr. McKELLAR. No; I cannot yield. I refuse to yield. The papers absolutely disproved the charges, and the Senator, notwithstanding that fact, while he had the papers before him, and has had them ever since the report of the committee, stated yesterday that those papers had been rifled. The papers themselves show that there is not a word of truth in that statement. On the contrary, the only paper that even his friend Glavis——

Mr. LONG. Mr. President——

Mr. McKELLAR. I decline to yield.

Mr. LONG. A point of order.

The VICE PRESIDENT. The Senator declines to yield.

Mr. LONG. A point of order.

The VICE PRESIDENT. The Senator will state it. What is the point of order?

Mr. LONG. He says my "friend Glavis." I do not know Glavis, never saw him in my life.

The VICE PRESIDENT. The Senator does not state a point of order.

Mr. McKELLAR. I decline to yield.

The VICE PRESIDENT. The Senator from Tennessee has declined to be interrupted.

Mr. McKELLAR. And I ask that these interruptions not be taken out of my time but that they be taken out of the time of the Senator from Louisiana.

There was a statement by Glavis that some letter was not in the record. When the papers were examined by the Department and sent to the committee, it was found that that supposedly missing letter was in the files and had never been out of the files.

I mention these matters to show that the Senator has made speech after speech in this body and is still harping on the charge of dishonesty on the part of Mr. Farley as to these two contracts, when the papers which he produced, which he laid before the Committee on Post Offices and Post Roads, show beyond the peradventure of a doubt that every statement he made about it—and which he has continued to make about it—is without the slightest foundation in fact insofar as Mr. Farley is concerned.

The Senator from North Carolina [Mr. BAILEY] pointed that out in the evidence and cited the evidence, but I feel it to be my duty, inasmuch as the Senator from Louisiana continues to harp on those cases, to tell the Senate exactly what the record which the Senator from Louisiana produced shows, that is, that there is not a word of truth in his statements concerning James A. Farley's connection with those contracts.

While I am on the subject of those contracts I may say that the Senator brings in a belated paper, or a copy of one, two paragraphs of which he referred to, and I am going to read those paragraphs. The first one starts:

> The close contact between Stewart's organization and the Procurement Division.

Mr. President, the Procurement Division is in the Department of the Treasury. The Senator seems to think it is in the Post Office Department. It is not in that Department at all.

> The close contact between Stewart's organization and the Procurement Division is to my mind indicated by the fact that Stewart knew from Washington that this courthouse investigation, which he stopped, as he stated "because of orders from Washington", would also be resumed for the same reason. In both cases Stewart had the information here before we did. In other words there exists now, and has for a long time, a constant contact and complete understanding between Watts, Stewart's New York representative; Stevens, Stewart's Washington representative; Reynolds, of the Procurement Division; and Roberts, formerly of the same division.
>
> We may not be able to secure proof there were irregularities in connection with the award of contracts or subcontracts on either the courthouse or post-office annex, but the circumstances that those connected with same appear greatly concerned is indicative of something.
>
> (Signed) WHARTON GREEN.

There is not the slightest connection established with Mr. Farley; oh, no. Mr. Farley's name does not appear in it. It is with the Procurement Division, with officers in the Treasury Department named, some of whom are no longer there. Yet this is lugged in here in order to exploit the personal and political malice and spleen of the Senator from Louisiana against James A. Farley, whom he cannot control.

I digress here long enough to say, Mr. President, that it makes no difference who it is; it may be Jim Farley, it may be a Senator on this floor, it may be a Cabinet officer, it may be a humble citizen anywhere, if he does not agree with the Senator from Louisiana he is a scoundrel, he is a thief, he is a boodler; he is everything that is dishonest and corrupt if he simply disagrees with the Senator from Louisiana. He stops at no one.

Senators heard the statement, I may say the horribly untrue statement, made by the Senator from Louisiana against our great President only last week. His speech is to be found in the RECORD of last Friday, May 10, in which he denounced the President of the United States as a corruptionist, and called him every vile and inconceivable name, and implied all vileness and corruption and dishonesty to the President of the United States. He does not stop at anybody. The President does not agree with him, the President does not let him control him, and therefore the President is dishonest.

The Senator from Arkansas [Mr. ROBINSON], as honest and as fine a man as ever lived in this country, a great statesman, a great leader, one of the greatest leaders we have ever had in this body, is denounced by the Senator from Louisiana on occasions when the Senator from Arkansas does not agree with him. It may be that the Senator from Arkansas has done nothing to him, yet he denounces him when he does not agree with him.

He denounces Mr. Farley. He declared that the Interior Department had the evidence which would prove the scandalous charges he had been making, and when the record was produced and the evidence was not what he wanted, he denounced Mr. Ickes and everybody in that Department except Glavis.

Next he abuses the Post Office Committee, and he does not stop at that. The committee tried to make an honest investigation of this matter. We were not controlled by the Senator from Louisiana, and because we did not agree with him in the charges made by him and proved by the record to be untrue, he denounces the members of our committee.

He denounces my friend, the Senator from North Carolina [Mr. BAILEY], one of the purest and best men, and one of the best Senators who ever sat in this body. He denounces him simply because the Senator from North Carolina did not and does not agree with him—that is all. All anyone has to do if he wants to be denounced is to differ on any subject with the Senator from Louisiana. If any Senator wants to be denounced on the floor of the Senate all he has to do is to differ with the Senator from Louisiana and he will promptly be denounced.

Mr. President, to be perfectly frank, I am getting exceedingly tired of such denunciations on the part of the Senator from Louisiana. It ought not to be done here in the Senate of the United States.

He denounced me the other day and said I had attacked him. I never attacked him voluntarily in my life. Everything I have said concerning the Senator from Louisiana has been said when he invited the attack by some statement of his which was not in accord with the facts, and a man who will not defend himself should not be in this body. One does not deserve a place in this body if he is not willing to protect himself.

I proceed. Those two charges were absolutely disproven. Then came the next one—and let me refer briefly to what the others were.

First, that Mr. Farley had established a wire service leading into the gambling houses in the United States from the race tracks. That was absolutely disproved.

The Senator from Louisiana alleged that Mr. Farley commandeered for his personal use certain utilities. That was absolutely disproved.

He charged that he attempted dishonestly to influence the election of a United States Senator in West Virginia. That was absolutely disproved. What were the facts? It was

charged that Mr. Farley told a railroad company that unless they would support his candidate for Senator in West Virginia a loan of $25,000,000 would not be granted. Mr. Jones told the committee the facts, and the statement of the facts appears here in writing. Jesse Jones, Chairman of the R. F. C., testified that instead of lending the money to the railroad company the R. F. C. had collected about half of its debt. Its debt had been $25,000,000. They collected $12,000,000 of it; and he said that Mr. Farley had never mentioned the matter to him one way or the other. In other words, the Senator made that charge with the same zeal and emphasis and the same abuse, in the same horrible language customarily used by the Senator from Louisiana in making charges, like certain belated charges he is now making, to which I will come in a moment. I insert here a copy of Mr. Jones' statement:

RECONSTRUCTION FINANCE CORPORATION,
Washington, March 7, 1935.

Hon. KENNETH MCKELLAR,
Senate Committee on Post Offices and Post Roads,
United States Senate, Washington, D. C.

DEAR SENATOR MCKELLAR: In reply to your letter of March 6, enclosing copy of Senator LONG's letter to the Senate Committee on Post Offices and Post Roads of the same date, in which you ask for information this morning concerning the reference by Senator LONG to a loan of $52,000,000 to the Baltimore & Ohio Railroad, beg to advise that we made no loan of $52,000,000 to this road.

The Baltimore & Ohio Railroad owed our Corporation a note of $25,500,000, due August 10, 1934, this loan having been made 2 years prior. To meet this note and to provide the road with other funds that it needed, the Baltimore & Ohio offered, through its bankers, a $50,000,000, 5-year secured note issue. The loan was certified by the Interstate Commerce Commission, and our Corporation estimated the value of the security behind the $50,000,000 loan to be approximately $90,000,000.

We agreed to lend the road any part of the unsold portion. The net result of the transaction was that the bankers sold all but $13,490,000 of the $50,000,000 issue and the Corporation received a cash payment on its $25,500,000 loan of $12,144,900, and notes of the new $50,000,000 issue in the amount of $13,355,100.

In the opinion of every member of our Board the loan was well secured, and neither Mr. Farley nor anyone else ever spoke to me or to any other member of our Board about this loan, except officials of the Baltimore & Ohio Railroad and the bankers who handled the issue.

Very sincerely yours,

JESSE JONES, *Chairman.*

The Senator from North Carolina [Mr. BAILEY] has gone over the proof in this hearing and has done it well, and I cannot see how any Member of the Senate, whether Democrat or Republican, can vote for the pending resolution after hearing the facts as stated by the Senator from North Caroline. Later on in the Senate the Senator from Louisiana made additional charges, one about a Kansas City convict, I believe, who had committed some crime, and that Farley had helped him. Yet we have the Attorney General's statement before our committee that he had never heard of Farley in the matter; never had consulted with him; that he had had nothing in the world to do with him. And so on with all the charges. I attach the Attorney General's statement:

No action taken by the Department of Justice in any of these matters was at the instance or suggestion of Mr. Farley. No appointment or designation of any attorney or agent to handle any phase thereof was suggested by him, nor was any official removed or caused to resign at his request.

Then yesterday, when the resolution came up in the Senate itself, what happened? Did the Senator from Louisiana rely on the charges theretofore made? Oh, no. He abandoned those charges. He scarcely referred to them. He knew the evidence was in and knew that no Senator would vote to sustain any such charges on the facts presented to the committee. He knew that. He knew those charges were absolutely without any evidence to support them, and what did he do? He abandoned them and then filed an affidavit. Senators heard the affidavit. It was a very adroitly worded affidavit, which could be regarded in almost any sense.

I was interested in the debate which ensued yesterday as to whether the lady who made the affidavit could be punished for perjury if the statements she made were not true. The learned Senator from Alabama [Mr. BLACK], one of the ablest lawyers in this body and one of its best Senators, thought that she might be punished for perjury.

After a careful examination of that affidavit—we have not obtained the original as yet; have never been able to see the original; the copy of that affidavit, which the Senator says is a true copy, and we take his word for it, is the only one we have seen—after a careful examination of it, I do not believe that anyone could be prosecuted for perjury on account of any statement made in that affidavit. It is too vague and indefinite. It has to do with overhearing a conversation over the telephone. The lady does not even claim that she knew the voice of Mr. Farley, and yet she was a telephone operator, a telephone operator who listened in to this conversation. Whether she is still with the company or not now I do not know. The newspapers say that she is a discharged employee.

Then, after the debate on that subject yesterday, the Senator from Louisiana, knowing there was nothing in that affidavit, undertakes to get another one with which to prop up his case, and he brings in the affidavit of Miss Lottie Koch, another discharged employee of James Stewart & Co. Take everything that Miss Koch says and there is nothing in it. Nothing in the world in it! She says that Mr. Watts had written Mr. Farley. There were two letters. She says:

One was a letter from Mr. Farley to Watts relative to some Mother's Day stamps. Mr. Watts had written Mr. Farley asking for a special sheet of the Mother's Day stamps and Mr. Farley had written Mr. Watts back that the issue was in great demand and that he would send him some of the stamps if he could get them.

Is there anything criminal about that? Is there anything wrong about that?

What the other letter contained we do not know, because there is only one short excerpt taken from it. She says with reference to that:

The other letter from Mr. Farley was signed "Jim", and contained a short paragraph reading as follows:

"The matter is in abeyance. Contract is yours."

(Signed) "JIM."

Whatever else may be in the letter we do not know. All we know about that letter is that:

The matter is in abeyance. Contract is yours.

There is no telling what that was. Mr. Farley was not issuing any contracts. Mr. Farley was not the head of the contracting part of the Government. It does not implicate Mr. Farley in the slighest degree. We would have to see the letter and go into the matter to determine if there was anything wrong in it.

But, Mr. President, is it possible that after hearing all the proof, after hearing these charges—10 in number—taking those which were originally filed and those which were afterward filed in speeches—all of which were considered by the committee—taking them all, suppose we have all of them, and knowing that there was no proof to sustain any of them, we are next confronted——

Mr. SCHALL. Mr. President——

Mr. MCKELLAR. I decline to yield.

The PRESIDENT pro tempore. The Senator from Tennessee declines to yield to the Senator from Minnesota.

Mr. MCKELLAR. We were next confronted with two charges brought in here yesterday after the case is closed, after the hearings have been had, after the Senator from Louisiana was invited time and again to bring his witnesses and to tell what they would testify; and when he declined to do it——

Mr. LONG rose.

Mr. MCKELLAR. I decline to yield. I am not going to have the Senator taking up my time.

After he declined to do it, and had to be written to twice by the committee in order to get him even to undertake to do something, he came on the Senate floor and stated what he had. He did not come to the committee. He produced no names to the committee. He never has. But he came here before the Senate and made a speech in which he replied to my last letter, but a reply to that letter never was received by me nor by the committee, and every member of the committee knows that what I have said about it is the absolute fact.

Mr. President, are we now to pass on these belated affidavits? Everyone knows that after the discussion yesterday if the Senate had voted it would have voted against this resolution, even with the affidavit which was produced yesterday. The Senator from Louisiana knew it perfectly well. So he hies himself out in order to try to save this resolution by getting in an additional affidavit. I read a part of that affidavit to the Senate. The Senator from Louisiana has read it all. Take every word of it as true and there will be found in it no ground for changing any Senator's vote on the pending resolution.

Mr. President, as my time is limited, I reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator from Louisiana has 15 minutes more.

Mr. O'MAHONEY. Mr. President——

Mr. LONG. Mr. President, I desire it understood that the Senator from Wyoming is not speaking in my time.

The PRESIDENT pro tempore. The Senator from Louisiana has control of his portion of the time.

Mr. LONG. I do not want to control it. I just want it understood that the Senator from Wyoming is speaking in the time of the Senator from Tennessee.

Mr. McKELLAR. Oh, no, Mr. President.

Mr. LONG. Then I decline to give the Senator any time.

The PRESIDENT pro tempore. No one may speak in the time of the Senator from Louisiana.

Mr. McKELLAR. Mr. President, inasmuch as the Senator from Louisiana is going to speak again, I feel I ought to take some more time at this moment to refer to another matter which I have overlooked, so as to give the Senator from Louisiana an opportunity to reply.

Yesterday afternoon, after the Senator from Idaho [Mr. BORAH] had made a remarkably forceful speech, as he always does on any subject to which he addresses himself, the Senator from Louisiana offered an amendment, and I desire to read that amendment at this time:

To enable the Congress to secure such information as may be necessary for the consideration and enactment of legislation.

In other words, the Senator at this late hour undertakes to meet the objection raised by the Senator from Idaho, which I believe is a good objection. But what are the facts? What did the Senator from Louisiana have to do in order to put in that amendment? He certainly had to pocket his pride, and he certainly had to deny what he had said before on the same subject, because previously he made speeches about this matter, and he told in those speeches why this resolution was presented. I read from his speech of February 12. By the way, he has changed his mind about the President, as well as Mr. Farley, since that time. I read:

Mr. LONG. No; I will not agree to that. I think I know Mr. Roosevelt is a pretty good politician—and I mean that as a compliment, for a man who is a good politician will, just because he is a politician, learn that it is good to be honest in politics if he means to stay there very long.

A left-handed compliment.

I think Mr. Roosevelt is pretty good in other lines, too; but the Bible says: "Abstain from all appearance of evil", and when the committee is called to investigate Farley it is going to be "Katy, bar the door"; he is a "gone goslin"; he is going to quit; he will "fly the coop"; there will be no more to it; that will be already finished when Mr. Farley is ordered to be investigated by the Senate.

What does that show? Does that show the purpose of this resolution to afford a background for legislation? That statement shows his venom, spleen, hatred, and malice toward James A. Farley, whom the Senator could not control.

Just as I said in the beginning, any man whom the Senator from Louisiana cannot control, any man whom the "Kingfish" cannot make smaller fish out of, any man with whom he cannot have his way, he immediately denounces. The Senate offers him a forum, and he denounces him here on the floor. The denouncement in this case showed real spirit and feeling of the Senator from Louisiana; it showed his real reason for submitting this resolution. It was not for the purpose of providing a background for legislation, but it was for the purpose of venting spleen against James A. Farley, a man whom he could not control.

But that is not all. On the 21st the Senator from Louisiana again showed exactly the purpose of this resolution. I read:

Of course, I should not object to him having the right until he is kicked out of the Cabinet, and he is going out just as sure as 2 and 2 make 4—

The Senator from Louisiana is talking about mathematics again, let me say to the Senator from Arkansas, his kind of mathematics—

And he is going out just as sure as 2 and 2 make 4. He is on the way out. He is just as surely on his way out as that we have a Pennsylvania Avenue here in Washington.

Again showing the purpose of the resolution. Legislation! Of course no legislation was in view back of it. He does not desire any legislation. The Senate has heard him speak time and again since this controversy began. His desire is to incriminate, if he can, to abuse, to traduce, to destroy the good character of the man whose only offense was that he did not agree with the Senator from Louisiana and would not be controlled by him.

Mr. President, I reserve the remainder of my time.

Mr. LONG and Mr. O'MAHONEY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from Tennessee, unfortunately for him and for many of his friends, has become not only a painter but a very poor painter. In other words, he is the sorriest exhibition of a whitewasher that I have ever seen. [Laughter.] I do not believe I have ever before seen one just get right up in front of a proposition and fall down and bellow like somebody was trying to do something to him and he was afraid he would not. All that can be made out of the answer of the Senator from Tennessee is that when he reached the things for which there is no explanation and about which there cannot be any dispute he engaged in a tirade of vilification and indicated that his feelings were hurt because, as he said, away back yonder somebody said something about a lot of people. I do not suppose I have talked about my colleagues any worse than they have talked about me, and I do not suppose some of my colleagues feel any worse toward me, maybe, than I may feel toward them, and that may be a justification to them; but what has that got to do with this case? Why not come down and face the music?

The Senator from Tennessee attacks Glavis.

Mr. McKELLAR. Mr. President, I was just wondering if the Senator considers it an attack on Mr. Glavis because I called him "a friend of the Senator from Louisiana"? I was wondering if that was what the Senator objected to?

Mr. LONG. That is the only way the Senator from Tennessee meant it. The fact that Glavis was a friend of mine was a terrible thing; that is the connection in which the Senator from Tennessee used it.

Mr. McKELLAR. I will not answer as to that.

Mr. LONG. If the Senator can figure it any other way, very well.

Mr. McKELLAR. The Senator may draw his own conclusions.

Mr. LONG. I do not know Glavis. He is an employee in the Interior Department. It was Glavis, I understand, who once helped to unseat a whole Presidential government in connection with the Pinchot-Ballinger case. Well, we do not need Glavis to unseat this one; there is enough besides Glavis to do it; but just by a queer stroke of fate you fall down here and do not make any answer—and there will be none made, because there cannot be any made—to the charge that there was substituted, instead of 60,000 cubic feet of marble, 46,000 cubic feet, and instead of $12.50 marble, $4 marble, the testimony showing clearly by the oath of two witnesses that Mr. Farley was manipulating it, the testimony showing by Glavis' report that there was that contact, and testimony is ready to be produced to show every bit of it. Nonetheless, no denial is made on this floor but that $410,000

of the money of the people of the United States was filched as clearly from the Department of the Treasury, through this Farley negotiation, as if he had robbed a bank in daylight or in nighttime. Does the Senator from Tennessee make any answer to that? No. He makes no answer.

Does the Senator from Tennessee make any answer to the fact that through their negotiations up there and Farley's manipulations they rifled the files of the letters and rifled the files of some of the contracts, or does he make the slightest contradiction of the fact that, according to Mr. Glavis' report, they would not allow them to go in there and examine the files after they had been sent there? Strange as it may seem, every one of those particular men whom I have inquired about is known to have been a mere puppet, placed in the Treasury Department by James A. Farley, who controls the dispensation of all patronage and practically the dispensation of work.

Why not have some answer from the Senator from Tennessee instead of a common ordinary bellow? Why not have some answer? Mr. President, I recall that in my old days on the farm, when you would finally get a dog to where he was afraid to go out and tackle something, the only thing he would do would be to just lie down, right in the hot open sun, and bellow. While we were hunting wild hogs which were a little bit dangerous, I have seen dogs, when they would get on the scent of the hogs, lie down and bellow, and the closer to the scent they would get the louder the dogs would yelp, and the surer they were to turn around, stand still, and refuse to move a single inch.

Mr. McKELLAR. I am wondering if it was the same dog the Senator from North Carolina [Mr. BAILEY] was talking about yesterday.

Mr. LONG. The Senator from Tennessee is standing here baying at the moon when there is not even a moon to look at, but he refuses to face the fact that $410,000—and he cannot deny it—was taken out of the Treasury of the United States Government.

What else? I read from another one of the letters from Green to Glavis:

James Stewart & Co., of New York City, are the general contractors for the above, and in the course of an investigation of this firm, which we are now conducting of the post-office annex (ser. N. Y. 089–P. W.), we are given to understand that James Stewart & Co. will realize over a half million dollars by irregularities in connection with changes which are being made from the contract plans and specifications.

Get that! The Senator from Tennessee says that proves that it is all right; he actually says that it proves that water runs uphill. Here is a document that was filed by the office of Mr. Ickes, and the Senator from Tennessee says that it proves that everything was all pure, white, and holy:

These changes, we are told, involve principally marble and bronze work. We are further advised that a running fight has been under way from the start of the work between the architect, Cass Gilbert, and the contractor, James Stewart & Co., but that the contractor, through his political connections in New York and Washington, has been able to get away with almost anything.

That is from the file, but, lo and behold! when you go and look to see how they got away with this change in the marble, which was supposed to come out of Missouri, the contract which said the specification could not be changed except by and with the consent of the supervising architect went for naught, because they came down to Washington, D. C., and got an appointee of Farley in the Treasury Department to give them the O. K. to make the change that put $410,000 in their pockets.

That does not mean anything; you are going to whitewash it, are you? But I will be at the next washing. Go ahead and whitewash him, but I will be at the next washing.

Here is a little bit more of the substance of this investigation as it went along:

On account of increasing talk in the trade of the above and other questionable transactions in connection with this project was the direct cause of the very recent death of the architect for the project, Mr. Cass Gilbert.

Mr. BLACK. Mr. President, will the Senator read the remainder of that paragraph? He did not start at the beginning.

Mr. LONG. It says, "It is rumored."

Mr. BLACK. Yes; I did not hear that.

Mr. LONG. I was making the reading as short as I could on account of the brevity of time. I have everything in the document here. The Senator will find further that Cass Gilbert never approved the change in the marble work. If I do not start at the heading of some paragraph, the Senators will understand that I am conserving my time as much as I can.

In a conference today with Mr. J. S. Stewart and H. D. Watts (of James Stewart & Co.) in their office in New York City, Special Agent Bruce and I requested permission to examine the company's records and file appertaining to the construction of the New York Federal courthouse and were advised by them that their Mr. Forris D. Stevens (Washington representative) had discussed the matter with Mr. Reynolds, of the Procurement Division, Treasury Department, a few days ago, and Mr. Reynolds advised Mr. Stevens that it was the desire of Admiral Peoples—

Another Farley henchman—

that the investigation of the record should be commenced in the Treasury Department of Washington, and that therefore the Stewart Co., in deference to Admiral Peoples' wishes, denied us access to the company's records at this point.

Now mark you, Mr. President, they sent them to Stewart & Co. to investigate the records of Stewart & Co., and when they got to the records of Stewart & Co. up there they were met by four officers and agents of the Treasury Department, every one of whom was an appointee designated by James A. Farley. When they got up there and these four men faced them, they said, "Halt. We are not going to let you go into these files. We have decided you will have to turn around and go back to Washington, D. C., and investigate the Treasury Department first." They came back to Washington, and then the Treasury Department advised them they could go back to New York and investigate. They went back to New York to investigate and were told then, "You cannot investigate because you have not given the names of the people who made the complaints."

Their trip up there gives the Senator from Tennessee something to bellow about—not something to talk about, but something to bellow about. That is all he has done since the investigation has been under way. He said they had all the evidence before the committee. They never had one line of competent testimony before the committee. The Committee on Post Offices and Post Roads up until this date has never called one witness. Did the Senator hear what I said?

Mr. McKELLAR. Yes; I heard, but we had the testimony of the Senator from Louisiana who undertook to testify. I do not know whether or not he counts himself a witness.

Mr. LONG. That is not so at all. I did not undertake to testify. I merely went before the committee as a Member of the United States Senate and told what I wanted to do and what I expected to prove. There has never been one witness subpenaed. There has never been one witness who was allowed to testify. There has never been one single witness up to this good day who has testified before the committee. Notwithstanding the fact that it was told what I told it, this committee was not expected to summon a witness. That was not the purpose of it. No one ever thought they were going to do it. But now the Senator from Tennessee [Mr. McKELLAR], the Senator from North Carolina [Mr. BAILEY], and the Senator from Wyoming [Mr. O'MAHONEY] come here with this fictitious kind of argument that they heard evidence, when the fact is they never heard any evidence from one solitary witness. Right now the Senator from Tennessee is not willing to have his own committee hear any evidence.

I challenge the Senator from Tennessee! He will not hear Glavis. I challenge him now! He will not hear Mrs. Humphreys. I challenge him now! He will not hear Green. I challenge him now! He will not hear the woman whose affi-

davit I filed this morning. I challenge him now! Never has that committee been authorized to hear witnesses under oath until the 1st day of May, but even that committee, with all the prejudice that has been shown to come from the chairman of it and some of the members of it, does not dare to open the doors and hear testimony—not in executive session! Oh, no. I would not want to risk anybody in executive session.

I challenge the Senator from Tennessee! He does not dare hear a line of testimony. That committee never have summoned a single witness. They have never taken a line of testimony. What they have undertaken to do is to hush this thing up, to save the Democratic Party—to save the Democratic Party! Yes, they will save the Democratic Party; but about one more salvation like this and the Democratic Party is through. One more salvation like this and the party is finished.

I hardly suppose the Senator from Tennessee wants any other kind of motion to put himself on record, does he? The Senator from Tennessee has no objection to a roll call on this question has he?

Mr. McKELLAR. Indeed, no. I want a roll call.

Mr. LONG. Mr. President, I ask that when we vote on this question we have a roll call. The Senator from Tennessee has so expressed his desire.

The PRESIDENT pro tempore. Is the request for the yeas and nays seconded? Apparently a sufficient number of Senators have raised their hands. The yeas and nays are ordered.

Mr. LONG. I have only about 5 minutes left under the ruling of the Chair—perhaps less than that.

The PRESIDENT pro tempore. The Senator has 3½ minutes left.

Mr. LONG. That is a good compromise.

Mr. President, I have only this to say in conclusion: I have never yet heard a denial of what the Senator from North Carolina [Mr. BAILEY] said when he asked, "What about that transaction between Knox and Farley and Eastus, the United States attorney?" The Senator from North Carolina said it was a crooked transaction—that one of them ought to be run out of the United States attorney's office, and yet the two of them were imposed on Farley.

Oh, no; do not investigate Farley! We come with the report of Glavis and Green, and it shows that they had permitted this kind of robbery and swindle. What does the Senator from Tennessee say? He said the Treasury Department is crooked and Glavis is a friend of HUEY P. LONG, but Farley is all right. Then we come here with two women who had been confidential employees, who make the affidavits which they have given, who give the names of the insurance companies whose books can be subpenaed and examined, who give the names of Government files and the files of James A. Stewart & Co. which can be subpenaed and examined; and what does the Senator from Tennessee say? "Oh, no, no, no! Halt! No sworn testimony! No investigation of any kind. The only kind of evidence I need is a written statement that comes from Mr. Farley or some henchman of Farley."

That is the evidence. The Senator from Tennessee could not pass a law examination today like he did when he was a young man. Today he has it in mind that evidence is a written statement filed by somebody in favor of whom he desires to decide. That would be his definition of evidence today—some unsworn, ex parte statement by some person under investigation in defense of the man in whose favor he wishes to render a decision. That is the only evidence that constitutes proof, according to the Senator from Tennessee.

Mr. President, that is the case before the Senate. The case will not down. Senators may think this will be the last of it, but it is not even the beginning of it. You can no more squelch these facts than you can make the lightning stop coming when there is a cause in the elements to bring the lightning. You can no more make this man a pure man than you can make a rotten egg edible. Mr. President, all the scientists in the world have tried to make pure that which was impure, but they have never yet found the chemical that could be put in a rotten egg to make it either taste or smell right. The Senator from Tennessee does not have and cannot obtain the chemical properties, nor can anybody else, which can infuse honor into a confessedly crooked, rotten situation that is undertaking through political control today to keep itself from investigation and which dares not have the facts come to light.

Mr. McKELLAR obtained the floor.

The PRESIDENT pro tempore. The Senator from Tennessee has 9 minutes.

Mr. McKELLAR. Mr. President, in conclusion, I merely wish to call the attention of the Senate to one of the numerous and the last misstatements, I believe, of the Senator from Louisiana. He said that I said that employees of the Treasury Department were crooked. I made no such statement. The RECORD will show I made no such statement.

Again, he said I will not answer about the $500,000 which he said Farley stole. Again, speaking of the same amount, he said I will not answer about the $410,000 which he said Farley stole. There is absolutely no evidence on this charge. I call upon any Republican or Democratic member of the committee to say whether there is a line of evidence on that subject in the record. It was not offered before the committee. It is not there, and the Senator from Louisiana knew it was not there when he made the statement.

The Senator from Louisiana again begins to abuse me. He is adding me to some very distinguished company—first of all Mr. Farley. Then he follows with his diatribes against the Democratic Party. He denounces the party which sent him to this body. He is at war with it just as he is at war with everyone else who does not do his bidding. He is at war with his own party. He is at war with his own President. He is at war with the members of the Cabinet who will not do his bidding. And now, because the Committee on Post Offices and Post Roads does not do his bidding, he is at war with the Committee on Post Offices and Post Roads and singles me out as its chairman to vilify and abuse me.

He talks about my "bellowing." I do talk loud, but I do not talk as loud as does the Senator from Louisiana! I think there is no other Senator in this Chamber who can talks as loud as he talks. Certainly no one can talk as vehemently; certainly no one can talk without regard to the facts as does the Senator from Louisiana. I think he is a leader in many things. He is a past grand master as a leader of abuse. In that respect there is nobody who is equal to him in this body. I doubt if there ever was any Senator in this body who could abuse others as can the Senator from Louisiana, with or without cause. Cause is wholly immaterial. It makes no difference. The Senator abuses Mr. Farley because he cannot use him. He abuses the President because he cannot use him. He abuses the Democratic Party because he cannot control it. I say that if we ever have such leadership as the Senator from Louisiana in the Democratic Party, no longer will I be a member of that party.

Mr. LONG. Thank you.

Mr. McKELLAR. I desire to say another thing: I do not state it as a fact, but in my humble judgment the Senator from Louisiana will never lead the Democratic Party. He may in some way boss the people down in his own State, as he seems to do, but he is not going to boss the people of the United States, and he is not going to boss the Members of the Senate.

Another matter: In his diatribe against Mr. Farley, the Senator from Louisiana tries to establish a connection between the statements he has read and Mr. Farley by saying that Mr. Farley appointed all the employees. Here are some of the employees to whom reference is made:

One is Mr. Reynolds, who is a civil-service employee of the Treasury Department. To my certain knowledge Mr. Reynolds has been in the Treasury Department some 15 or 20 years.

Another one is Admiral Peoples. To my certain knowledge he has been in one department or the other—either the Navy Department or the Treasury Department—for something like 25 years, during my entire service here. Admiral Peoples was here when I came here. He is one of the finest men God ever made, as honest as the day is long, and as competent and efficient a man as we have in the Government service; yet, because Admiral Peoples does not do the bidding of the "Kingfish" of Louisiana, the "Kingfish" of Louisiana denounces him as a crook and a scoundrel in a place where Admiral Peoples has no opportunity to defend himself.

I say that none of these men were appointees of Farley. The only one who may have been is no longer with the Department, and this paper says he is no longer with the Department.

So, Mr. President, in the last charges that were made, just like all the rest, the Senator from Louisiana is absolutely oblivious to the facts, drawing on his imagination for statements to support what he is temporarily trying to do—working for the first page in the newspapers, trying to advertise himself as some kind of candidate for the Presidency, undertaking to denounce and traduce and vilify, and even going so far as to do it dishonestly in some cases, as he has toward the President of the United States, and as he has toward James A. Farley, and as he has toward me—to carry out his ambition to be President of the United States. A great many things have happened to the United States since our Government was established, but nothing that would be so unspeakable as to have at the head of this Nation a man who has the venom and the hatred and the malice toward everyone who disagrees with him that the Senator from Louisiana has.

Mr. President, the Senator from Louisiana has done himself the gravest injustice by making these charges. He has done a grave injustice to his fellows in the Senate, members of the Post Office Committee, men who—aside from the chairman of the committee—are a thousand times better, fairer men than the Senator from Louisiana. He denounces them as lending themselves to a crooked deal to whitewash a Cabinet officer. It just is not so.

The Republican members of the committee were open and aboveboard about the matter. They were fair and frank about it. They gave their views. They said there was no evidence to support the charges. The Republican members—all of them except the Senator from Minnesota [Mr. SCHALL] and the Senator from North Dakota [Mr. FRAZIER], who were not there—filed their statements, which are absolutely in accordance with the facts.

Mr. SCHALL. Mr. President——

Mr. McKELLAR. The other members of the committee, the Democratic members, filed their honest views about the matter.

Mr. SCHALL. Mr. President, I heard the testimony.

Mr. McKELLAR. I decline to yield.

Mr. SCHALL. I heard the testimony. Why describe me like that?

Mr. McKELLAR. If the Senator heard the testimony, I did not.

Mr. SCHALL. I did not hear the testimony, but I heard the statement of the Senator from Louisiana [Mr. LONG], who said he would produce thus-and-so testimony.

Mr. McKELLAR. I decline to yield, Mr. President.

The PRESIDENT pro tempore. The Senator from Tennessee has the floor.

Mr. McKELLAR. Mr. President, with that statement—that the committee has acted honestly and has brought in a report in accordance with the facts—I urge every Senator who believes in honesty and truth, and who is opposed to the exhibition of malice and hatred that has been given by the Senator from Louisiana, to vote down the resolution.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the clerk will call the roll.

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

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

Mr. LEWIS. Mr. President, I rise to announce the absence of the junior Senator from South Carolina [Mr. BYRNES], the senior Senator from Utah [Mr. KING], and the senior Senator from South Carolina [Mr. SMITH], who are unavoidably detained on official business.

I also desire to announce the absence of the junior Senator from North Carolina [Mr. REYNOLDS], who is on an official mission to the Virgin Islands.

The VICE PRESIDENT. Eighty-four Senators having answered to their names, there is a quorum present.

Mr. McKELLAR. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Will not the Chair state how the vote arises?

The VICE PRESIDENT. The question pending before the Senate is the amendment offered by the Senator from Louisiana [Mr. LONG] to the pending resolution, which will be stated.

The CHIEF CLERK. On page 3, in line 13, it is proposed, after the word "investigation", to insert the words "to enable the Congress to secure such information as may be necessary for the consideration and enactment of legislation."

Mr. McKELLAR. There is no objection to that, as I understand.

The VICE PRESIDENT. The Chair will ascertain. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The question now is on the resolution as amended.

Mr. McKELLAR. Will the Chair state how the question arises?

The VICE PRESIDENT. The question is, Shall the resolution, as amended, authorizing an investigation of the Postmaster General, be adopted?

Mr. McKELLAR. Those who are opposed to the investigation will vote in the negative?

The VICE PRESIDENT. Those who are in favor of the investigation of the Postmaster General will vote "yea" and those who are opposed will vote "nay."

Mr. NORRIS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. I wish the Chair would state whether or not there will be a separate vote on the preamble. The adoption of the resolution would not mean the adoption of the preamble.

The VICE PRESIDENT. If the resolution shall be adopted, then there will be a separate vote on the preamble.

The question is on agreeing to the resolution, as amended. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the junior Senator from North Carolina [Mr. REYNOLDS] and vote "nay."

Mr. NYE (when his name was called). Upon this question I have a pair with the Senator from South Carolina [Mr. BYRNES], who is absent. If I were permitted to vote, I should vote "yea." If the Senator from South Carolina were present, I understand he would vote "nay."

Mr. WHEELER (when his name was called). On this vote I have a pair with the senior Senator from Utah [Mr. KING]. If he were present, he would vote "nay." If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. LONG (after having voted in the affirmative). I desire to change my vote from "yea" to "nay."

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The Senator from South Dakota [Mr. NORBECK] is necessarily absent.

Mr. LEWIS. I rise to announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Oklahoma [Mr. GORE] are absent on departmental business.

I wish to announce also that the Senator from Louisiana [Mr. OVERTON] is absent on account of illness.

I desire to announce that the Senator from Virginia [Mr. GLASS] is absent in attendance on an important meeting of the Committee on Banking and Currency. If present he would vote "nay" on this question.

I also announce that the Senator from Utah [Mr. KING], the senior Senator from South Carolina [Mr. SMITH], and the junior Senator from South Carolina [Mr. BYRNES] are unavoidably detained, and that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands.

The result was announced—yeas 20, nays 62, as follows:

YEAS—20

Austin	Dickinson	Keyes	Schall
Barbour	Frazier	La Follette	Steiwer
Capper	Gibson	McNary	Townsend
Carey	Hale	Metcalf	Vandenberg
Couzens	Hastings	Norris	White

NAYS—62

Adams	Connally	Logan	Radcliffe
Ashurst	Coolidge	Lonergan	Robinson
Bachman	Copeland	Long	Russell
Bailey	Costigan	Maloney	Schwellenbach
Bankhead	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Thomas, Okla.
Black	Fletcher	McKellar	Thomas, Utah
Bone	George	Minton	Trammell
Borah	Gerry	Moore	Truman
Brown	Guffey	Murphy	Tydings
Bulkley	Harrison	Murray	Van Nuys
Bulow	Hatch	Neely	Wagner
Burke	Hayden	O'Mahoney	Walsh
Byrd	Johnson	Pittman	
Clark	Lewis	Pope	

NOT VOTING—12

Byrnes	Glass	Norbeck	Reynolds
Caraway	Gore	Nye	Smith
Davis	King	Overton	Wheeler

So the resolution was rejected.

Mr. ROBINSON. I move to reconsider the vote by which the resolution was not agreed to.

Mr. McKELLAR. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee [Mr. McKELLAR] to lay on the table the motion of the Senator from Arkansas [Mr. ROBINSON].

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay on the table the motion to reconsider was agreed to.

AFTER THE VOTE ON THE FARLEY RESOLUTION DECLINED INVESTIGATION

Mr. LONG. Mr. President, I wish to have the RECORD show that, undertaking to give the Senate a night or two in which it could calmly study the evidence which I presented here this morning and yesterday, I made the customary change of my vote, from yea to nay, in order that I might later have the right to move for a reconsideration of the vote by which the resolution was defeated. The ordinary practice is that the person who sponsored the resolution, whether victorious or not, is usually given an opportunity to make that kind of a motion with respect to that kind of a resolution.

However, I have no quarrel that the contrary is the will of the majority, because I have availed myself of that in some other instances, and therefore cannot complain of the use against me of instruments which I have used against my adversaries on other occasions. However, I wish to say that I am sorry that the vote took on almost what appears to be a party color. All the Republicans excepting one were in favor of investigation. All the Democrats excepting two were opposed to an investigation. I will restate what I have just said, Mr. President. I am sorry that this vote showed a party line-up with only two Democrats voting in favor of investigating the Postmaster General and all the Republicans excepting one voting in favor of an investigation. I make that correction. There were two on each side. They are exceptions which prove the rule.

Mr. BARKLEY. The Senator from Minnesota [Mr. SHIPSTEAD] is on the other side of the aisle but he also voted "nay."

Mr. LONG. I did not hear the vote. He is not on either side, is he? He is a Farmer-Laborite.

Mr. BARKLEY. The Senator knows as well as I do what party the Senator from Minnesota is connected with.

Mr. LONG. No; Mr. President, I do not know what party he is connected with. I was nominated for President on that party ticket and the Senator refused to recognize me as his candidate, and I did not accept the nomination last year.

Mr. President, the Democratic Party when I came to Congress was just about in the same position that it takes today, only it was a minority party. When I came to this body I was soon at odds with the leadership of the Democratic Party at that time. I was not immediately when I came here; that is, I did not know I was, but I had not been in this body for 10 days or not more than a month before I found out that the Democratic Party, as then led, was one of suicide and destruction. I would not follow the Democratic leadership, and my reasons for supporting the present occupant of the White House was that he saw fit to send me a message by word of mouth and in writing to commend me for my stand against the leadership of the Democratic Party according to my expressions that I had made for several days.

Mr. President, he is now the occupant of the White House. He is, with some exceptions—not many—going along the patterned line of the old Democratic national leadership when I first came to this body. He has enshrouded himself in a Cabinet at least partly composed, if the records assembled and presented by another one of his departments can be trusted—composed of corruptive persons or practices tied in sins of politics never countenanced by this civilized country. The party, under the banner of Farley, blackened by the crime of sabotage, if the report of the Interior Department can be accepted—his control over and manipulation of those sent upon missions to relieve distress, his control, so exercised as to barter justice into injustice and the truth into an open falsehood against respectable practices in operations and conduct of government, cannot survive in a party if the party survives.

I have never conceived it to be a part of my political life to defend the corruption of an organization with which I was affiliated. I have not hesitated to oust, when within my power, from whatever political faction with which I was associated, those whose practices I found to be such as lent themselves to corruption and to spoliation and against public good. I am following the same practice in the case of Mr. Farley. He cannot remain in the Cabinet, I do not think, very long. If the regard that the Senator from Tennessee had for the President should prove to be well founded, on truth—and I am only too sorry that I cannot reciprocate that admiration for the President—I wish that I could, but my mind and heart cannot surrender and merge what is there and what came there without any blame on my part—but if the President be one-half so pure in motive or one-fourth so pure in motive as some of those who have voted against this resolution allege him to be, then the influence and shadow of Farley and the practices mentioned in these pages here by Mr. Glavis and Mr. Green and by others sent upon these missions to develop facts, must fade

out. Farley must either go or the shadow of respect must remove itself from the President as well as from the balance of this administration.

I have heard it said on the floor of the Senate—I had no time to reply—that I have a private quarrel, or perhaps a public quarrel, with Farley and with Roosevelt. I have. I have a private quarrel with Roosevelt and with Farley. I have a public quarrel and a private quarrel and a political quarrel and a personal quarrel, because I do not separate the lines of politics from either my personal or professional lines. Mr. President, when I do not like a man personally I do not like him politically; when I do not like a man politically I do not like him legally. Somehow or other the Lord failed to endow me with the refining instinct of differentiation between one whose political practices I would condemn and one whose personal practices I might like.

The word "duplicity" and the word "diplomacy" come from the same Greek root. I do not know whether Senators know that or not. There is an old saying, "The Greeks had a word for it." The same Greek word is the mother word of "duplicity" and of "diplomacy." I do not know that we have to go back to the Greeks to justify that. I learned that fact when I drank water out of the branch in Winn Parish. I find no means by which one who, in a true sense, can become a diplomat whose characteristics do not become duplicitous as a result of it.

I cannot smile on the conduct of one in public which in private I condemn. I do not have to violate the rules of the Senate. I can fail to speak when, were I to speak the truth, I would infringe upon the rules prescribed for the conduct of a Senator; and I shall not speak when speech would mean talk under the rules of the Senate by which I would have to misrepresent what I conceived to be the truth and the facts about the matter.

Mr. President, Farley has apparently been exonerated; that is how the press will carry the news that the Democratic Members have exonerated one of their own; that the Democratic Party has expressed renewed faith in Farley. He will be introduced at another banquet or two, but not many. They will carry him there with a boiled shirt and a cutaway coat and a bow tie, but the odor will be there as if it were not attempted to be covered up. They may stand the smell of this patronage, but they will not be able to stand the odoriferous presence of Farley. He will swish around with that scissor-tail coat at a few more banquets given by those seeking patronage; he will receive a few more gracious lines, when suddenly some day or some night, following those diplomatic broils which come in the lives of those intrusted with steering the Ship of State, it will be found that Mr. Farley can no longer sacrifice himself for the welfare of the people, but will retire—to what? Do you say he will retire to run the Democratic Party's next campaign? Oh, no. We have finished that much of him. No; they will not dare put Jim Farley at the head of the next Democratic campaign. You may have covered up the grave, but you have not buried the corpse very deep. If you bring him out, we will bury him next time the right way; we will bury him face down, so that every time he scratches he will go nearer home instead of coming back. [Laughter.]

IMPORTS OF AGRICULTURAL PRODUCTS—RAW COTTON

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, in further response to Senate Resolution 111 (submitted by Mr. VANDENBERG, and calling for certain information regarding imports of agricultural products, and cotton and wheat production and consumption), transmitting tables showing the exports of raw cotton by leading producing countries and imports of raw cotton by leading consuming countries for the entire period 1904 to 1934, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate letters and papers in the nature of petitions from sundry citizens of the United States, praying for the prompt enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

Mr. COOLIDGE presented a resolution adopted by the Thirty-seventh General Court, National Society, Daughters of Founders and Patriots of America, favoring the enactment of legislation increasing the strength of the Army, the National Guard, the Reserve Corps, and so forth, as recommended by the Secretary of War and the Chief of Staff of the Army, which was referred to the Committee on Military Affairs.

Mr. WALSH presented the petition of Alston Post, No. 669, Veterans of Foreign Wars, of Alston, Mass., praying for the enactment of House bill 6193, prohibiting the importation into the United States of American flags and emblems manufactured in foreign countries, which was referred to the Committee on Finance.

He also presented a resolution adopted by Aerie No. 617, Fraternal Order of Eagles, of Brockton, Mass., favoring the passage of old-age-pension legislation, which was referred to the Committee on Finance.

He also presented the petitions of the Central Labor Union and Local Union No. 57, International Association of Bridge, Structural and Ornamental Iron Workers, both of Worcester, Mass., praying for the enactment of legislation providing for a graduated tax on cigarettes, which were referred to the Committee on Finance.

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

He also presented petitions of Merrick Lodge, No. 563, Brotherhood of Locomotive Firemen and Enginemen, of Springfield; White City Lodge, No. 243, of Worcester, and Granite Lodge, No. 1517, of West Springfield, both of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, all in the State of Massachusetts, praying for the enactment of legislation extending the effective date of the National Emergency Transportation Act of 1933, which were referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the Boston Flower Exchange, of Boston, Mass., remonstrating against the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work week bill", which was ordered to lie on the table.

He also presented a paper in the nature of a petition from members of the New England Region, Common Brick Branch, Structural Clay Products Industry, Worcester, Mass., praying for the extension of the National Industrial Recovery Act, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by Branch 213, Workmen's Sick and Death Benefit Fund, of Mamaroneck, N. Y., favoring the passage of unemployment, social-insurance, and old-age pension legislation, which was referred to the Committee on Finance.

He also presented a resolution adopted by New Syracuse Aerie No. 053, Fraternal Order of Eagles, of Syracuse, N. Y., favoring the enactment of legislation providing for old-age pensions, which was referred to the Committee on Finance.

He also presented a resolution adopted by the New York Chapter No. 3 of the American Veterans' association, Inc., of New York City, favoring an investigation of the American Legion, or other patriotic organizations, of veterans' activities in violation of their charters, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Canton and Potsdam, in the State of New York, praying for the enactment of legislation to take the profits out of war, which were referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of the State of New York praying the enactment of legislation providing for the issuance of a commemorative stamp in honor of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by the German-American Conference of Greater New York and John T. Hoffmann Unit, No. 25, of the Steuben Society of America, of Yonkers, in the State of New York, favoring an amendment to the Constitution providing for a referendum on the declaration of war, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the New York Board of Trade, Inc., of New York City, opposing the enactment of legislation adversely affecting railroads, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Lehigh & Hudson River Railway Veterans' Association, of Warwick, N. Y., favoring the placing of busses, trucks, waterways, pipe lines, and airplanes under regulation by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by Acirema Council, No. 15, of Syracuse, and Manor Council, No. 112, of Woodhaven, both of the Sons and Daughters of Liberty, in the State of New York, remonstrating against the enactment of legislation tending to weaken the present alien deportation law, which were referred to the Committee on Immigration.

He also presented a resolution adopted at Nyack, N. Y., by the Rockland County Peace Association urging the cancelation of the military mobilization announced for northern New York, that naval maneuvers in the North Pacific be not used as an instrument of diplomatic pressure, that the Hull doctrine of nonintervention in Latin America be extended, that legislation be passed to prevent profiteering in war, and remonstrating against a large naval building program, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted at Saranac Lake, N. Y., by the Presbytery of Champlain of the Presbyterian Church favoring placing Japanese immigration on a quota basis, urging the cancelation of maneuvers of the naval fleet in the Pacific Ocean, or that they be kept in waters adjacent to our own coast line, reduction of naval, land, and air armaments, and remonstrating against recognition by this Government of Manchukuo, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the National Public Housing Conference, of New York City, favoring the passage of legislation providing for low-rental housing, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Vegetable Growers Association of America, urging restoration of curtailments in studies in vegetable-crop production and in economics and other related subjects and relief of agricultural extension service workers from matters of regulation at the expense of service, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted at Oneonta, N. Y., by representatives of the Otsego County (N. Y.) Clearing House Association favoring the enactment of legislation covering an assessment of one-sixteenth of 1 percent on bank deposits to cover Federal deposit insurance, and remonstrating against proposed changes in the Federal Reserve System, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Dairymen's League Cooperative Association, Inc., of Auburn, N. Y., urging the enactment of legislation to provide for a managed currency and the restoration of the price level, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the board of supervisors of Columbia County, N. Y., favoring the enactment of legislation placing all agricultural commodities under the Agricultural Adjustment Administration, which was ordered to lie on the table.

He also presented a resolution adopted by the board of directors of the Sheffield Producers Cooperative Association, Inc., in the States of New York, New Jersey, Pennsylvania, and Vermont, remonstrating against the passage of said legislation placing all agricultural commodities under the Agricultural Adjustment Administration, which was ordered to lie on the table.

He also presented resolutions adopted by Fairfield Grange, No. 569, of Herkimer County, subdistrict no. 12-B of the Dairymen's League Cooperative Association, Inc., of Auburn, and Kayahoora Local, Dairymen's League Cooperative Association, Inc., of Herkimer County, all in the State of New York, remonstrating against the enactment of legislation placing the regulation of motor-vehicle transportation on the highways under the Interstate Commerce Commission, which were ordered to lie on the table.

He also presented a resolution adopted by the Industry and Business Committee for National Recovery Administration Extension, of New York City, favoring the enactment of legislation extending the N. R. A. for 2 years, which was ordered to lie on the table.

CORDAGE ALLOWANCES

Mr. COPELAND. Mr. President, certain of my constituents are displeased with the action of the Senate in the allocation of the cordage allowance. I ask that the letter which I present, together with the brief or statement attached, may be printed in the RECORD and referred to the Committee on Territories and Insular Affairs.

There being no objection, the letter and the accompanying paper were referred to the Committee on Territories and Insular Affairs and ordered to be printed in the RECORD, as follows:

JOHNSON-PICKETT ROPE CO.,
Baltimore, May 13, 1935.

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

DEAR SENATOR COPELAND: When Mr. Bailey and I left with you a memorandum in the anteroom of the Senate Chamber last Thursday, I am afraid we were entirely too scant in our explanation of just what it was and why we would like to have it inserted in the CONGRESSIONAL RECORD.

The memorandum is, as its contents disclose, the minutes of a meeting called by the Acting Governor General of the Philippine Islands of the cordage manufacturers of the islands, to get their views on the proper allowance of cordage which should be allowed entry into the United States from the islands, duty free, and the proper method of allocating the allowance among the various manufacturers.

There has been a good deal of discussion in the committees of Congress as to just what the manufacturers of cordage in the Philippines want, and we submit that their recorded ideas, as set forth in the minutes of this meeting, are the best evidence of what they want.

The vote of a majority of the manufacturers sustains the position of the Johnson-Pickett Co., who are the principals for your constituents in New York, the United Fiber Co., represented by Mr. Bailey.

The Senate bill relating to this subject has passed the Senate and is on the Consent Calendar before the House, and will probably be reached next Monday. If you could have the memorandum of the minutes which we submitted to you inserted in the RECORD before that date it would be highly desirable and could be referred to by the House members of the Insular Affairs Committee, who expect to say a few words in behalf of an allocation of the cordage allowance in proportion to spindle capacity, or in other words, in proportion to the production capacity of the various mills.

I am taking the liberty of sending you herewith another copy of the minutes of the meeting in the event the original left with you the other day may have been misplaced.

Thanking you again for your many courtesies to our representatives and friends who have been to see you about this matter, we are,

Very truly yours,

THE JOHNSON-PICKETT ROPE CO.,
By HUBERT L. GWYNNE, *Attorney.*

SPECIAL CORDAGE COMMITTEE—AIDE MEMOIRE

Meeting of special cordage committee called by Governor General Hayden at Malacanan, Manila, March 22, 1935, 11 a. m.:

1. At the request of Governor General Hayden, at 9 a. m. the undersigned telephoned the Honorable Eulogio Rodriguez, secretary of agriculture and commerce, informing him of the Governor General's desire that he, together with the Honorable Jose Yulo, secretary of justice, Mr. Garchitorena, and representatives of the cordage industry should meet at 11:30 a. m. for the purpose of drafting a reply in protest to United States Senate bill 2209, as reported in radiogram received, no. 131, Cox to Hayden, dispatched from Washington, March 21, received at Manila March 22, 1935, reading as follows:

"HAYDEN, *Manila.*

"For the Acting Governor General: The bureau has been advised that Senate bill 2209, entitled 'A bill to protect American labor and to preserve an essential American industry' has been referred

to the Committee on Territories and Insular Affairs and a hearing will be held thereon March 25. This bill provides:

"'That, effective January 1, 1935, the total amount of all yarns, twines, cords, cordage, rope, and cable, tarred or untarred, wholly or in part of manila (abaca) or other hard fiber, which may be shipped into the United States from the Philippines, shall not exceed 5,000,000 pounds in any calendar year. Except as provided herein, nothing in this act shall be construed to modify or repeal the provisions of any existing law.

"'SEC. 2. The Secretary of the Treasury shall promulgate such rules and regulations as may be necessary to enforce the provisions hereof, and this act shall be enforced as part of the customs law.'

"It is requested that the view of the Philippine government on this bill be transmitted by radio in order that they may be available for the hearing on March 25.

"Cox."

2. Secretary Rodriguez called the committee to session in the cabinet room, Malacanan, at 12 noon, and invited the undersigned to act as secretary of the committee.

3. Present were: Hon. Eulogio Rodriguez, secretary of agriculture and commerce; Hon. Jose Yulo, secretary of justice; Mr. E. D. Hester, economic adviser to the Governor General; Mr. Cornelio Balmaceda, director of commerce; Mr. Mariano Garchitorena, manager fiber inspection service; Mr. V. C. Bartolome, of the fiber inspection service; Mr. John T. Pickett, of the Johnson-Pickett Rope Co.; Mr. Juan Elizalde, of Elizalde & Co.; Mr. H. P. Strickler, of the Manila Cordage Co.; Mr. Alfonso Sy Cip, of the General Manufacturing Co.; Mr. Perfecto Feliciano and Mr. Juan Feliciano, of Juan Feliciano & Sisters.

4. Radiogram received, no. 131, as quoted in paragraph 1 above, was read by all members.

5. Secretary Yulo announced the legal opinion that the bill was not technically an infringement of the Tydings-McDuffie Act, that it could run parallel with the Tydings-McDuffie Act, and that it would work to modify the status quo of cordage exports to the United States under the Tydings-McDuffie Act so that instead of the Philippines being allowed to export to the United States 3,000,000 of cordage duty free plus an unlimited quantity dutiable, the Philippines with the enactment of United States Senate bill 2009 would be allowed to ship 3,000,000 pounds of cordage duty free and only 2,000,000 pounds dutiable.

6. Mr. Cornelio Balmaceda, Director of Commerce, presented statistical data in reference to the Philippine cordage industry and trade.

7. After considerable discussion and at the suggestion of the chairman that motions for action be entertained, Mr. John T. Pickett, of the Johnson-Pickett Rope Co., presented the following motion:

"That until effectivity of the Tydings-McDuffie restriction, Philippine exports of all manufacturers of hard fiber to the United States and its possessions be limited to 9,000,000 pounds annually, all free entry, to be allocated according to the spindle capacity of each and every cordage mill in the Philippine Islands as per bureau of public works records of 1934 filed with the city engineer of Manila and with similar authorities in the provinces."

In discussion, Messrs. Juan Elizalde, of Elizalde and Co., and H. P. Strickler, of the Manila Cordage Co., presented strong arguments to the effect that it was useless to ask the American cordage interests to specifically approve 9,000,000 pounds for the current year and furthermore, that if allocation should be undertaken prior to the effectivity of the Tydings-McDuffie Act, such allocation should be made on the same basis as that provided for in the Tydings-McDuffie Act.

The chairman recognized a division of subject matter in Mr. Pickett's motion: (a) Limitation of quantity to 9,000,000 pounds; (b) allocation according to spindle capacity.

The chairman polled the representatives of the cordage industry in respect to limitation to 9,000,000 for the current year with the following results:

Mr. John T. Pickett, of the Johnson-Pickett Rope Co	Yes
Mr. Alfonso Sy Cip, of the General Manufacturing Co	Yes
Messrs. Perfecto Feliciano and Juan Feliciano, of Juan Feliciano & Sisters	Yes
Mr. Juan Elizalde, of Elizalde & Co	No
Mr. H. P. Strickler, of the Manila Cordage Co	No

The chairman announced that the majority opinion of the cordage industry was in favor of limitation of the current year or from date until effectivity of the Tydings-McDuffie Act to 9,000,000 pounds.

The chairman polled the representatives of the cordage industry on the point of allocation according to spindle capacity with the following results:

Mr. John T. Pickett, of the Johnson-Pickett Rope Co	Yes
Mr. Alfonso Sy Cip, of the General Manufacturing Co	Yes
Messrs. Perfecto Feliciano and Juan Feliciano, of Juan Feliciano & Sisters	Yes
Mr. Juan Elizalde, of Elizalde & Co	No
Mr. H. P. Strickler, of the Manila Cordage Co	No

The chairman announced that the majority of the industry approved allocation according to spindle capacity.

8. After further discussion, the chairman recognized the minority opinion of Mr. Elizalde, of Elizalde & Co., and Mr. H. P. Strickler, of the Manila Cordage Co., as in favor of moving forward the date of effectivity of the cordage provisions of the Tydings-McDuffie Act of April 1, 1935, it being understood that this action would include both the quantity limitation and method of allocation of the cordage provisions of the Tydings-McDuffie Act.

9. Secretary Yulo suggested that with the limitation to 9,000,000 pounds allocation for the current year would probably be unnecessary. To this Mr. John T. Pickett replied that inasmuch as allocation for 10 years would very likely be based on the export records of 1935, allocation according to the spindle capacity should be adopted in order to assure the small factories of the Philippines an opportunity to export cordage to the United States during the life of the Tydings-McDuffie Act.

10. Mr. E. D. Hester advised that in his opinion the protest should center not upon the presentation of a substitute for United States Senate bill 2209 but upon the grounds first, that the bill was a further incursion of the treaty-similar character of the economic provisions of the Tydings-McDuffie Act, and second, that it discriminated against the Philippine Islands in favor of foreign countries inasmuch as the quantity of dutiable cordage exported from the Philippines to the United States would be limited to 2,000,000, whereas the quantity of cordage exported to the United States from foreign countries would not be subject to any limitation whatsoever.

11. The chairman summarized the situation in respect to Philippine cordage and the work of the committee, thanking the gentlemen for their attendance and for the frankness with which they had considered the problem.

12. The chairman adjourned the committee at 12:40 p. m., sine die.

E. D. HESTER,
Secretary, Economic Adviser.

THE PROFITS OF WAR

Mr. WALSH. Mr. President, I present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress eliminate the profits from the manufacture of munitions by way of preparedness for war.

The resolutions were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Resolutions commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war

Whereas the President of the United States has courageously recommended legislation looking to the taking of private profits out of war; and

Whereas private profits in war munitions may be an incentive to warfare and prevent the continuance of peace on earth and good will to men: Therefore be it

Resolved, That the General Court of Massachusetts hereby commends the President of the United States for his courage and leadership above mentioned, and earnestly and respectfully requests the President and Congress to further the cause of removing private profits from war and from the manufacture of munitions by way of preparedness for war; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officers of both branches of Congress, and to the Representatives in Congress from this Commonwealth.

STATUE OF GEN. ROBERT E. LEE IN ARLINGTON CEMETERY

Mr. WALSH presented a letter from Miss Susan G. Macomber, chairman of the legislative committee of the Woman's Relief Corps, auxiliary to the Grand Army of the Republic, Boston, Mass., with an accompanying paper embodying a resolution, which were referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

WOMAN'S RELIEF CORPS,
Allston, Mass., May 8, 1935.

Hon. DAVID I. WALSH,
Member of Congress, Washington, D. C.

MY DEAR SENATOR: Through the fifty-sixth annual convention of the Department of Massachusetts Woman's Relief Corps, auxiliary to the Grand Army of the Republic, I have been instructed to send you the following resolution adopted by the convention on April 10 and to request that it be spread upon the pages of the CONGRESSIONAL RECORD.

"The Department of Massachusetts Woman's Relief Corps, numbering over 8,000 loyal women, unanimously adopted this resolution, and respectfully beg that you do not vote favorably upon this bill, if and when it comes before the Senate for enactment.

"We believe it unseemly that a statue of any man, or men, who fought with rebel forces with the object of overthrowing this Government, should be recognized in this manner, regardless whether it is Robert E. Lee, or any other traitor, and particularly as the place—Arlington National Cemetery—where it is proposed to erect this statue of Robert E. Lee on a prancing horse, is

hallowed by the remains of the gallant men whose eyes are forever closed in eternal sleep, who wore the loyal blue of the Union Army on 1861–65.

"Through the daily press the public has recently been informed of the fact that the deserter and traitor Grover Cleveland Bergdoll expects to again enjoy the benefits of this country and its freedom. The man for whom this bill (H. J. Res. 232) asks that a statue be erected, ranks the same as Grover Cleveland Bergdoll in the eyes of all clear-minded patriotic people who have not fallen under the spell of southern influence. Would the World War men want to think that 50 years hence a statue would be raised to the deserter Bergdoll? I doubt it much. No more do we to the deserter Lee, and if it is done, the standard of patriotism will be lowered to the ground."

This bill (H. J. Res. 232) sponsored by Representative HAMILTON FISH, Jr., is now in the Committee on the Library and will no doubt shortly be brought before the Senate. We beg that you do not vote favorably upon it.

Very truly yours,

(Miss) SUSAN G. MACOMBER,
Chairman Legislative Committee.

WOMAN'S RELIEF CORPS,
Boston, Mass., April 10, 1935.

GENTLEMEN: The Department of Massachusetts Woman's Relief Corps, auxiliary to the Grand Army of the Republic, at this the fifty-sixth annual convention, held at Hotel Statler, Boston, Mass., April 10, 1935, unanimously passed the following resolution, copies of which have been sent to Representative HAMILTON FISH, Jr., of New York, who entered House Joint Resolution 232, to which this refers, and to the Senators and Representatives in Congress from this State.

"Whereas Representative FISH has introduced into Congress House Joint Resolution 232, authorizing the erection of an equestrian statue of Robert E. Lee, in Arlington National Cemetery; and

"Whereas Representative FISH has called for an expression of public opinion on this joint resolution; and

"Whereas Robert E. Lee fought for 4 years to destroy this Nation; and

"Whereas communism and inimical forces are today seeking the same ends that Robert E. Lee did, namely, our national destruction; and

"Whereas it would be against the public good to recognize thus the principle of national destruction as exemplified in the conduct of Lee and would encourage communism (whom Representative FISH professes to abhor and oppose) to emulate Lee; and would be unseemly for our Government to honor one whom the Great Emancipator named as a traitor: Therefore, we, the Woman's Relief Corps of the Department of Massachusetts.

"*Resolve*, That we are opposed to the erection of this statue to Lee in Arlington Cemetery; and we direct that copies of this resolution be sent to the Committee on the Library to whom the joint resolution was referred, and also to Representative FISH, and to our Senators and Representatives in Congress, directing that this resolution be spread upon the pages of the CONGRESSIONAL RECORD."

Therefore, gentlemen, we ask that you do not vote favorably House Joint Resolution 232.

(Miss) SUSAN GLOVER MACOMBER,
Chairman Legislative Committee.
BELLE MORTON,
President 1934–35.

OLD-AGE PENSIONS—FRATERNAL ORDER OF EAGLES

Mr. WAGNER. Mr. President, I have before me a resolution adopted by the Syracuse Aerie of the Fraternal Order of Eagles relating to old-age pensions in the United States and Canada. This organization is one of the best known and most benevolent of the fraternal organizations of the country. The organization is really the pioneer in the movement to provide old-age pensions. Its activities and sponsorship of this movement has been responsible for the enactment in many States of old-age-pension laws, for which I take this occasion to commend the organization most heartily.

I ask unanimous consent that the resolution may be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas in August 1921 a thousand delegates to the Grand Aerie of the Fraternal Order of Eagles, representing 500,000 men, by unanimous vote committed our fraternity to the sponsorship of old-age pensions in the United States and Canada; and

Whereas at that time not a county, not a State in the United States, and not a Province in Canada was paying pensions; and

Whereas the Eagles have spent during the succeeding 14 years more than $500,000 in an educational campaign involving Nation-wide distribution of magazine articles, newspaper publicity, and pamphlets prepared by the publicity department of the order; and

Whereas Eagles have spoken in behalf of the pension plan, used motion pictures to arouse interest, and, in some States, conducted and financed surveys to show to legislatures the need of pensions; and

Whereas the first successful old-age-pension bill passed in the United States was prepared by a national officer of our order, introduced by him in the Montana Legislature, of which he was a member, passed through the efforts of Eagles, and signed by Gov. Joseph M. Dixon, who was an Eagle; and

Whereas almost without exception every subsequent old-age-pension bill that has become law was prepared by Eagles, introduced in State legislatures by members of our order, aided by the Federation of Labor and other interested organizations and altruistic individuals; and

Whereas more than a score of Governors who have signed old-age-pension bills have highly commended the Fraternal Order of Eagles, among the Governors being President Roosevelt, who stated publicly soon after signing the New York State bill: "Most of the credit for showing the need of old-age-pension legislation is due—and will be given—to the Fraternal Order of Eagles"; and

Whereas the President of the United States recognized our fraternity—and ours only—in appointing Past Grand Worthy President George Nordlin to the Advisory Council on Economic Security; and

Whereas ours was the only fraternity to be honored by a Presidential invitation to the conference on economic security when Past Grand Worthy Conductor Lester Loble, as "the author of the first old-age-pension law in this country", was asked to be one of the four discussion leaders at a round table on old-age pensions: Now, therefore, be it

Resolved, That Syracuse Aerie, No. 053, of the Fraternal Order of Eagles, proud of our order's work for old-age pensions, earnestly urges our Senators and Congressmen to support that part of the social-security bill (S. 1130 and H. R. 4142) which provides for Federal monetary assistance to the States paying old-age pensions. Such action on the part of our national legislators will earn the lasting gratitude of the members of this aerie.

REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 165) for the relief of Robert McFarland, reported it without amendment and submitted a report (No. 618) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 245) for the relief of Charles Wilson, reported it with an amendment and submitted a report (No. 619) thereon.

He also, from the Committee on Mines and Mining, to which was referred the bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, reported it without amendment.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 2533) for the relief of the rightful heirs Tiwastewin or Anna, reported it with amendments and submitted a report (No. 620) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, reported it without amendment and submitted a report (No. 621) thereon.

SURVEY OF INDIAN CONDITIONS (S. REPT. NO. 622)

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, submitted a partial report, relative to the removal of O. K. Chandler, superintendent and special disbursing agent, Quapaw Agency, Miami, Okla., pursuant to Senate Resolution 79, Seventieth Congress, and subsequent resolutions, on a survey of conditions among the Indians of the United States.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. MINTON:

A bill (S. 2813) granting an increase of pension to Michael Burger (with accompanying papers);

A bill (S. 2814) granting an increase of pension to Alfred McClellan (with accompanying papers); and

A bill (S. 2815) granting an increase of pension to John M. Williams (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 2816) for the relief of Meyer Morris; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 2817) for the relief of Walter F. Boyle; to the Committee on Foreign Relations.

By Mr. WHITE:

A bill (S. 2818) for the relief of Blanche L. Gray; to the Committee on Foreign Relations.

By Mr. COPELAND:

A bill (S. 2819) granting an increase of pension to Lillian P. Dowdney; to the Committee on Pensions.

A bill (S. 2820) to amend the Public Works Appropriation Act of 1935 making available not to exceed $1,000,000 for the alteration of carriages of 3,200 75-mm guns now in storage; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 2821) for the relief of Rhoda Settles; and

A bill (S. 2822) for the relief of Cal Settles; to the Committee on Claims.

By Mr. GORE:

A bill (S. 2823) for the relief of Lillie, or Johanna Small Rib; to the Committee on Claims.

By Mr. MOORE and Mr. BARBOUR:

A bill (S. 2824) for the relief of Newark Concrete Pipe Co.; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof; to the Committee on Commerce.

By Mr. WHITE:

A joint resolution (S. J. Res. 129) for the designation of a street or avenue in the Mall to be known as "Maine Avenue"; to the Committee on the District of Columbia.

AMENDMENT OF THE TAYLOR GRAZING ACT

Mr. ASHURST and Mr. HAYDEN, jointly, submitted an amendment intended to be proposed by them to the bill (S. 2539) to amend sections 1, 8, and 15 of, and to add section 17 to, the act of June 28, 1934 (48 Stat. 1269), commonly known as the "Taylor Grazing Act", which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

THE AMERICAN MERCHANT MARINE—AMENDMENTS

Mr. BLACK. Mr. President, I submit four amendments intended to be proposed by me to the bill (S. 2582) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes.

The VICE PRESIDENT. Without objection, the amendments will be received, referred to the Committee on Commerce, and printed.

Mr. BLACK. I desire to state that the amendments provide a limitation on profits for shipbuilders accepting a subsidy, and also a minimum wage for the personnel on the ships, and provide for certain duties to be performed by the Interstate Commerce Commission.

FUNERAL EXPENSES OF THE LATE SENATOR CUTTING

Mr. HATCH submitted the following resolution (S. Res. 137), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Bronson Cutting, late a Senator from the State of New Mexico, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

MERCHANT-MARINE POLICY AND SHIPPING SUBSIDIES (S. DOC. NO. 60)

Mr. COPELAND. Mr. President, in a few days there will be before the Senate a shipping bill. The Department of Commerce, at the request of the Commerce Committee of the Senate, has prepared, through Mr. J. E. Saugstad, a description of the merchant-marine policy and shipping and shipbuilding subsidies. I ask unanimous consent that the paper may be printed as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3808) concerning the incorporated town of Seward, Territory of Alaska.

ENROLLED BILLS SIGNED

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

H. R. 3808. An act concerning the incorporated town of Seward, Territory of Alaska; and

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes.

FARM CREDIT ACT OF 1935

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

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

The motion was agreed to; and the Vice President appointed Mr. FLETCHER, Mr. WAGNER, Mr. BARKLEY, Mr. BYRNES, Mr. CAREY, and Mr. COUZENS conferees on the part of the Senate.

DEATHS OF FORMER SENATOR COHEN AND PLEASANT A. STOVALL

Mr. GEORGE. Mr. President, there passed away last night in the city of Atlanta, Ga., John S. Cohen, formerly a Member of the Senate.

Senator Cohen, or Major Cohen, as he has been known since the days of the Spanish-American War, was a well-known figure in the South—indeed, in the country. He was a great publisher, essentially a journalist in his likes and in his tastes, and for a long time was prominently identified with journalism and the politics of the Southeast, especially in his native State of Georgia.

As vice chairman of the Democratic National Executive Committee he displayed the rare judgment which characterized him in all his activities in life.

He was one of the early friends of the President of the United States, and he gave to the President of the United States unfailing and unfaltering support and loyalty.

I had the great pleasure of serving in this body during the short period of his service here, and our relations were always the most intimate and the most cordial. Indeed, I learned to know him, both in and out of public life, as a man of fine judgment, of superior loyalty, a friend of everything worth while in the life of his State, the life of his section, the life of his country.

I wish simply to pay this brief tribute to the memory of this sturdy, intelligent, loyal, progressive, patriotic citizen of my State, not only a devoted friend of his party but an unfaltering and devoted friend of the head of his party, the present President of the United States.

Mr. President, there also passed away last night in the city of Savannah, Ga., another distinguished citizen of Georgia. He likewise was a journalist and publicist, and through a long life had been identified with journalism in Georgia and the Southeast. I refer to Hon. Pleasant A. Stovall, Minister to Switzerland under the administration of President Woodrow Wilson, a gentleman of kindly characteristics, of gentle character, high culture, a real leader of

everything worthy in the affairs of his city and of the State, and a great citizen of the United States.

The State has sustained a great loss in the passing of Mr. Stovall and in the passing of Major Cohen, formerly a Member of the Senate of the United States.

Mr. RUSSELL. Mr. President, the State of Georgia, which I have the honor to represent in part in this body, on yesterday suffered the loss of two of her most distinguished sons.

Hon. John S. Cohen, a former Member of this body, and Hon. Pleasant A. Stovall, a former Minister to Switzerland, both passed to their reward.

Former Senator Cohen was personally known to most of the Members of this body. For many years he was an outstanding figure in the life of his people. He was an able and fearless journalist and for almost 20 years directed the policies of one of the outstanding daily papers of the Southeast as its editor. Whether serving in a public capacity or as a private citizen, his entire career was marked by unselfish and patriotic devotion to the public welfare. Few men have been privileged to make such a definite imprint upon the course of events of the times in which he moved. He neither craved nor sought to hold public office but did not shirk the call of duty to assume the responsibilities of great public trust under the most trying circumstances. As the editor of the Atlanta Journal and in positions of leadership, both public and private, the people of Georgia had confidence in him and in his integrity. His wise advice and counsel was sought and welcomed in the highest councils of the Nation. As one who was privileged to know him intimately and to enjoy the blessing of his personal friendship, I feel a deep personal loss in his passing. Thousands of personal friends in every walk of life who loved him for his many sterling qualities will mourn him long.

Mr. Stovall was also a distinguished journalist and for many years published another great daily paper in my State. He served as United States Minister to Switzerland prior to our entry into the World War. As a representative of this great Republic during our period of neutrality he handled with signal distinction many perplexing problems of an international nature, both on behalf of his own country and other neutrals and in many affairs affecting the belligerent powers. His sweet character attracted all who knew him and his life was spent in the service of others.

The State of Georgia and the Nation can ill afford to lose men of the stature of these men in these trying times.

ADDRESS BY SECRETARY MORGENTHAU ON THE PROBLEM OF STABILIZATION

Mr. FLETCHER. Mr. President, on Monday evening last, Hon. Henry Morgenthau, Jr., Secretary of the Treasury, delivered over the radio a very timely and interesting address on the monetary policy of the Government and the problem of stabilization. During the course of his address, among other things, he said:

> As the nations went off gold, the value of their currencies in international exchange dropped sharply and our customers found it difficult to get dollars with which to pay for American products. They could trade with each other to some extent, but they bought from us what they could not do without. The physical volume of world export trade dropped about one-fourth from 1929 to 1932, but our exports dropped almost one-half in the same period.
>
> During 1932 England increased her share of the world trade by 16 percent over the previous year, and Japan, by 29 percent. To say that we merely shared in world-wide misfortune is not entirely accurate, because our share included an additional penalty for remaining on the old gold standard.
>
> While total world export trade declined, those countries which promptly went off gold increased their share of what remained.
>
> Some of the countries became alarmed because they could see the bottoms of their gold bins. They and others exerted pressure to have foreign credits called home. Sometimes these credits responded by going in the other direction just as fast as they could travel. Gold was stampeding from country to country, always leaving the place where it was needed and rarely doing its new hosts any good.

Further on he said:

> You have heard the argument that we should stabilize by declaring that we will not change the present gold content of the dollar. Some even go so far as to say that the other nations would certainly follow, if we took the lead. If we launched out alone on such a course, it would put us right back where we were in 1932, and offer a tempting invitation for the others not to follow, but again to take advantage of our disadvantage.

Mr. President, without quoting further from the able address of the Secretary of the Treasury, I ask unanimous consent that in its entirety it be printed in the RECORD at this point, and that the accompanying table headed "Sales Data", be printed following the address.

There being no objection the address and the accompanying table were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 14, 1935]

TEXT OF MORGENTHAU'S ADDRESS ON THE PROBLEM OF STABILIZATION THE AMERICAN DOLLAR

It is my purpose tonight to state a few simple facts which, I hope, will contribute to a clearer understanding of the monetary policy of the United States. I shall not enter into complicated discussion of the theory of money. I shall merely tell you what was done * * * why * * * and the effect.

In order to examine the record in logical sequence, it is necessary to review briefly the background of our present problems. Foreign trade has, from the beginning, been an important factor in the business of the American people. During the 18 years immediately preceding the outbreak of the World War we exported $31,000,000,000 worth of merchandise, almost all of which was paid for with goods and services that we received.

The net gold movement to us was relatively small, amounting to $174,000,000. Foreigners invested in the United States, during those 18 years, $2,000,000,000. Americans invested abroad $1,000,000,000. At the outbreak of the World War the American people owed the world $3,000,000,000 more than foreigners owed us. That was what the ledger showed on July 1, 1914.

With the beginning of the World War a tremendous change took place. From July of 1914 to the end of 1922 we exported $47,000,000,000 worth of merchandise. Much of this was paid for with goods, services, and gold, but there remained due us a balance of $19,000,000,000, for which we took mostly promises to pay.

OUR INVESTMENTS ABROAD TWO-THIRDS IN DEFAULT

Now note the contrast. In the previous 18-year period, with our country one of the world's attractive fields for capital investment, we drew in about $1,000,000,000 net from abroad, but when we became a creditor nation the net outflow of capital reached $19,000,000,000 in the 8 years between the beginning of the World War and the end of 1922.

Nor did we stop there. We continued to export more than we imported, thus accumulating an additional two and a half billions of dollars of net foreign investment by the end of 1929.

If we deduct from the grand total of our loans and investments abroad all of the loans and credits that foreigners have here and then examine the status of our net foreign investment we find that an amount equal to two-thirds of it is today in partial or complete default.

There you have the background, from an American point of view, when in 1931 things headed toward a crisis all over the world. Credit and currency difficulties which had been spreading throughout Europe came to a head in the spring of that year. On September 21, 1931, Great Britain suspended gold payments. Norway, Sweden, and Denmark followed within a week. Japan acted in December. Other nations either went off gold or took equivalent action to control their foreign exchange.

As the nations went off gold the value of their currencies in international exchange dropped sharply, and our customers found it difficult to get dollars with which to pay for American products. They could trade with each other to some extent, but they bought from us only what they could not do without. The physical volume of world export trade dropped about one-fourth from 1929 to 1932, but our exports dropped almost one-half in the same period.

RETENTION OF GOLD BASIS HELD "ECONOMIC SUICIDE"

During 1932 England increased her share of the world trade by 16 percent over the previous year, and Japan by 29 percent. To say that we merely shared in world-wide misfortune is not entirely accurate, because our share included an additional penalty for remaining on the old gold standard.

While total world export trade declined, those countries which promptly went off gold increased their share of what remained.

Some of the countries became alarmed because they could see the bottoms of their gold bins. They and others exerted pressure to have foreign credits called home. Sometimes these credits responded by going in the other direction just as fast as they could travel. Gold was stampeding from country to country, always leaving the place where it was needed, and rarely doing its new hosts any good.

In January of 1932 gold began to leave the United States in alarming amounts. This was fair notice to all concerned that our turn was next. The panic was knocking at our door, but nothing effective was done to avert it. Europeans knew that we could not maintain our currency at the old gold level without a further ruinous deflation of our prices, trade, and industrial activity.

Facing that crisis, the previous administration stubbornly refused to take action, evidently under the impression that that was a proud achievement, when it was obviously economic suicide.

Foreigners had left here more than a billion dollars to enjoy our high interest rates and prospects of quick profits. Seeing what was happening, they judged that it was high time to take this money home. They did so, and the panic was on. We could not offer them their defaulted paper when they called for their money. We could not even offer them their paper that was not in default.

We had let them have the money on long-term loans, and they had short-term loans here. Our long-term paper was not due, while their short-term loans could be collected and their stocks sold. They could demand gold for every dollar due, and that is what they did. Thus it happened that in the first 6 months of 1932 we witnessed the incredible spectacle of gold going out of the world's greatest creditor nation on every ship—nearly all of it to nations that were in our debt. Still nothing effective was done to avert the disaster.

Stupendous as the gold movement was, we could not ship fast enough to meet the demand, and speculators took advantage of the situation to sell the dollar. They were not all foreigners, either. However, the citizenship of these snipers is not important, since their dominant trait is an utter lack of patriotism or loyalty to any nation. They would sell civilization itself short if they could, and, for all they knew at that time, they might have been doing so.

GOLD LOSS WAS A FACTOR IN BANK PANIC OF 1933

Our loss of gold, added to the calamity of declining trade, falling commodity prices, and widespread unemployment, caused bewilderment and then panic. The disaster swept over our country with the fury of a hurricane. Within a few months our financial structure was in a state of collapse. In the month of February 1933 and up to the time President Roosevelt took office about half a billion dollars in gold and nearly $2,000,000,000 in currency were withdrawn from our banks.

They were closing, not individually, but by whole States at a time. That was the situation when this administration came into office. On taking his oath, Mr. Roosevelt assumed both the duties of President and receiver for a concern—the richest on earth, but on that tragic day face to face with insolvency.

We were headed for disaster unless the run on the banks could be stopped and our gold reserves reassembled. Both objectives were promptly achieved. The President's proclamation closed the banks, ending the run, and the gold was ordered into the custody of Uncle Sam under penalties. Those two acts met the domestic emergency. An embargo on gold exports was declared, and that ended the outward flow. This effectively took us off the old gold standard and the dollar began to adjust itself to the realities of the world situation.

In going off gold we were not the first; we were the thirty-first. The operation was completed in January of 1934, when the dollar was revalued and set at 59.06 percent of its former gold content. Since that time we have enjoyed the soundest currency in the world. It is, in fact, so sound that we find gold flowing back into this country to take refuge in our dollar; not to pay balances but to find safety. Some of the same sharpshooters who personally conducted the flight of gold from this country during 1932 and the first 2 months of 1933 are now bringing it back.

FOREIGN-TRADE INCREASE TRACED TO NEW DOLLAR

But let us return to the record and see what our new dollar did for our foreign trade. I shall take all three of the commonly used yardsticks and apply them:

First. Measured in physical volume, the United States increased its export trade during 1934 as compared with both 1932 and 1933.

Second. Measured in dollar value, the United States increased its foreign trade in 1934 as compared with 1932 and 1933.

And, finally, measured by percentage share in the physical volume of total world trade, we again show an increase over both 1932 and 1933.

This is the more remarkable because the volume of our agricultural exports was declining.

In 1934 we shipped one-third less cotton than in 1932, but we got 7 percent more money for it.

We also got a higher price for our wheat, but the drought can account for most of the increase.

Our wheat exports have also been affected by quotas and embargoes. Some of our former customers prefer, for reasons of national policy, to grow their own wheat, regardless of price.

Because of these unusual factors, I cannot trace with accuracy and fairness the full effect of our monetary policy upon agricultural exports.

A better test is offered by manufactured goods.

The physical volume of all our finished manufactures exported in 1934 increased 37 percent compared with 1932; semimanufactures increased 47 percent in the same period.

To be concrete, let us take a specific article, such as the automobile. In 1930 we exported 238,000 cars. In 1932, with our country one of the very few remaining on the old gold standard, we exported 65,000 cars. In 1933, under the Roosevelt monetary program, our exports shot up to 107,000 cars. Last year they more than doubled; they came right back to where they had been in 1930.

During the disastrous period of declining sales, the world still wanted American automobiles, but it could not get the dollars to pay for them. Nothing startling developed in the way of foreign competition; our dollar prices had not gone up; and quality remained just as good, or improved.

We simply had an interim during which we could not sell because the dollar was too high in relation to other world currencies; this administration lowered the gold content of the dollar and the foreign market is being restored to our automobile manufacturers with such rapidity that the benefits are already Nation-wide.

AUTO EXPORTS ARE CITED AS EVIDENCE OF BENEFIT

Some people have been telling you that there simply could not be any benefit in restoring trade by bringing our money into reasonable relation with the other moneys of the world. I decided to get the answer to that question from the manufacturers themselves. They ought to know best. I asked the executive heads of 29 large representative firms whose products are a cross-section of our industry to tell me:

First, whether they are getting any more foreign trade.

Second, whether employment in their plants has increased.

Then I examined their published reports to find out whether they were making any profits. Here are the combined answers.

To the first question * * * whether they are getting any more foreign trade * * * they answer, "Yes." In 1934, which was the first full year under the Roosevelt monetary program, their export sales were 59 percent greater than in 1932.

To the second question * * * whether the number of their employees has increased * * * they also answer, "Yes." Two hundred and four thousand more men and women were working in their plants during 1934 than in 1932, an increase of 34 percent.

To the third question * * * whether they are making any money * * * the answer is again, "Yes." Their combined loss in 1932 was $121,000,000; their combined profits for 1934 were in excess of $128,000,000. These figures include their losses and earnings on domestic sales also. Domestic sales followed substantially the same course as their foreign sales. When foreign sales hit rock bottom so did domestic sales; and when foreign sales recovered under the Roosevelt monetary program, domestic sales recovered with them. So there you have the testimony of the best qualified witnesses.

Under the monetary policy of this administration, they lifted themselves out of a deficit in excess of $100,000,000 to earnings in excess of $100,000,000; and employment increased by more than 200,000.

CONTINUATION OF RISE IN TRADE IS INDICATED

There are many indications that world trade will continue to increase. Our monetary policy in relation to foreign trade is not intended to capture business, but merely to protect our normal share. So far from engaging in a competitive devaluation race with the other nations, we hold out to them a currency of such steadiness that the normal tendency may very well be for the rest of the world to move gradually toward practical exchange stabilization. If that can be achieved, the final step should come easily and almost of its own accord. Unless somebody rocks the boat that would be the natural course.

In estimating the future of our foreign trade in relation to our monetary policy, we may as well face the question whether we wish to sell abroad vast quantities of goods that the buyers cannot pay for unless we lend them the money. Of course, if we want more paper there are plenty of international bankers to arrange the details. We felt rich on such paper during the roaring twenties. Now we know better.

In place of paper, under the operation of our new monetary policy, we have been receiving large shipments of gold and silver. Some of it came to settle trade balances and some represents capital seeking refuge in our sound currency. Various economists will tell you that this policy is likely to end our foreign trade; that first we strip the world of gold and then our foreign trade dies. But we are not stripping the world of gold.

We have more gold than ever before, but the world supply of monetary gold is also increasing rapidly. Production now proceeds at the rate of about $1,000,000,000 annually, and will continue to increase. The great nations are restoring their reserves. Meanwhile, percentages of the totals held by the various nations show no alarming changes.

UNITED STATES HAS 38.8 PERCENT OF ALL MONETARY GOLD

We had 41.7 percent of all the monetary gold in 1922, and now we have 38.8 percent. France had 8.4 percent in 1922 and now she has 24.8. Great Britain lost gold heavily before she suspended gold payments in 1931, but since then has increased her share from 5.2 percent to 7.2 percent.

With increasing gold production, and hundreds of millions of dollars worth of the yellow metal being brought out of hiding, surely some of it can be used to pay balances. We are also endeavoring to restore silver to greater usefulness as a monetary metal. It is the money of a large part of the world's population.

Objection to our course is sometimes based upon the assertion that we would bring vast quantities of the world's gold and silver here, only to be locked up in the United States Treasury * * * the phrase commonly used is that the gold and silver thus become sterile. At least, however, it goes to swell our monetary reserves.

Loans in default are not very good backing for currency; indeed, they might, without undue asperity, be described as also sterile. If we must choose between the two, this administration elects payments of international balances in monetary metals.

You have heard the argument that we should stabilize by declaring that we will not change the present gold content of the dollar. Some even go so far as to say that other nations would certainly follow, if we took the lead. If we launched out alone on such a course, it would put us right back where we were in 1932, and offer a tempting invitation for the others not to follow but again to take advantage of our disadvantage.

We realize the importance of world prosperity, and will evade no opportunity to assist in that direction * * * except the ever-present opportunity to donate prosperity at our own expense.

In conclusion, I should like to summarize this statement by saying:

First. You have an absolutely sound dollar.

Second. The monetary policy of this administration rescued us from chaos; held the fort through the most trying period of our recovery program, and is now the spearhead as we advance steadily toward our goal.

Third. Of the great trading nations that revalued their currencies, we were the last, until quite recently, when Belgium joined us.

The world should know that when it is ready to seek foreign exchange stabilization, Washington will not be an obstacle. Our position was that of an innocent bystander who suffered untold loss in a fight that he did not start, and from which he could not escape. Why should we be singled out and admonished that the moral duty to restore order is primarily ours? Before we make any commitments we must be sure that we will not lose what we have just regained.

We are not unwilling to stabilize. However, if the great trading nations elect to continue under the present absence of rules we are no longer at a disadvantage. We revalued our currency no more than was necessary and we can go either way. Our hands are untied.

SALES DATA CITED BY MORGENTHAU

WASHINGTON, May 13.—The Treasury made public tonight the following data, referred to in Secretary Morgenthau's address:

Domestic sales, export sales, profits, and employment, 1931–34. Summary of reports from 29 companies

SECTION A

Year	Value of domestic sales	Percent of 1931	Value of export sales	Percent of 1931	Total sales
1931	$3,475,000,000	100.0	$264,000,000	100.0	$3,739,000,000
1932	2,380,000,000	68.5	181,000,000	68.6	2,561,000,000
1933	2,571,000,000	74.0	209,000,000	79.2	2,780,000,000
1934	3,220,000,000	92.7	287,000,000	108.7	3,507,000,000

SECTION B

Year	Total sales, percent of 1931	Percent export to total	Published profits[1]	Number employees as of Dec. 31	Percent of 1931
1931	100.0	7.1	$77,400,000	677,000	100.0
1932	68.5	7.1	[2] 121,000,000	592,000	87.4
1933	74.4	7.5	39,100,000	732,000	108.1
1934	93.8	8.2	128,100,000	796,000	117.6

[1] Profits before dividends.
[2] Deficit.

Reports from the following companies are included in this tabulation:

Allied Chemical & Dye Corporation, Allis-Chalmers Manufacturing Co., American Rolling Mill Co., Anaconda Copper Mining Co., Armour & Co., Bethlehem Steel Corporation, Burroughs Adding Machine Co., Cannon Mills Co., Chrysler Corporation, General Electric Co., Ingersoll-Rand Co., International Business Machines Corporation, International Harvester Co., Johns-Manville Corporation, National Cash Register Co., National Supply Co. of Delaware, Pepperell Manufacturing Co., Remington Rand, Inc., Sherwin-Williams Co., Socony-Vacuum Oil Co., Standard Oil Co. of California, Sterling Products, Inc., Swift & Co., Texas Gulf Sulphur Co., Underwood-Elliott-Fisher Corporation, United States Rubber Co., United States Steel Corporation, Westinghouse Electric & Manufacturing Co., Youngstown Sheet & Tube Co.

POLICY OF CONGRESS RELATIVE TO MONETARY STABILIZATION

Mr. THOMAS of Oklahoma. Mr. President, last night the Secretary of the Treasury, Mr. Morgenthau, addressed the people of the United States over two national broadcasting systems on the subject of the American dollar. In this address some very important suggestions and statements were made, and I desire very briefly to call attention to just one or two of them.

The first suggestion to which I call attention reads as follows:

The monetary policy of this administration rescued us from chaos; held the fort through the most trying period of our recovery program, and is now the spearhead as we advance steadily toward our goal.

At another point Mr. Morgenthau said the following:

You have heard the argument that we should stabilize by declaring that we will not change the present gold content of the dollar. Some even go so far as to say that the other nations would certainly follow, if we took the lead.

At still another point Mr. Morgenthau said:

The world should know that when it is ready to seek foreign exchange stabilization, Washington will not be an obstacle.

One other line I quote:

We are not unwilling to stabilize.

Mr. President, there are some difficulties in the matter of stabilization of the American dollar. Before we can stabilize the dollar I think we must first adjust the dollar, and I believe that no one now is of the opinion that the present value of the dollar is at that point where the dollar should be stabilized.

The other nations find themselves in the same difficulty in which the United States finds itself. I think that today or yesterday the former president of the World Bank at Basle, Switzerland, made the statement that before we could have any prosperity throughout the world, world currencies must be stabilized. I agree with that opinion, and I agree with the contention made by Mr. Morgenthau. But the press seemed to construe Mr. Morgenthau's statement to mean that while we are ready for stabilization, we are not ready to take the lead.

I call attention to a news story in the Journal of Commerce of this date. I find, in addition to the speech made by Mr. Morgenthau, some statements under the heading "Highlights of Address by Secretary Morgenthau", and I desire to call attention to just one sentence, as follows:

The United States is ready to stabilize its currency as soon as foreign nations are ready, but will not take the initiative.

I do not gather that interpretation from the address of Mr. Morgenthau. Other newspapers seem to think that we are ready to stabilize provided some other nation will take the lead. I should like to have someone state what nation is able to take the lead. There is only one other nation which might do so, and that is Great Britain. Great Britain has practically no silver and very little gold, and it occurs to me that a nation to take the lead in the stabilization of currencies should have a liberal supply of gold and a liberal supply of silver if it expects to use gold and silver as a basis for the stabilization of the currency of its own country and the currencies of the world.

Mr. President, because we have such a large amount of gold, practically $9,000,000,000 worth, and there is only about $20,000,000,000 in the world that can be used for money, which makes the American volume of gold nine-twentieths of all the monetary gold in the world, we are able at least to suggest stabilization to the gold-bloc countries. Because we have a billion ounces of silver, and the ability to acquire any amount of silver that is for sale, all of it, if necessary, we are in position to suggest stabilization to the silver-using countries of the world.

Mr. President, in order that this matter may have the attention to which it is entitled, I desire at this time to submit, with the permission of the Senate, a Senate concurrent resolution. I ask that the concurrent resolution be printed in the RECORD in full and referred to the Committee on Banking and Currency.

The concurrent resolution (S. Con. Res. 15) submitted by Mr. THOMAS of Oklahoma was referred to the Committee on Banking and Currency, as follows:

Whereas the paramount question in the United States, as in all nations, is the coinage, issuance, regulation of the value and control of money and credit; and

Whereas under section 8 of article I of the Constitution, the Congress has original and exclusive jurisdiction over the coinage of money and the regulation of the value thereof; and

Whereas the Congress has heretofore delegated permissive powers to the President, under certain conditions and limitations, to issue money and to regulate the value of such money; and

Whereas the money of the United States should be coined, issued, and regulated in value to serve the best interests of our people and with relation to the other currencies of the world; and

Whereas world currencies should and must be stabilized; and

Whereas the nations of the world are looking to the United States to initiate steps for concerted action leading to the stabilization of world currencies; and

Whereas the United States can and should take the lead in this necessary movement; and

Whereas the adjustment and regulation of the value of the several units of currencies of the several nations are the domestic problems of such several nations; and

Whereas in order to stabilize currencies which circulate in international exchange it will be necessary to adopt some form of monetary metal, either gold or silver, or both, at some fixed ratio, in order to definitely and positively support and back such currencies: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the President be, and he is hereby, authorized and requested to suggest to the responsible authorities of the nations of the world the advisability of preparing for early concerted action looking toward the stabilization of the currencies of such several nations; be it

Resolved further, That since some one-half of the people of the world use silver as money; since the other half of the people formerly used gold as money and as the basis for the issuance of currency; since most of the nations of the world today are on a commodity or managed-currency basis; and since the United States has adopted a policy of using both gold and silver as money and the basis for the issuance of currency, the President is hereby authorized and requested to suggest to the several nations of the world the advisability of considering the use of both gold and silver at an agreed and fixed ratio as a form of specie to be secured and held as the basis of the currencies of the several respective nations; be it further

Resolved, That the President, acting as the agent of the Congress, be, and he is hereby, authorized and requested to take immediate steps looking toward the adjustment and regulation of the value of the dollar so as to have such dollar serve the best interests of our people and consequently promote our domestic economy; and that in the regulation and adjustment of the value of such dollar the President is authorized and requested to take into full account and give proper consideration to the following:

(a) The amount of the annual total tax bill of our several units of government.

(b) The amount of the annual total public and private interest items.

(c) The amount of the consolidated or massed debts, public and private, owed by the several units of government, corporations, and the people jointly and severally; be it further

Resolved, That when the United States, acting through the Congress and its agent or agents, has satisfactorily adjusted and regulated the value of the dollar, the President be, and he is hereby, authorized and requested to arrange for and call a world conference on monetary policies and the stabilization of world monetary units.

Mr. McCARRAN. Mr. President, I desire to address to the Senator from Oklahoma one or two questions which are along the line of the discussion and pertinent to the assertions made by the Senator from Oklahoma.

I wonder whether the Senator from Oklahoma realizes that by reason of a policy which is now pursued by our Treasury Department we are placing the control of our currency, and especially the control of our silver, in the hands of those who control the British market for silver. I refer especially to the provision whereby we are taxing our American dollars in silver and exempting the British dollars in silver.

Mr. THOMAS of Oklahoma. Mr. President, it is because of a fear that the country might take the interpretation given to Mr. Morgenthau's speech by the public press as an admission that the United States would not become interested in the stabilization of currencies until some other nation took the lead that I have submitted the concurrent resolution. The purpose of the resolution is to set forth the steps which the nations must take and the steps which this Government must take preliminary to stabilization.

We are not ready for stabilization. No country is ready for stabilization. My resolution suggests the steps we must take and the steps other nations must take preliminary to even discussing stabilization. It is because of the fear that another country, a very substantial country, which now has the control of the silver market of the world, is seeking to secure the control of the gold market of the world, to the advantage of that country and to the possible disadvantage of the United States, that I have injected myself to the extent of offering the concurrent resolution.

COLUMBIA BROADCASTING SYSTEM PROGRAM POLICIES

Mr. WHEELER. Mr. President, I hold in my hand a pamphlet containing the new program policies which have just been announced by the Columbia Broadcasting System, which are very gratifying to me as Chairman of the Interstate Commerce Committee. I also have in my hand a statement issued by Mr. Prall, Chairman of the Federal Communications Commission, in connection with the new Columbia Broadcasting System policy. I ask that both the state of Commissioner Prall and the pamphlet containing the new policies be inserted in the RECORD as part of my remarks.

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

STATEMENT OF ANNING S. PRALL, CHAIRMAN OF THE FEDERAL COMMUNICATIONS COMMISSION IN CONNECTION WITH THE NEW COLUMBIA BROADCASTING SYSTEM PROGRAM POLICIES

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., May 14, 1935.

This new pronouncement of policy by the Columbia Broadcasting System is gratifying not merely because it is one of the most forward-looking steps ever undertaken in the great American radio industry but also because it is the considered undertaking of a network serving more than 100 stations from coast to coast.

Such an example of wise leadership can hardly fail to exert a profound influence on American broadcasting generally. The net effect of such a marked raising of broadcasting standards can only be to enhance further radio's unique influence on our modern ways of living and thinking, and to increase at the same time the interest of the listener and the value of the broadcast service to him.

NEW POLICIES—A STATEMENT TO THE PUBLIC, TO ADVERTISERS, AND TO ADVERTISING AGENCIES, MAY 15, 1935—THE COLUMBIA BROADCASTING SYSTEM

As radio broadcasting expands its audience and augments its influence, there devolves upon the broadcaster and the program sponsor an ever-greater responsibility.

Similarly, as radio continues to become a more intimate force in the lives of people, they tend to be more sensitive to broadcasting they like and to broadcasting they do not like. It is incumbent upon the broadcaster constantly to examine general policy so as to assure steady progress in building and holding radio's audience. Such watchfulness serves the interests of the audience, of the advertiser, and of the broadcasting companies alike.

The Columbia Broadcasting System has given particular consideration to recent trends in two general types of commercial program: Those which are designed for children, and those involving unpleasant discussions of bodily functions, bodily symptoms, or other matters which similarly infringe on good taste. In addition, as a result of expressed public interest, careful study has been given to the amount of time that should be used by sponsors for their advertising messages.

CHILDREN'S PROGRAMS

Wide variations in viewpoint exist among parents as to programs which they regard as suitable for their children to hear, and similar differences exist between parents and children. The same divergence of opinion is frequently found among authorities.

Commercial sponsors of broadcasts addressed to children are devoting great effort and much money to creating programs that merit the approval both of child and parent. It is also true that there have been instances of poor judgment and careless execution. To eliminate such faults would be gratifying to all those who feel a deep responsibility for the rearing and education of impressionable youth.

The Columbia Broadcasting System has no thought of setting itself up as an arbiter of what is proper for children to hear; but it does have an editorial responsibility to the community, in the interpretation of public wish and sentiment, which cannot be waived.

In accordance with this responsibility we list some specific themes and dramatic treatments which are not to be permitted in broadcasts for children.

The exalting, as modern heroes, of gangsters, criminals, and racketeers will not be allowed.

Disrespect for either parental or other proper authority must not be glorified or encouraged.

Cruelty, greed, and selfishness must not be presented as worthy motivations.

Programs that arouse harmful nervous reactions in the child must not be presented.

Conceit, smugness, or an unwarranted sense of superiority over others less fortunate may not be presented as laudable.

Recklessness and abandon must not be falsely identified with a healthy spirit of adventure.

Unfair exploitation of others for personal gain must not be made praiseworthy.

Dishonesty and deceit are not to be made appealing or attractive to the child.

We realize that distinctions in aesthetic values and feeling which may be wholly obvious between two given treatments of dramatic material cannot always be easily specified in words. Thus, for instance, it is not easy to capture in definition the fine distinctions between the pure fantasy which comprises some of the world's greatest literature for children, and the fantastic distortion of realities which is unsuitable for a youthful audience. Nonetheless, the differences between these forms of entertainment become rather obvious when the two are compared side by side.

A program for children of elementary school age should offer entertainment of a moral character in the widest social sense. It

should not obtain its entertainment value at the cost of distorting ethical and social relationships in a manner prejudicial to sound character development and emotional welfare.

In general, it is worth noting that the literature for children which continues to find their favor through many generations offers heroes worthy of the child's ready impulse to hero worship, and of his imitative urge to pattern himself after the hero model. Such literature, whether created 100 years ago or written today, succeeds in inspiring the child to socially useful and laudable ideals such as generosity, industry, kindness, and respect for authority; it opens doors into wide worlds that may be reality or fantasy, but are in neither event ugly or repellent in aspect; it serves, in effect, as a useful adjunct to that education which the growing and impressionable child is absorbing during every moment of its waking day.

It is our hope and purpose to stimulate the creation of a better standard in children's programs than has yet been achieved.

To be of assistance in reaching this goal, Columbia is engaging the services of an eminent child psychologist who will have the benefit of an advisory board of qualified members, with the special purpose of pointing the way toward programs designed to meet the approval of parents, children, and educators alike. Columbia hopes thus to be equipped to appreciate and apply the parent's practical point of view no less than to reflect studied scientific judgment. The name of this consulting authority, and the membership of this committee, will be announced soon; and the new policy becomes completely effective July 30.

ADVERTISING WHICH DISCUSSES INTERNAL BODILY FUNCTIONS, SYMPTOMS, ETC.

The Columbia Broadcasting System has concluded, after serious consideration, to permit no broadcasting for any product which describes graphically or repellently any internal bodily functions, symptomatic results of internal disturbances, or matters which are generally not considered acceptable topics in social groups.

This policy will specifically exclude from the Columbia network not only all advertising of laxatives as such, but the advertising of any laxative properties in any other product. It will further exclude the discussion of depilatories, deodorants, and other broadcasting which, by its nature presents questions of good taste in connection with radio listening.

As to new business, this policy becomes effective immediately, May 15, 1935. As to existing business, it becomes effective as rapidly as present commitments with clients expire. The last of these expires in March 1936. Meanwhile, the advertising continuities for any such product are to be so worded as to conform strictly with a specific standard of new requirements.

Many programs containing such advertising in the past have offered entertainment of great merit, judged by the strictest standards.

On the other hand, many people prefer not to hear such advertising over the radio, regardless of the excellence of the program. The reason for this viewpoint is obvious: Radio broadcasting is heard by mixed and assorted groups of all kinds, in the home, in restaurants, and in public meeting places. In certain groups a listener may find it distasteful to hear a discussion of some subject which under other circumstances he finds wholly fitting and proper.

Similarly, we realize that the personal and often intimate quality of the human voice, radio's medium of presenting its sponsor's messages, forbids discussing subjects on the air in a manner which might be wholly acceptable when read in type.

COMMERCIAL ANNOUNCEMENTS

In the last several years advertisers and agencies have themselves been responsible, in many instances, for the discovery that brief and skillful handling of the commercial announcement—rather than obviously excessive and insistent sales talk—creates effective response and universal commendation and good will.

The Columbia Broadcasting System recognizes, with many advertisers and with the public, the desirability of avoiding advertising announcements that are too lengthy or too frequent.

As a result, numerous advertisers have condensed their sales announcements to a marked extent, to their own satisfaction and the demonstrated approval of the listening audience.

With the interest of the audience and of the great majority of advertisers in mind, the Columbia Broadcasting System considers it desirable, at this time, to set the following maximum allowances for commercial announcements, effective July 30, 1935:

EVENING PROGRAMS

A maximum of 10 percent of the total broadcasting period may be devoted to the sponsor's commercial announcements, including contests and offers, on programs broadcast after 6 p. m. This applies to all full-hour programs, three-quarter hour programs, and half-hour programs. A single exception to the 10-percent ratio will be made on quarter-hour programs, on which an additional allowance not to exceed 40 seconds will be made in recognition of the fact that the short program necessarily requires as much time as the longer one for routine identification announcements.

The following table shows, in minutes and seconds, the maximum amount of commercial talk which will be permitted, under these limits, on programs of various lengths broadcast after 6 p. m.:

Full-hour programs: All commercial announcements not to total more than 6 minutes.

Three-quarter hour programs: All commercial announcements not to total more than 4 minutes 30 seconds.

Half-hour programs: All commercial announcements not to total more than 3 minutes.

Quarter-hour programs: All commercial announcements not to total more than 2 minutes 10 seconds.

Unpleasantly rapid delivery of the sales message to effect a crowding of excessive material into the period allowed for the commercial announcement will not be permitted.

DAYTIME PROGRAMS

The Columbia Broadcasting System has decided on a lesser curtailment of the amount of advertising in daytime programs for a number of reasons. Programs broadcast during the morning and afternoon hours serve vast numbers of women as a medium of useful information. Many of these programs are educative in both cultural and practical fields. Many of them offer valuable help in solving household economic problems, discussion of which requires more detailed statement of the sponsor's service or product. To deprive the daytime listener of such discussion would subtract from the broad usefulness of radiobroadcasting.

Sponsored programs in the daytime will accordingly be allowed a maximum of 15 percent of the total broadcast period for commercial announcements, with an additional 40 seconds on the quarter-hour program.

PUBLIC ACCEPTANCE

We are satisfied that the best thought of many leading advertisers as well as of the broadcasting industry is reflected in these policies. They set higher standards than broadcasting has attempted before.

We have adopted them after years of experience and careful consideration of every aspect of the problems involved. For these new policies we ask the full cooperation of the public, the advertiser, and the broadcasting industry.

BASIC ADVERTISING POLICIES

The three important new policies set forth in the foregoing statement represent an extension of basic Columbia policies with which advertisers and advertising agencies have long been familiar and which have served to maintain commercial broadcasting on the Columbia network on a high ethical plane. These basic points of policy, most of which have been in effect since the inception of the Columbia network, are here restated:

1. No false or unwarranted claims for any product or service.
2. No infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy.
3. No disparagement of competitors or competitive goods.
4. No lottery or "drawing contest." No contest of any kind in which the public is unfairly treated.
5. No programs or announcements that are slanderous, obscene, or profane, either in theme or in treatment.
6. No ambiguous statements that may be misleading to the listening audience.
7. Not more than two price mentions on a 15-minute program. Not more than three price mentions on a half-hour program. Not more than five price mentions on a full-hour program.
8. No advertising matter or announcements or programs which may in the opinion of the system be injurious or prejudicial to the interests of the public, the Columbia Broadcasting System, or honest advertising and reputable business in general.
9. No appeals for funds.
10. No testimonials which cannot be authenticated.

NEUTRALITY—ADDRESS BY ADMIRAL WILLIAM S. SIMS

Mr. CLARK. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered on May 8, 1935, by Vice Admiral William S. Sims, retired, United States Navy, on the subject of Neutrality.

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

What can we do to make sure we shall not be drawn into another Great War?

It is easy to indicate policies that would in theory keep us out. But the question is as to whether these policies could actually be carried out in a war atmosphere, when opposed by the powerful pressure of human greed, of commercial interests.

The Great War showed us how very powerful is the force of this influence.

As a neutral we claimed the freedom of the seas—the right to trade with all belligerents and neutrals. At least, we claimed the right as a neutral to trade with all other neutrals.

We made this claim because we wanted the enormous profits of such a trade. The needs of the belligerents were so great that they were willing to pay almost anything for the vast quantities of goods they had to have to carry on the war.

As a result, we were sending to the Scandinavian countries from 20 to 30 times as much copper, cotton, rubber, food, and other needed supplies as we were in 1913, knowing that they were shipping these goods down into Germany.

According to a statement by one of our Senators, sea freight rates were from 300 to 2,000 percent higher than before the war.

While the trade and manufacturing of the belligerents were greatly curtailed by the fighting, American trade was booming.

Millions of extra acres were plowed up and planted in grain, the price of wheat was doubled, manufacturing plants were operating at capacity, many were extended, including munitions of war plants, and the product of all was being sold to the highest bidder, either friends or enemies.

We had relatively little unemployment, wages were abnormally high, mechanics in silk shirts were paid more than ministers and college professors, and millionaires were multiplying.

The war was a golden harvest for our people, a get-rich-quick chance not to be neglected. The general feeling of traders was expressed by a remark overheard in a New York subway:

"If this war will only last another year, I will be a millionaire."

All this neutral trade was under the protection of our Government. We made constant threats warning the belligerents that our trade must not be restricted.

Our diplomatic notes were ineffective, and it was the disregard of our rights as neutrals that finally forced us into the war.

Thus the enormous pressure of the golden stream of war profits made us insist upon our right to make money out of the vital needs of nations fighting for their lives, and to insist upon being protected in this trade.

Well, some people ask, if that is what took us into the great war, then why not empower the President to declare an embargo on all contraband trade?

Nowadays, this would mean an embargo on nearly every kind of commodity. Almost every commodity is useful or necessary in war.

Cotton, rubber, food, and so on, are no less essential than bullets. A blockaded country must surrender to starvation no less than to an invading army.

In any event, an embargo is a double-barreled shotgun with the breech open; it shoots both ways; it hurts the gunner almost as much as it does the one he shoots at.

And of course opposition to an embargo would be tremendous; particularly while other neutrals were reaping fat profits.

Don't forget that the embargo we declared in 1812 nearly drove some of our New England States to secede and join Canada.

It would be practically impossible for a President to obtain the necessary support for a wholesale embargo.

But there is another course open to us. A course less drastic, not calling for so great a sacrifice of profits, and therefore more workable.

This course is for our Congress to declare that all trade in contraband, which nowadays means nearly everything, must be at the risk of the traders; and that no compensation for loss by action of belligerents would be demanded by our Government.

For example, if an American ship carrying such supplies was sunk by a belligerent, our Government would make no claim, much less would we declare war.

The individual trader out for huge war profits would have to bear the risk himself.

This would greatly reduce the profits of neutral trade, and it would, of course, be difficult to get our people to agree to restrict in this way their opportunity to make money.

But it would also greatly reduce the chance of our being drawn into a war. And, therefore, I believe that every effort should be made to bring about the adoption of this war-time policy.

So far I have spoken only of the influence of the very natural desire of our people to make money during a war; but, of course, the same human desire operates in all countries to the same discouraging degree.

Discouraging because, in the midst of the horrors of a world at war, people seem to act with little or no regard for the interests of humanity, or even for their own national interests.

We all know by this time that this malign influence is so strong that people will even profit by trading with their countries' enemies.

It is hardly possible to overstate the power for evil of this acquisitive desire.

For example, in the early part of the war, the British were not able to stop, or sufficiently restrict the flow of trade from England itself to the Scandinavian countries and thence into Germany, although the government was kept thoroughly informed of the great extent of this trade by Admiral Consett, the British naval attaché in the northern countries.

Admiral Consett also showed that British agreements with these countries that goods should not be sent to Germany were continuously violated.

Though this extremely damaging trade was carried on at a time of great national danger, the British Government was not able to stop it.

I mention this only to show the almost irresistible influence of commercial interests upon the actions of governments. Had it not been for these controlling interests the war could probably have been ended in 1916.

These facts were set forth years ago in a thoroughly documented book by Admiral Consett entitled "The Triumph of Unarmed Forces."

Now, many people have suggested that all such matters as neutrality, the rules of warfare, and the relations between nations could be effectively regulated by treaties.

Now, of what value are treaties in withstanding such forces, armed and unarmed?

From history it is clear that treaties and international law will be violated whenever a nation has its back to the wall.

Suppose, for example, a nation were fighting for its life. And suppose the United States were sending vast quantities of goods to that nation's enemy, by way of trade through neutral countries. It is quite certain that the nation fighting for its life would stop as much of such trade as it could.

And no mere provision of any trade treaty or of international law would prevent this. In the face of disaster the treaty would become a scrap of paper.

That is, no nation at war can respect a treaty made in peace if compliance with it would cause defeat. Under such conditions armed insistence upon the freedom of the seas would simply mean war. Such insistence on our rights would be the way to get into a war, not the way to stay out.

There is even some justification for the cynical remark that there is a clause in all treaties, written in invisible ink, that the hot blast of the first crisis will render visible.

This invisible clause is as follows:

"The provisions of this treaty shall be strictly complied with at all times, except when, in the judgment of any of the contracting parties, such compliance would be politically or economically undesirable."

If the obstacles in the way of keeping out of a war are as I have described them, what are we going to do about it?

The point of the whole business is this: We cannot keep out of a war and at the same time enforce the freedom of the seas—that is, the freedom to make profits out of countries in a death struggle.

If a war arises, we must therefore choose between two courses: Between great profits, with grave risks of war on the one hand; or smaller profits and less risk on the other.

When I say "we" I mean not only the traders themselves but all of us, for practically our whole population benefited by this war-time trade, though we did not understand that we were inviting disaster for ourselves and for the world.

But to resist the political pressure for protection in such a trade would be a difficult job for any President. Yet it would not, I think, be impossible.

And it would be much easier for the President if every American citizen understood the grave choice that would face us—and did his part.

And the time to decide is now, while we can think calmly and clearly, before war propaganda gets in its deadly work. Much may be done by preparing in advance a wise foreign policy that aims at a realistic understanding of the vital issues.

To this end, we, as a people, must come to understand that peace is priceless; that it is worth any reasonable sacrifice; that it is certainly worth any sacrifice of war profits; that a decent regard for humanity must be placed ahead of gold.

Therefore, let every citizen who has the cause of honorable peace at heart take this stand:

"Our trade as a neutral must be at the risk of the traders; our Army and Navy must not be used to protect this trade. It is a choice of profits or peace. Our country must remain at peace."

THE UNION LABEL—DISCUSSION BETWEEN I. M. ORNBURN AND JOHN M. BAER

Mr. NYE. Mr. President, on Monday, April 22, 1935, I. M. Ornburn, secretary-treasurer of the Union Label Trades Department of the American Federation of Labor, and Hon. John M. Baer, former Representative from North Dakota, engaged in a dialogue discussion on the subject of the union label over the national network of the Columbia Broadcasting System. Mr. Ornburn is an authority on the subject, and I believe all the Members of the Senate will undoubtedly wish to read this brief discussion. I ask unanimous consent that the address may be printed in the CONGRESSIONAL RECORD, together with an editorial on the same subject by Mr. Ornburn.

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

Question. Mr. Ornburn, what is the union label?

Answer. The union label, Mr. Baer, is a symbol which is displayed by means of a cloth or paper label, stamp, or other imprint upon products to indicate that they are made in unionized shops, factories, and industrial establishments.

Question. What is a shop card?

Answer. A shop card is a printed sign which is displayed in the window or on the wall of all shops and business places whose employees are unionized.

Question. What are union working buttons?

Answer. Working buttons are similar to the insignia of lodges or fraternal orders and are worn in the same manner. The working button gives assurance that the services are rendered by a member of a trade union.

Question. How many labels, shop cards, and buttons are there at the present time?

Answer. There are 60 in all, but each trade has a distinctive label or design.

Question. Do all the trades affiliated with the American Federation of Labor have union labels, Mr. Ornburn?

Answer. No; not all the unions have union labels, but all the trades which display union labels are affiliated with the American Federation of Labor.

Question. Is there any official body which represents the union label trades?

Answer. Yes, indeed; the Union Label Trades Department of the American Federation of Labor, Washington, D. C.

Question. How many members of trade unions are affiliated with the Union Label Trades Department?

Answer. There are more than a million members of the trade unions who designate their products and services by union labels.

Question. For what does the union label stand, Mr. Ornburn?

Answer. It stands for the identical principles which trade unions have fought to establish. They are shorter hours, higher wages, and better working conditions.

Question. Will members of trade unions and their friends, who do not have union labels, benefit by buying union-made goods?

Answer. They will benefit in just the degree that they buy union-made goods, because they will raise the standards of living of not only the members of other trade unions, but also of the average citizen.

Question. Why do you say that it will increase the income and better the conditions of the average citizen?

Answer. Because it is generally conceded that if it were not for union labor's fight for shorter working hours, higher wages, and better working conditions, the unorganized worker would not enjoy these great privileges.

Question. Then, Mr. Ornburn, do you believe that by purchasing products which bear the union label one is not only helping the average citizen, whether he belongs to a union or not, but that he is also helping to raise American standards of living?

Answer. Yes; the organized-labor movement has been the greatest factor in raising American standards for both the organized and unorganized workers.

Question. What effect do you think the purchasing of union-made goods will have upon the prosperity of our Nation?

Answer. From past experience we positively know that this country will not pull itself out of this disastrous economic depression until prevailing union wages are permanently established, and that the buying of union-made products is the best guarantee of union standards.

Question. Is the union label displayed on foreign-made goods?

Answer. The union label is not displayed on products which are made in any foreign land. The union label is the only assurance that the product is American made, as well as union made.

Question. Is the Blue Eagle a substitute for the union label?

Answer. No; it is not, Mr. Baer. The Blue Eagle is sometimes displayed on products which are manufactured under inferior conditions to those established by the American labor movement.

Question. You stated, Mr. Ornburn, that the union label was the best assurance that the product is made in the United States. Do you mean to say that the Blue Eagle is displayed on foreign-made goods?

Answer. I am sorry to say that the Blue Eagle is displayed on goods made in foreign countries.

Question. Under what authority is the emblem of the Blue Eagle placed upon foreign-made goods?

Answer. In the National Recovery Administration the importers have a code which allows them to place the Blue Eagle on products after they are imported into this country.

Question. If industry complies with the minimum wages, maximum hours, and other provisions of the N. R. A. codes, does not that assure the purchaser that the products are made under union conditions?

Answer. No, Mr. Baer; because a comparison of the wages and hours of the N. R. A. codes with those of trade-union agreements will prove beyond question that they do not rise to the standards obtained by organized labor.

Question. What effect do imports have upon the American worker?

Answer. They reduce the wages of American workers. Eventually imports, if not checked, will lengthen the working hours and reduce the worker to the slavery conditions which exist in many foreign lands.

Question. Then, it is your opinion, Mr. Ornburn, that there are no standards in the world as high as those set by the American labor movement?

Answer. That is correct. Buying under the union label is unquestionably the only way to maintain the hours, wages, and conditions for which trade unions have fought for many years.

Question. It is your conclusion, then, that by reducing the wages of American workers you necessarily reduce their purchasing power and that this Nation will not recover so long as American dollars are spent for foreign-made goods?

Answer. Exactly so. If we do not increase the buying power of our own consumers, we shall be unable to take care of the increased production of our own factories. Consequently, we shall never be able to emerge from this depression.

Question. Is it your belief that we should engage the women in this campaign to buy union-made goods?

Answer. The ladies are very important! Recently a large advertising concern announced that the women members of the family purchase 85 percent of all the products which go into the household. Consequently it is absolutely necessary to enroll the wives of trades-unionists and their friends into this campaign to encourage the purchase of union-label goods.

Question. Tell me, is child labor employed in the manufacture of foreign-made goods?

Answer. Yes; it is. Children are employed under the most depressive conditions in the shops where these goods are made in foreign lands.

Question. Does the union label appear on prison-made goods?

Answer. No; it does not. There is some effort being made to prevent prison-made goods from competing with the products of free American citizens, but to date no definite results have been obtained.

Question. How is the buying public to know where to buy union goods and services?

Answer. If the customer does not see the shop card or buttons, then he must look for the union label on the goods.

Question. But what if the merchant or other business man does not have union-made products?

Answer. If he has no union-label products, ask him to put in a line if he desires to retain your trade.

Question. Does the union label insure the purchaser of any higher quality merchandise?

Answer. Yes, Mr. Baer; the discriminating buyer will look for union-made goods because they are made by skilled and experienced workers under the most sanitary and satisfactory union conditions.

Question. Where can the retailer find out who manufactures union-made goods?

Answer. A directory of the industries which display the union label will be furnished by the Union Label Trades Department, American Federation of Labor Building, Washington, D. C.

Question. Will not the demand for products which bear the union label increase the cost of living?

Answer. Every sane plan for bringing about recovery includes some increase in commodity prices. This increase in commodity prices should start with higher wages for workers and increased prices for farm products. Naturally, then, this will increase the purchasing power of both the workers and farmers, and only through increasing their incomes can the business of this country return to a normal basis. During the World War, when prices were high, there was no unemployment in the cities and there were few foreclosures on the farms.

Of course, safeguards should be made to protect the consumers against monopoly and profiteering in the handling of products of both farm and factory. There has always been too great a spread between the producer and consumer, but even with the waste of our system of distribution, when commodity prices were high, we did not have 20,000,000 citizens on the relief rolls, and poverty in the midst of plenty on the farms of this country. On the contrary, we did have higher wages, which doubled our pay rolls, and commodity prices which trebled the incomes of the farmers. And, allow me to add the amazing fact that with those high wages and farm prices, the cost of living was not perceptibly higher than it is at the present time.

Question. What is the extent of the purchasing power of union-label goods at the present time, Mr. Ornburn?

Answer. The members of all trade unions have seen the great advantage of buying union-label goods. There are now 6,000,000 organized workers in the American labor movement. Including their wives and other members of their families, the 6,000,000 union members would comprise 30,000,000 consumers. In addition, trade unionists influence their friends to buy union-made products, and these buying consumers have become the greatest force in the Nation. Acting together, they could advance by several decades the cause of organized labor, which means higher wages, shorter hours, and better working conditions.

Question. In what general lines of goods and services can the consuming public find the union label, shop card, and button?

Answer. In almost every line. Take, for example, a meal or a drink. The consumer should look for the union house card or the union bar card. The waiters and waitresses, the cook, the bartender, and miscellaneous workers in every union establishment wear the working button. Even the bottle or barrel from which your refreshing drink is served is often union made, and it is probably delivered by the regular union of teamsters and chauffeurs. Again, if you want a cigar or a package of cigarettes, union brands bear the union label. The same is true of pipe and chewing tobacco, as well as stogies.

If you wish to purchase food, inquire if the bread, crackers, or other confectioneries are made by union bakers. You should also look for the union market shop card when you buy meat. The retail clerks in all mercantile establishments can join a union. In this case the retail clerks' shop card is displayed. There are union labels for every article of wearing apparel.

Question. We hear a great deal about home building in the new deal. How about union labor in the construction of a home?

Answer. Carpenters, painters, paperhangers, plumbers, plasterers, cement workers, and electrical mechanics belong to international unions affiliated with the American Federation of Labor, and each craft has its own union trade mark.

Question. Now you have covered about all the necessities of life. How about amusements?

Answer. Well, now, I'll ask you some questions, Mr. Baer. Did you know that the moving-picture machine operators and theatrical stage employees are members of unions? Did you know that music is furnished by union musicians? And before you go out for the evening, did you know that you can obtain a first-class shave or haircut in a union barber shop?

Question. Are books, magazines, newspapers, and other publications printed in union print shops?

Answer. All the print crafts have union labels, and these labels are often combined under one label of the allied printing trades.

Question. Who makes the tools and machinery which all these workers use?

Answer. The shops in which every kind of machinery is made and mechanical work performed employ members of the metals trades unions. There are union machinists, molders, sheet-metal workers, iron, steel, and tin workers, and various other metal workers.

Question. Then, it is your conclusion that by purchasing union-label goods, which are made under union conditions and in

America, the buying public will be making a substantial investment in the security and prosperity of our own land?

Answer. That is absolutely true, Mr. Baer, and in that statement I believe I have the support of every fair-minded economist or authority who has at heart the welfare of our own Nation. If time permitted, I believe I could prove that by buying in our home market the United States would gain greater economic independence. Consequently, it would keep us out of foreign wars and entanglements, thereby assuring our Nation peace as well as prosperity.

Mr. NYE. The following editorial is by I. M. Ornburn, secretary-treasurer Union Label Trades Department, and has appeared in the labor press throughout the country:

THE BLUE EAGLE IS NOT A SUBSTITUTE FOR THE UNION LABEL

There are some who think that the Blue Eagle is a substitute for the union label. This false idea is fostered by certain anti-union employers who see in it a distinct advantage, because the union label represents standards of employment superior to those required by the National Recovery Administration.

The Blue Eagle does not signify that products are made under trade-union conditions. Daily, newspapers direct our attention to the business establishments which are entitled to use the Blue Eagle, but which completely ignore proper representation and collective bargaining agreements by denying their workers the right to organize.

Other industries which fly the Blue Eagle may comply with the minimum wages, maximum hours, and other labor provisions of the N. R. A. codes, but it does not insure to the purchaser of their products that the workers in those industries are receiving the higher wages, shorter hours, and better working conditions which have been established by trade unions. It is necessary only to compare the minimum wages and maximum hours of the codes with those of trade-union agreements to prove these statements beyond question. Buying under the union label, shop card, and button is unquestionably the only way to maintain the hours, wages, and conditions for which trade unions have fought for many years.

The Blue Eagle is also placed on prison-made products which go into interstate commerce and unfairly compete with the union-made products of free American citizens.

The union label assures the purchaser that the goods are made in America. Importers are allowed to place the Blue Eagle on goods made in European and Asiatic countries under extremely low and depressing conditions of employment. If the products are made in foreign lands, the purchaser has no guaranty that they are not made by child labor or enslaved men and women. The union label thus assures the buying public that the goods are not only union made but also that they are made in America.

The discriminating purchaser will look for the union label because it will insure the highest quality of goods made under the most sanitary conditions by skilled workers. The union label guarantees that the goods are not foreign made. The union label assures the purchaser that the business establishments which display it pay their workers higher wages, work them shorter hours and under better conditions than those which display only the blue eagle.

Therefore when it comes to union labels and the Blue Eagles, look for both of them, if you choose, but demand the union label. There is no substitute!

ANALYSIS OF STABILIZATION AMENDMENT TO BANKING ACT OF 1935

Mr. FLETCHER. Mr. President, omitting all nonessentials and unimportant matters, my amendment inserts only four words in the House committee's mandate to the Federal Reserve Board for the administration of our monetary policy as provided for in title II of the Banking Act of 1935. I thus meet the criticism that the House amendment does not sufficiently satisfy the constitutional requirement in stating the legislative objective.

The object of title II is to give power to the Federal Reserve Board to administer our monetary policy in such a way as to bring about or restore full employment and business activity, and thereafter to stabilize production, trade, prices, and employment.

In view of those facts, my amendment was drawn as follows:

It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to full employment and business activity, and thereafter to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

The words "full employment", the word "activity", and the word "thereafter", as underscored, were inserted by me in order to attain the objective referred to of stating clearly both the legislative policy and the legislative will, in the form of a congressional mandate to the Federal Reserve Board.

Recently I took the pains to point out that there now lies within the hands of bankers the potential makings for one of the most stupendous inflations this or any other nation has ever experienced. It is for this reason that I have said that the Banking Act of 1935 is conceived as our most essential safeguard. My amendment is deliberately conceived with the expressed purpose in mind of strengthening the act as a safeguard against both inflation and deflation.

It is universally recognized, I believe, that our objective must be the restoration of industrial employment to the highest practicable level and to restore business activity to a maximum. That, it must be conceded, is a legitimate and laudable objective.

Consonant with the increase in industrial employment and business activity there must of necessity take place a legitimate expansion of credit and currency. To the extent that these three factors undergo a proportional degree of change, inflation will not arise. It is axiomatic, I presume, that full employment and business activity cannot be expected to come about without the accompaniment of a somewhat comparable rise in the general level of all prices.

After employment and business activity are restored the Federal Reserve Board would be required to use all of its powers to—

Mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

Those powers of the Board which are directly referred to as being "within the scope of monetary action and credit administration" are: First, the power of the Board to direct Reserve banks to buy and sell eligible paper, including Government securities, in the open market; second, control over rediscount rates; and, third, the power to change the reserve requirements of member banks. Under this mandate any administration can be held responsible for the results. The power is given; and they can be held responsible if they do not exercise the power to restore and maintain full employment in industry and full business activity.

The absurd objection that this monetary policy would interfere with member banks in extending credit as they see fit has no foundation whatever in the pending Banking Act of 1935. The monetary policy of Congress is one thing; the business of lending money by the member banks is another thing entirely.

You will note that in the above amendment no particular reference is made to either silver, gold, or a specific price level. This, in my estimation, is correct.

International exchange, tariffs, embargoes, bounties, subsidies, the ownership of banks, and other issues must be dealt with wholly upon their own merits. It is, in my opinion, impossible for us to find a common solution for any one or all of these issues in conjunction with the main issue raised in title II, namely, the determination of our monetary policy. For instance, international-exchange agreements cannot be legislated by Congress for the obvious reason that Great Britain, France, Germany, Italy, Japan, and other nations determine in individual cases one-half of the international-exchange equation.

Tariffs, embargoes, bounties, and subsidies must be dealt with subject to the determination of, first, our monetary policy, and, second, the international exchange ratios. The ownership of either the Federal Reserve banks or commercial banks is not and cannot be made a part of the major problem, namely, the determination of our national monetary policy. Irrespective of who ultimately shall own the banks, a definite answer must be made as to who shall control the administration of our monetary policy and what that policy shall be.

A rise of prices resulting from an undue expansion of credit and currency or in excess of that necessary to promote conditions conducive to "full employment and business activity" would be an evidence of inflation.

Conversely, a recession of prices, accompanied by unemployment, or the existence of more than a reasonable amount of unemployment, irrespective of any particular price level, would be an evidence of contraction or deflation.

Under my amendment it would definitely be the intention and mandate of Congress that both inflation and deflation, as I have defined them, would be outlawed, and that the Federal Reserve Board would be held strictly accountable for the ultimate results arising from the administration of our monetary policy under the mandate.

In my estimation, the amendment as drawn satisfies the constitutional question which has been raised. At the same time, it avoids any embarrassment or disappointment which might arise from the insertion of a particular price level, due to the fact that any particular price level might prove to be either too low or too high. Moreover, it has the merit of fulfilling almost all of the expressed "norms" or levels advocated by conservatives, liberals, and "left-wingers"; in fact, it writes into the law what every reasonable person must be willing to concede is just and proper.

Mr. President, in this connection, I have received a letter from Mr. Alfred Owen Crozier, of White Plains, N. Y., and one from Mr. F. Jacobson, of Long Island City, N. Y., which I ask to have printed as a part of my remarks.

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

NATIONAL REPUBLICAN CLUB,
White Plains, N. Y., May 7, 1935.

Hon. DUNCAN U. FLETCHER,
Chairman Senate Banking and Currency Committee,
Washington, D. C.

DEAR SIR: Since writing enclosed acknowledgment of receipt of copies of banking and currency bills you kindly sent to me I have read and fully agree with your full printed statement in re bill S. 1715.

That means that I totally disagree with the report filed by the Republican members of the House Banking and Currency Committee attacking and opposing title II of your said S. 1715 banking bill.

"It is the same old cat coming out of another hole." It is the eternal question—the fight for "private control of the public currency." Jefferson and Jackson opposed it when in form of a privately owned central bank issuing and controlling the volume of the public currency.

The Aldrich privately owned central bank measure was an attempt to fasten on this country beyond all possible repeal for 50 years private control of the public currency, and of bank credit based thereon.

Aldrich and Cannon induced President Taft to approve their scheme in his message to Congress in December 1911—and got only eight votes in the electoral college for reelection in 1912, an endorsement of the measure having been forced into the Republican platform of 1912.

Theodore Roosevelt, in the first speech of his 1912 campaign, at Providence, R. I., complied with my urgent request and with the advice of George W. Perkins by denouncing in unqualified terms the Aldrich central bank scheme and the Aldrich schedules in the tariff.

The Progressive Party platform contained the plank denouncing the Aldrich central bank measure, which I personally urged before the full platform committee in 1912.

I stood by the side of "Teddy" in Milwaukee when he was shot, having just made an appointment to go with him on his car to Chicago that night after his speech, to try and get him to drop Taft personalities during the final weeks of the campaign and concentrate wholly on the old Andrew Jackson issue by fighting private control of the public currency and the power in private hands to inflate and contract the country's whole supply of money and credit, the power to create alternating booms and depressions. That assassin's bullet may have changed history.

Our Republican leaders seem to have short memories. They now again seek foolishly to commit the party of Abraham Lincoln to the doctrine that the people cannot be trusted, that ours should be a Government "for the people" by and for the profit of banking corporations, and never a government "of the people and by the people", when it comes to making and administering laws, under the Constitution, providing the people and American business with their necessary supply of public currency and of bank credit based on such currency hoarded in bank reserves.

It looks like our alleged Republican leaders have no more sense than to pick up the poker by its hot end instead of its cool end just as it's pulled out of the fire—as to banking and currency legislation.

No doubt it will help in Wall Street in raising campaign funds, to use the Republican Party in Congress to keep the power to make the supply of money and credit scarce or plentiful—the power to cause speculative booms by wild-credit inflation, and to cause depression by drastic and dangerous currency and credit contraception—but it will gain no votes among the distressed masses of the people.

At the personal request of Mr. Bryan, I went to Baltimore and he personally introduced me to the Democratic platform committee in 1912; I spoke about 20 minutes, exposing the joker in the Aldrich central-bank measure—the fact that the Aldrich measure, if passed, could not be repealed for 50 years, it being a charter under Supreme Court decisions—and I urged a plank condemning the Aldrich central-bank scheme, and that plank was in the Democratic platform of 1912.

Present Democratic leaders have since discovered that in some very vital ways their party leaders in 1913 were deceived and overreached by some of their financial advisers, and that the Federal Reserve law in fact created and legalized private control of the public currency, and a complete exclusive monopoly of the issuance and control of the whole public currency and of all bank credit based on such currency.

Paul M. Warburg, claimed to be and was the actual author of the Aldrich central-bank scheme with its 12 regional branches, and as President Wilson made him a member of the Federal Reserve Board at the very beginning, it is fair to assume that directly or indirectly his was the clever hand that framed the Federal Reserve System composed of 12 regional-central banks all tied together by the Bankers Advisory Council.

The law of 1913 was safer in that there is reserved to Congress the right to repeal or amend the law any time, but the functions and powers under that law were very largely identical with those of the Aldrich measure. Both took control of the public currency away from our Government and granted it exclusively to the Federal banks owned by their member banks.

The promised "elastic currency" is a myth—it does not expand and contract automatically but in accordance with the wishes of the banking system—therefore it increases when it should decrease, and it decreases when it should increase, the result being a boom or a depression. Private control of the public currency and its Federal Reserve machinery ruined the country, and the banking system which now demands that it be left in position to do the same thing again in the same way.

The nominal public control provided in the pending bill never could work so badly as has private control—the country and business never will be safe until the Government owns all of the Federal banks and uses them to control the currency and not to do a banking business.

Respectfully yours,

ALFRED OWEN CROZIER.

LONG ISLAND CITY, N. Y., *May 3, 1395.*

Hon. SENATOR DUNCAN U. FLETCHER,
Chairman Senate Committee on Banking and Curency,
Washington, D. C.

DEAR SIR: We respectfully submit the following facts for your serious consideration:

1. The _____ Bank of this city has begun to charge us $2.__ per month service charge, the first time since we opened our account, over 10 years ago.

2. This, despite the fact that our average balance has been higher than ever before, namely about $250.__.

3. We are advised by the bank that we must carry an average balance of at least $1,000.__ to avoid service charge, if we maintain the same activity.

4. Our activity consists in writing 2 to 3 checks a day.

5. The local banks have combined to make uniform service charges so that we cannot get relief by changing our bank.

6. Two dollars and __ cents a month amounts to $24.__ a year. With about 1,000,000 small checking accounts in the country the bankers have set out to collect about $24,000,000 from the people. According to the ideas of the bankers, this can be avoided only if the people deposit with them, for cold storage, approximately $1,000,000,000.

Does our Government of the people stand for this? If not, how can we save ourselves from such abuse? Have the banks forgotten that only a couple of years ago they were saved by intervention of our Government? Government action is necessary to avoid the people's concerted action which would be disastrous for all concerned. Your reply and advice would be greatly appreciated.

Respectfully yours,

(Signed) F. JACOBSON.

TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for the reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

Mr. NORRIS. Mr. President, at the time we took a recess the Senator from Iowa [Mr. DICKINSON] had the floor. I do not see him in the Chamber at the present time.

Mr. McNARY. Mr. President, I have sent for the Senator from Iowa, and I think I shall suggest the absence of a quorum.

The VICE PRESIDENT. The Chair will recognize the Senator from Nebraska on the particular bill now pending.

Mr. NORRIS. I am ready to proceed.

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

Mr. NORRIS. I yield.

Mr. COUZENS. I think we might, while waiting for the arrival of the Senator from Iowa, consider an amendment which I have offered, and which is now on the table. Has the Senator from Nebraska any objection to taking up that amendment now?

Mr. NORRIS. No; I should be glad to have that done.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Michigan.

The LEGISLATIVE CLERK. It is proposed, on page 7, line 16, after the word "according", to strike out all down to and including the comma after the word "Board", in line 17, and to insert in lieu thereof the following: "to the uniform system of accounting for public utilities as accepted by the Bureau of Internal Revenue."

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

Mr. NORRIS. Mr. President, I anticipated that the Senator from Michigan would have some remarks to make about the amendment. I have no objection to the amendment, except that I understand that the Federal Power Commission now has the power under general law to provide for a uniform system of accounting as applied to private utilities, and I suggest to the Senator from Michigan that instead of the Bureau of Internal Revenue he insert in his amendment the Federal Power Commission. If I am misinformed about the existing law, then, of course, I would not suggest this change, but I understand that the law is as I have stated it.

The VICE PRESIDENT. Does the Senator from Michigan [Mr. COUZENS] desire to modify his amendment?

Mr. COUZENS. Mr. President, when we enacted the Federal Power Commission Act I think it was drafted by me, and at least passed upon by the Interstate Commerce Committee, and the only power given to the Federal Power Commission, obviously, was to regulate the accounting systems of their licenses. For example, they licensed a certain water-power company and under the licensing agreement, which provided for recapture in 50 years, they obviously had to set up the method of accounting, and it had to be uniform.

In spite of what the Senator from Nebraska says, I know that the Federal Power Commission has absolutely no control over the private operating utility companies, not to say anything about any control over the Nation-wide holding companies. However, in the credits which are allowed for deduction in income taxes, the Bureau of Internal Revenue has a uniform system of allowing credits of all kinds for obsolescence and depreciation, and that is the reason I offer this amendment, and I do not desire to have it changed.

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

Mr. COUZENS. I yield.

Mr. NORRIS. I accept the statement of the Senator from Michigan, of course, about the existing law. The only reason why I suggested the change was because I feared if the Power Commission made a different rule for private companies than the Internal Revenue Bureau would make for the Government company there might come an objection, it seems to me, from private companies, which would be well founded, that they ought to be treated just the same, so far as their accounts are concerned, as any other company; but in view of the statement made by the Senator from Michigan I have no objection to the adoption of the amendment he has presented.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. COUZENS].

The amendment was agreed to.

The VICE PRESIDENT. The bill is before the Senate and still open to amendment.

Mr. LOGAN. Mr. President, I have an amendment which I desire to offer.

Mr. NORRIS. Mr. President, I was just going to offer some amendments.

Mr. LOGAN. Very well, I will wait until the Senator from Nebraska shall have presented his amendments.

Mr. NORRIS. I have three amendments, all of which I discussed the other day, and I will not again discuss them unless some Senator has questions to ask.

On page 4 of the bill, line 12, after the word "to", I move to insert the words "transmit and", so that it will read "transmit and market such power."

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

Mr. NORRIS. The next amendment I propose I send to the desk and ask to have read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of line 22, page 3, it is proposed to add the following:

The Board is also authorized to experiment in the production of chemicals and other modes and methods for the extermination of noxious weeds and the destruction of plants injurious to agriculture.

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

Mr. NORRIS. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 13. That section 4 of said act of May 18, 1933 (48 Stat. 58), be amended by adding subsection (1) as follows:

"(1) Shall have power to advise and cooperate in the readjustment of the population displaced by the construction of dams, the acquisition of reservoir areas, the protection of watersheds, the acquisition of rights-of-way and other necessary acquisitions of land, in order to effectuate the purposes of the act; and may cooperate with Federal, State, and local agencies to that end."

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

Mr. LOGAN. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. 14. The Cumberland River and Cumberland River Basin shall be included by the provisions of this act, and the "Tennessee Valley Authority" shall exercise the same jurisdiction and power over the Cumberland River and the Cumberland River Basin as over the Tennessee River and the Tennessee River Basin, and all the provisions of this act that apply to the Tennessee River and the Tennessee River Basin and the Mississippi River Basin shall likewise, and with like force, apply to the Cumberland River and the Cumberland River Basin.

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

Mr. DICKINSON. Mr. President, continuing the discussion which I started the other day, I am inclined to think the amendments which have just been adopted broaden the bill to the point where it is more offensive to the authority of the Constitution than it was theretofore. My discussion led up to the question whether the fact that Congress has the right to control navigation and flood control, in connection with which and incidental thereto power is produced, carries with it the right to produce electrical energy, purchase equipment therefor, build distributing lines, and extend such activities to the point where they become the major enterprise rather than the first or primary purpose of the legislation.

Citing again the decision of Judge Grubb in the case of *Ashwander* v. *Tennessee Valley Authority* (8 Federal Supplement), I now read from page 896 as follows:

The fact that purposes other than navigation, national defense, or regulation of proprietary property are incidentally served would not invalidate the exercise of the authority conferred, even if the other purposes alone would not have justified an exercise of the power. However, if the other purposes are not related to any constitutional powers or are not incidental to their exercise, they stand independently for their legality and are not supported by

them. A plan for the development of the Tennessee River Valley, as a social experiment, is in no sense related to the improvement of navigation of the Tennessee River, or to the national defense, or to the regulation of Government-owned lands, and the production and sale of electrical power in aid of such development and experiment would not be incidental or related to the exercise of any of the constitutional powers named.

The only reason why I am discussing the bill at all is because I do not believe we ought to give the Supreme Court the impression that, without anyone objecting whatsoever, we seek to extend the power to make a navigation project into a project for the production of power, so that project becomes a power project rather than a navigation project. The Senator from Nebraska referred the other day to the case of the Railroad Retirement Board as petitioners against Alton Railroad Co. I am going to make two references to the case. In the printed opinion at page 15, I find the following:

Several purposes are expressed in section 2 (a), amongst them: To provide "adequately for the satisfactory retirement of aged employees"; "to make possible greater employment opportunity and more rapid advancement"; to provide by the administration and construction of the act "the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees." The respondents assert and the petitioners admit that though these may in and of themselves be laudable objects, they have no reasonable relation to the business of interstate transportation.

After a thorough discussion the majority opinion of the court, quoting from page 19, holds:

The petitioners, conscious of the truth of this statement, endeavor to avoid its force by the argument that social and humanitarian considerations demand the support of the retired employee. They assert that it would be unthinkable to retire a man without pension, and add that attempted separation of retirement and pensions is unreal in any practical sense, since it would be impossible to require carriers to cast old workers aside without means of support. The supposed impossibility arises from a failure to distinguish constitutional power from social desirability. The relation of retirement to safety and efficiency is distinct from the relation of a pension to the same ends, and the two relationships are not to be confused.

In the final analysis, the petitioners' sole reliance is the thesis that efficiency depends upon morale and morale, in turn, upon assurance of security for the worker's old age. Thus, pensions are sought to be related to efficiency of transportation and brought within the commerce power. In supporting the act the petitioners constantly recur to such phrases as "old-age security", "assurance of old-age security", "improvement of employee morale and efficiency through providing definite assurance of old-age security", "assurance of old-age support", "mind at ease", and "fear of old-age dependency." These expressions are frequently connected with assertions that the removal of the fear of old-age dependency will tend to create a better morale throughout the ranks of employees. The theory is that one who has an assurance against future dependency will do his work more cheerfully and therefore more efficiently. The question at once presents itself whether the fostering of a contented mind on the part of an employee by legislation of this type is in any just sense a regulation of interstate transportation. If that question be answered in the affirmative, obviously there is no limit to the field of so-called "regulation." The catalog of means and actions which might be imposed upon an employer in any business tending to the satisfaction and comfort of his employees seems endless. Provision for free medical attendance and nursing, for clothing, for food, for housing, for the education of children, and a hundred other matters might with equal propriety be proposed as tending to relieve the employee of mental strain and worry.

In addition to that, as cited by the Senator from Nebraska the other day through his reference, I find that in the minority opinion Chief Justice Hughes read from the report of former Senator Sutherland, who is now an Associate Justice, which report is found in Senate Document 338, Sixty-second Congress, second session, and among the principles announced was that—

If the proposed legislation effectuates any constitutional power, it is not rendered unconstitutional because to a greater or less extent it may accomplish or tend to accomplish some other result which as a separate and independent matter would be wholly beyond the power of Congress to deal with.

The question here is whether or not we are, in attempting to control the surplus power, embarking the Government upon the public-utility business in a way that is not authorized under the Constitution. Can such a procedure be said to be incidental to the powers granted in the bill which are within the provision of the Constitution? That is the phase of the matter to which I desire briefly to address myself.

I think there are certain tendencies being shown here all along the line that the major purpose of the Tennessee Valley Authority is not to increase navigation or make navigation more certain or to do the things which are within the constitutional power of the Congress. I think it is clearly developing that the whole program of the Tennessee Valley Authority is outside of the real authority intended to be granted, and for that reason many of the functions of the Tennessee Valley Authority are beyond the authority which it was intended should be granted this organization by the legislation heretofore enacted.

In order to show the tendency of the present Tennessee Valley Authority I am going to quote from the hearings in 1934 before the House committee on the deficiency appropriation bill, at which time Dr. Morgan was a witness. I find that in this testimony he cites as the matters to which they are looking forward various phases of the work, and in these citations he always gives emphasis to the production of power, to the lowering of rates, to the improvement of the social conditions of the locality. He does not emphasize, and did not emphasize, the question of benefits to navigation, or benefits in the way of flood control.

In this hearing one of the things that Dr. Morgan specified first was that they were going to determine what type of raw materials could be found in those localities, and he said they proposed to find a way, through cheap power, of utilizing and manufacturing those products. I do not see how that can be held to be an outgrowth of navigation, how it can be connected up with navigation, how in any way flood control or the activities which are authorized under the Constitution can be hooked up with a program such as Dr. Morgan describes. He is conscious of the fact that the coal producers have been making objections to some of the things that are being done in the Tennessee Valley, on the theory that when power is produced and displaces coal the miner engaged in producing coal may be thrown out of work. Dr. Morgan speaks of the various phases of their work, and then he comes down to the item of ceramics, pottery.

Reading from Dr. Morgan's testimony, at page 276, he says:

For instance, in the past 2 or 3 years the electric firing of ceramics—that is, pottery, etc.—is just taking all Europe. We get a large part of our pottery imported from foreign countries and they are abandoning firing by coal and gas. They are taking on firing by electricity which is far more economical.

Now, we have the best ceramic material in the world right there.

I am not disputing any of these suggestions by Dr. Morgan. I am simply reciting them to show that in his mind that which is uppermost is the effort to ascertain what can be done down there to create new industry, and improve the social and living conditions of the country. I am not adverse to a program of that kind. My challenge is whether or not it is subsidiary to and connected with the production of surplus power.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. McCARRAN in the chair). Does the Senator from Iowa yield to the Senator from Washington?

Mr. DICKINSON. I yield.

Mr. BONE. As I listen to the Senator's argument I desire to get one point plain in my mind, because the Senator is the spokesman of the Republican Party on the floor of the Senate.

Mr. DICKINSON. I do not claim to be a spokesman for any party. I am just a work horse.

Mr. BONE. The Senator will allow me to draw my own conclusions, for he has been the spokesman for the Republican Party throughout the West, and has so assumed to speak to public bodies. I should like now to have the Senator tell me whether his opposition to the Muscle Shoals project speaks the opposition of the Republican Party to public ownership of power.

Mr. DICKINSON. I have never talked on the question with any other Republican, and I have never been consulted by any other Republican.

Mr. BONE. I may say to the Senator that I intended to use his observations in the West, where the Republican organizations and Republican spokesmen seem very thoroughly set on the idea of having the Grand Coulee and the Bonneville projects built, and I merely wish to know whether the Republican Party in the East rises to damn those projects. If that is to be the Republican theorem, I wish to know it and to be able to tell the people in the West that such is the case.

Mr. DICKINSON. Let me ask the Senator from Washington whether, regardless of whether or not this is permitted under the Constitution, he wishes to proceed with it anyway.

Mr. BONE. I merely wish to know whether the Senator speaks the Republican viewpoint on this question. Just forget the Constitution for a moment.

Mr. DICKINSON. I have made no suggestion that I am speaking for anybody other than myself.

Mr. BONE. I understand; but the Senator is making very plain his opposition, and I am going to use the Senator's statements as the position of the Republican Party.

Mr. DICKINSON. Permit me to assure the Senator from Washington that he may use my opposition in any way he wishes.

Mr. BONE. Exactly, and that is what I propose to do—but I merely want the Senator now to make it plain—I think he wishes to be fair—that the Republican Party hates public ownership of power. Be honest with us, and say so.

Mr. DICKINSON. I have never suggested that the Republican Party had anything to do with my stand, and I do not now so suggest. The Senator cannot quote me as controlling the Republican Party. I do not control it. I am against public-utility ownership by the Government.

Mr. BONE. Exactly. Now the Senator has made it very plain.

Mr. DICKINSON. I am speaking for myself personally when I say that. I do not think the Government ought to go into the public-utility business.

Mr. BONE. No; but I think the Senator has been the spokesman of the Republican Party, and I think the Senator is going to make it very plain to us, as other members of his party here do, that the Republican Party hates and will bitterly fight public ownership of power. Let us make that very plain to the whole country, so that we shall have no illusions about it.

Mr. DICKINSON. I will make it very plain to the Senator from Washington right now that I am opposed to it.

Mr. BONE. Exactly; and the Republican Party is. Let us not try to "kid" the country.

Mr. DICKINSON. I am not committing the Republican Party at all. I am saying to the Senator, and I am going to say to the Senate, why I am opposed to this measure. Personally, I do not believe the Government ought to go into this business. I am going to try to show why I do not think it is within the provisions of the Constitution, and I am also going to state it on my own responsibility. Whether or not the Republican Party wishes to adopt a program of that kind is purely its own business.

Mr. BONE. Mr. President, will the Senator yield? I do not desire to divert the Senator.

Mr. DICKINSON. The Senator is not going to divert me.

Mr. BONE. I understand; the Senator is too able a platform man to be diverted by a tyro like myself; but I wish to say to the Senator that the opposition of the Republican Party in the West to public ownership of power was not predicated on constitutional grounds, but on the grounds which the Senator always emphasizes, that he does not want the Government in competition with the power trust.

Let us be perfectly fair about this matter. The only reason I have ever made these suggestions on the floor of this body is that I want men to be fair about this thing, and not hide behind the skirts of the Constitution, but come out bluntly and say they object to public ownership of power. I think the people of this country now are fully prepared to understand that the constitutional objection is raised here when it is not raised in areas of the country where it could not be raised. In my State there was no question about the right of the people to go into the business of developing power plants and selling power, and out there the opponents of the projects did not raise this constitutional question. Opponents stressed the idea that there was something grossly immoral about the people themselves producing power.

Mr. DICKINSON. Let me say to the Senator that in the State of Iowa municipal ownership is permitted and is practiced. There is no restriction whatsoever on it. I am not for the Federal Government coming out there and going into the power business, but I am for permitting the municipalities to do what they please about it. I suggested the other day that I was not for the Tennessee Valley Authority having permission, through a type of authority, to go into a locality and force elections taking taxable property out of the tax list and leaving the citizens without that source of revenue purely on the theory that lower rates are to be thus obtained, on the theory that great benefits are to result from public ownership, when, as a matter of fact, experience has shown that public ownership is not the most beneficial procedure.

Mr. BONE. I am glad——

Mr. DICKINSON. Please wait until I proceed further. Just wait a minute.

I have here a chart which shows that from 1913 to 1934 there has been a decline of over 40 percent in the price which families have paid for power for use in their own homes. As a general rule, power rates have been going down all the time. On the other hand, what is happening with reference to taxation? Taxation—Federal, State, and local—has been going up all the time; it has gone up over 800 percent. I can remember when the electric-light bill was considered to be high, and our taxes were considered to be low. Now, as a matter of fact, we do not have complaint with reference to the price being paid for electric light, but we find that our local taxes are going up all the time, all along the line. I desire to suggest, also, that every time a State or a municipality or some other function of government engages in the operation of a plant of this kind the result is to take out of the taxable assets a valuable property and to put it over in the exempt column; and that is one of the things which are now happenging in the Tennessee Valley.

Mr. NORRIS. Mr. President, I think the Senator will modify his last statement when he obtains the facts. The condition in the Tennessee Valley, where he says that is going on, is best illustrated by the town of Tupelo, Miss., where the Tennessee Valley Authority is furnishing current to the municipality. The price of electricity went down more than half. The provision under which the town obtained electricity from the T. V. A. provided that they should pay to the municipality the same amount of money in lieu of taxes that the private company would have paid had they owned the property; also that they should pay to the municipality an interest rate on the investment in the property which the town owned. The result was that, while rates went away down, consumption more than trebled, and the money was paid for taxes just as though the plant had been privately owned.

That contradicts point-blank the statement of the Senator from Iowa.

Mr. DICKINSON. The Tennessee Valley Act contains a provision, which has been referred to by the Senator, which I think is very fair. However, we find a difference when we go into other States, when we go into my city, for instance. I was city clerk for a number of years when we had a municipal electric-light plant, one of the most successful, I think, that has ever been established out in our section of the country, and our rates were perfectly satisfactory. We have never had any difficulty with them whatsoever, although that plant does not pay a dollar of taxes to our town. I say that that town ought to have the privilege of having a municipal electric-light plant if it wants to. I have no objection to

that. The question I am raising is whether or not there ought to be a superpower authority which tries to use influence that will convince people that they ought to have a municipal plant when, as a matter of fact, I think they ought to decide it for themselves.

Mr. NORRIS. Mr. President, if the Senator will permit an interruption there——

Mr. DICKINSON. I yield.

Mr. NORRIS. I have no figures here, but the Senator can take any town in the Tennessee Valley where they have had an election to decide whether there should be a municipal distributing plant to buy power from the T. V. A., and there is no question on earth but that some more money, three times more money, was used by the private interests to defeat such an ordinance than was used to bring about the adoption of that kind of an ordinance.

Mr. DICKINSON. I have never made an investigation along that line, but I am very familiar with the town in Mississippi referred to. Dr. Morgan covers it in his testimony. I do not believe that the Tennessee Valley Authority knows now the rate at which it can furnish power. I do not believe this activity is advanced to the point where they can fix a rate on power which can be depended upon for the future.

Mr. NORRIS. Will the Senator yield again?

Mr. DICKINSON. Certainly.

Mr. NORRIS. If this country is to be ruled by injunctions issued by judges, and the Tennessee Valley Authority is to be restrained by judges from building any more lines, from building any more dams, from building any transmission lines, then it is true that it must fail, because it is admitted, to start with, that the Tennessee Valley Authority cannot furnish power, for instance, to a town like Tupelo, Miss., at the price at which they are now furnishing it unless they are also permitted to sell to other municipalities the electricity which is now going to waste by the hundreds of thousands of dollars worth on account of that injunction. It is true that if an injunction is issued when they are supplying one town restraining them from supplying any other town, the enterprise must fail, because they must supply more than one town in order to succeed. However, I will say to the Senator that before any of these rates were computed they were investigated by the best engineers obtainable, and experience has shown that the rates to be fixed at Tupelo will eventually be very much lower unless the Nation is turned over to injunctions issued by the courts, and the courts run the country.

Mr. DICKINSON. I do not concur in the view of the Senator that if the injunction in the case we have in mind shall stand the Authority will not build any more dams. All the injunction does, as I understand, is to prevent the Authority from going into the public utilities business in the matter of building distributing lines, generating plants, and so forth.

Mr. NORRIS. The Senator has been very courteous in yielding to me, and I will not interrupt him unless he is perfectly willing that I shall do so.

Mr. DICKINSON. It is perfectly agreeable.

Mr. NORRIS. The Senator has been speaking about the injunction issued by Judge Grubb?

Mr. DICKINSON. Yes.

Mr. NORRIS. That injunction provided that the Tennessee Valley Authority should be restrained from making any improvements, building any transmission lines, or supplying any one of the 14 towns in Alabama they were going to supply. It concluded by saying that if the T. V. A. had any activity it wanted to follow it was at liberty to apply to the court for a change in any particular in the injunction which had been issued.

Relying on that, some farmers living within a few miles of the Wilson Dam, where at this moment hundreds of thousands of dollars' worth of power is going to waste and doing nobody any good, applied to the T. V. A., after the injunction had been issued, asking them to build a transmission line and supply them with electricity.

It was not a case where there were customers to be taken from any other power producer. Those farmers were without electricity. The Alabama Power Co., surrounding them on all sides with wires, had been there for years and years, and not a kilowatt had been furnished to these farmers. So the farmers asked the T. V. A. to make a survey. They made the survey, concluded that it would be a good thing to comply with the request, decided that they could afford to build a transmission line at the price agreed upon, and sell the farmers electricity.

The line would have been 15 miles long, connected with no private lines, having nothing to do with anything of the kind, but running directly from the Wilson Dam. However, the Authority had to go to the court and, with hat in hand, had to say to the judge, "Notwithstanding the fact that Congress and the President have given us authority, you are greater than all of them, and we want you to permit us to supply these farmers with electricity", and the judge turned down the application on an affidavit from the manager of the Alabama Power Co., which, incidentally, was supposed to be with the defendant. I have a copy of the affidavit on my desk. The reason for turning it down was that the manager of the Alabama Power Co. said in his affidavit, "If you supply these farmers with electricity at the rate you propose to give them it will make our customers in the surrounding villages and cities discontented, because they are paying us a higher rate." So the judge turned it down. That is government by injunction.

Mr. DICKINSON. Mr. President, it is my impression that there are two distinct policies here, and I know the Senator has been fighting for one for a good many years; that is, that the people shall have the right to construct transmission lines and distributing lines. It is my understanding that at the Boulder Dam all of the electricity is sold at the switchboard. The question here—and I think it is purely a constitutional question, and it may be that we ought to change the Constitution—is whether or not, under the Constitution as it now stands, we are permitted as a government to go into the sale of power, through transmission lines and distributing plants and generating plants. I think it is a clear-cut case.

Mr. NORRIS. I take it from what he says that the Senator would like to have the Tennessee Valley Act modified so that the Tennessee Valley Authority would not be able to transmit power, but would have to sell the power at the bus board where it is produced. That was the basis of a controversy, and I admit that it is a two-sided question. The power companies are all on one side and the people are on the other. That was the question which presented itself to those of us who were members of the committee of conference between the Senate and the House when the Muscle Shoals controversy was before us. The original Senate bill provided, as did every Senate bill with which I had anything to do, that the Corporation set-up, known as the "T. V. A.", would have a right to transmit the power. The opposition on the conference committee, controlling the House vote, was against that proposal. They said:

> We will make no further objection to the Muscle Shoals bill if you will simply agree that they cannot transmit power but must sell it at the bus board.

What would have been the outcome? As I looked at it, and as I look at it yet, it would have been entirely useless to enact the Tennessee Valley Authority law—I would not have favored it—because at Muscle Shoals, for instance, where the Government owns a great dam and a great steam plant, it would have meant that they would have had to sell all their electricity to the Alabama Power Co. There would have been no other customer. If they did not sell it to the Alabama Power Co., every one of the municipalities would have to build a transmission line to the Government place of generation in order to obtain any power.

Mr. DICKINSON. Could not the farmers, to whom the Senator has referred, have presented their application to the Authority and have taken their electricity from the switchboard?

Mr. NORRIS. They could have done so, but they would have had to build a transmission line; and if the Senator had had his way, the city of Florence would have had to do the same thing. Tuscumbia, another city, within sound of

the roaring water, would have had to build another transmission line; and all the other towns would have had to do the same thing. Moreover, the dam is near the Tennessee line. Suppose a municipality in Tennessee wanted to come there and get electricity. It could not build a transmission line in Alabama without the consent of Alabama. The result would have been that there would not have been any transmission lines; but if there had been, there would have been a multiplication of them by the hundreds.

Mr. DICKINSON. The thought I had in mind was simply that there would be no reason why numerous municipalities could not join and be served by the same line.

Mr. NORRIS. They could, but it would have been extremely difficult. If a State line had to be crossed for practical purposes, it would have been an impossibility; it could not have been done.

Mr. DICKINSON. Will the Senator please suggest what he thinks is the conflict of interest between the right of a State to control rates under a State utility commission as against the Tennessee Valley Authority and their control of rates?

Mr. NORRIS. Of course, that is not involved in this proposed legislation at all; but I have no hesitancy in saying that the Tennessee Valley Authority would have a right to make a rate in Alabama and in Tennessee, and, under the law, the rates would have to be the same, of course, making allowance for differences in distance and other distinctions which might arise; but they would have no right under the T. V. A. Act to discriminate, and charge one town a higher price than they would charge another for the same kind of service.

Mr. DICKINSON. I agree with that; but the Tennessee Valley Authority also would have a right to make a rate in conflict with a rate fixed by a State authority.

Mr. NORRIS. I should think so; yes.

Mr. DICKINSON. That was my impression.

To show the drift that this matter has taken, I think it is tremendously interesting to note the various proposals which are now being advanced. I concur in the statement that the Grubb decision is a very far-reaching decision. If the Grubb decision should be affirmed by the United States Supreme Court, and the Government should wish to pursue the plan suggested by the Senator from Nebraska, we would probably have to have a constitutional amendment in order to permit it to be done. I see no way whereby we can possibly say that this is an incidental endeavor to a thing which is already authorized under the Constitution, and that is the reason why I am discussing it.

Mr. NORRIS. Of course, I do not agree with the Senator in that respect. That phase may be the most important phase. It may be more important than navigation, more important than flood control.

Mr. DICKINSON. Does not the Senator think it is more important?

Mr. NORRIS. In some cases I think it would be; but, considering the constitutional peg upon which the Senator hangs his argument, everything that may result from the exercise of the constitutional power in a systematic, economical manner must follow, it seems to me. If I am not right, then we should need a constitutional amendment if we should carry on what we propose to do.

I entirely agree with the doctrine laid down in the dissenting opinion by Chief Justice Hughes which the Senator has already read. It seems to me it states the matter clearly and concisely. While it is a minority opinion, nevertheless, as the Senator recognizes, the Chief Justice quotes from the language of a member of the Court who joined in the majority opinion, namely, former Senator Sutherland. If the Senator will permit me, I should like to read it now.

Mr. DICKINSON. Certainly.

Mr. NORRIS. It illustrates what I am trying to show.

A thorough examination—

Says Justice Hughes—

of the question of constitutional authority to adopt such a compulsory measure was made some years ago by a commission constituted under a joint resolution of Congress, of which Senator Sutherland (now Mr. Justice Sutherland) was chairman. Its elaborate and unanimous report, transmitted to Congress by President Taft with his complete approval, considered the constitutional question in all aspects, upheld the congressional power, and proposed its exercise. Among the principles announced was that "If the proposed legislation effectuates any constitutional power, it is not rendered unconstitutional because to a greater or less extent it may accomplish or tend to accomplish some other result which, as a separate and independent matter, would be wholly beyond the power of Congress to deal with."

In other words, I think if Congress builds a dam to assist in navigation, which it is conceded it has a right to do, or to authorize the T. V. A. to do; and if, in the building of that dam, electricity is developed, an amount of electricity which standing alone, by itself, would be a very important item—an immense quantity of it, say 100,000 horsepower, more than sometimes, in some seasons of the year, is developed at Wilson Dam—as I see it, it would be perfectly foolish to say to the T. V. A., "You have a right to build that dam, that is constitutional, but you have no right to make any electricity. It must go to waste if you make it. You can use only enough to operate governmental facilities, and beyond that it must go to waste." I do not think that is good doctrine.

Mr. DICKINSON. No. Would the Senator say, however, by reason of the fact that the T. V. A. produces electricity, that the Government ought to give the T. V. A. the right to build the transmission lines, and to extend them all over the country, to transmit the whole supply to the various farms?

Mr. NORRIS. Yes.

Mr. DICKINSON. And also to sell electrical equipment, in order to school people in the use of electrical equipment?

Mr. NORRIS. Yes; I should say that wherever electricity can be used by means of transmission lines, or wherever it can be bought by people, the Authority should have a right to transmit it. In other words, if it is produced, as it is, at Wilson Dam, and it cannot be disposed of, we place ourselves at once in the hands of the Alabama Power Co., the only instrumentality which can distribute it.

Suppose that dam produced wheat instead of electricity: Would the Senator say it could not be sold anywhere but in the immediate neighborhood? Suppose it produced bread; suppose it produced some chemical, and over 10 miles away there was a market for it. Could it not be taken over to the market?

Mr. DICKINSON. I should dislike to say, if it produced wheat, that we could go into the milling business, and then into the bakery business, and then into every other business, including the delivery of bread to the consumer.

Mr. NORRIS. The Senator, I think, is in error. The Government does not do that. The Government does not go into the towns, into the homes of the towns. The Government sells the electricity to the towns.

Suppose wheat were produced and the nearest mill were 50 miles away, would the Senator prohibit the Government from taking the wheat to that mill where it could be ground into flour? The Government takes the electricity to the municipality, sells it to the municipality, and the municipality does the distributing. It sells the electricity to the people who use it.

Mr. DICKINSON. Let me suggest that if there is authority for the creation of the Electric Home and Farm Authority there is authority directly to do all the things which that agency does.

Mr. NORRIS. But the T. V. A. did not create that agency. The Senator must not insinuate that.

Mr. DICKINSON. Who did create it?

Mr. NORRIS. The President created it out of a fund which Congress had appropriated and given him for various purposes. The T. V. A. did not create that agency.

Mr. DICKINSON. It is not an agency of the Tennessee Valley Authority?

Mr. NORRIS. No; it is not a subsidiary in any sense.

Mr. DICKINSON. It was supplied with funds, of course, by the Public Works Administration?

Mr. NORRIS. Yes.

Mr. DICKINSON. There is no question about that.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. MALONEY in the chair). Does the Senator from Iowa yield to the Senator from Washington?

Mr. DICKINSON. I yield.

Mr. BONE. May I ask the Senator if it is his viewpoint as a lawyer that the effect of the Grubb decision, if sustained, will be absolutely to forbid the United States Government, through any of these agencies which it has created, to enter into the power business and to sell power commercially?

Mr. DICKINSON. Does the Senator mean to retail it?

Mr. BONE. Yes; or to wholesale it outside.

Mr. DICKINSON. I think that will be the effect.

Mr. BONE. That is what I am getting at. In other words, if the Grubb decision, or the logic of that decision, is sustained by the Supreme Court, that virtually means the end of plants such as Muscle Shoals, Grand Coulee, Casper-Alcova, and Boulder Dam with respect to their power attributes; that is, the production and sale of power?

Mr. DICKINSON. No; with respect to their going into the retail business. They can produce power, however.

Mr. BONE. But can they go into wholesaling, in selling to cities and communities?

Mr. DICKINSON. That is retailing.

Mr. BONE. In other words, they cannot go beyond the mere production of a sufficient amount of energy to operate the governmental facilities at the dam—that is, for pumping the water, for lifting the gates, or something of that sort? That is correct, is it?

Mr. DICKINSON. They have the right to sell the surplus power which they produce at the switchboard, but they would not have the right to go into the erection of transmission lines and the distribution and sale of the power to municipalities or to any other type of distributing organization.

Mr. BONE. The Senator does not assume, I take it, that if a maximum of 5,000 horsepower were required to operate the facilities at the plant, the plant then might legitimately install generators and dynamos to produce 100,000 horsepower of energy, because obviously 5,000 horsepower would be all that would be required to operate the wheels of the dam and the motors for the gates. The Senator contends, I understand, that if 100,000 horsepower were developed and the surplus were sold, that that would be going into the power business?

Mr. DICKINSON. That would be going into the power business.

Mr. BONE. That is what I want to get at.

Mr. DICKINSON. For instance, we find that various bills, which are called "model bills", have been sent out by the administration to legislatures in the various States of the Union. That action shows the effort of the Government to control the legislation in the various States of the Union. I am glad to see that in the State of Iowa they threw the bills in the wastebasket, and that action was taken by a Democratic legislature and a Democratic Governor. None of the bills were given consideration.

Mr. BONE. Will the Senator yield?

Mr. DICKINSON. I yield.

Mr. BONE. What significance does the Senator attach to the fact that it was a Democratic legislature?

Mr. DICKINSON. They certainly are not sold on the Roosevelt program.

Mr. BONE. Does the Senator assume that a standpat Democrat is different from a standpat Republican when it comes to the matter of power?

Mr. DICKINSON. I do not know anything about standpat Democrats. All Democrats look alike to me.

Mr. BONE. The fact that so many Republicans share the Senator's viewpoint may account for the fact that his party failed to be returned to power in 1932.

Mr. DICKINSON. Let me state the purpose of these model bills or proposed forms of legislation which are being sent to the various States of the Union.

First, to regulate and conserve the State's water resources by regulating the use of water for power and other purposes.

Second, to create a State engineering control board which would have the authority to build dams, canals, and transmission lines for electric power, as well as steam-power plans. The bill appropriates $2,500,000 of State money to be made available in 1935, and $20,000,000 in State money to be made available in 1937.

I have no objection to any State which wishes to adopt a program of that kind adopting it. I have no objection to a municipality which wishes to go into the power business going into it. The question I am discussing is whether or not under the Constitution we may amplify such authority by legislation such as we are attempting here, and the reason why I have objected to this proposed amendment to the present law is because I think it does materially amplify the authority that has been given to the Tennessee Valley Authority along the lines that we have just been discussing. In other words, I think the principle is all involved at present, as I have said to the Senator from Nebraska, and that there is sufficient in the law at the present time so that a clean-cut decision may be rendered as to whether or not the Government has the constitutional right to create an agency that can go into a business of this kind.

What I have been fearful of, and what I think the passage of this bill will reflect, is that Congress has not only passed the previous legislation but it is rededicating and amplifying it by passing this proposed amendment to the existing law. I think the Senator from Nebraska will admit that it will have that effect.

Mr. NORRIS. Well, what is the objection to that?

Mr. DICKINSON. Why not let the Court first pass on the former act?

Mr. NORRIS. Suppose it is found in administering the act that Congress has failed to put in a comma where one should be or to dot an "i", even if an injunction has been issued on that ground, the Senator would not object to passing an act to remedy that defect? In other words, in this matter, if we all want to be fair—and I think the Senator does—we ought to give the T. V. A. a fair, honest bill of rights; and when the question goes to the Supreme Court, as it eventually will, if they decide that Judge Grubb is right and that the T. V. A. has not any of this authority, it will be something that we will have to submit to although it will be a bitter pill to take. But in the meantime it does not seem to me, as I look at it, that anybody ought to object to this bill, which simply proposes to clarify the existing act.

Mr. DICKINSON. I think it amplifies it very materially. In other words, it seems to me that the authority given the T. V. A. would be greatly amplified by this measure, if passed, so far as their right is concerned to go out and take over generating plants or transmission lines, and their authority to go into a locality and have their way in the matter of trying to have that locality cooperate with it and take the power from the Federal agency.

I also find in this Minnesota document that the bills that have been sent out from Washington have this further suggestion of legislation to—

> Create a rural electrification board with authority to supply energy to any person or corporation without obtaining a franchise, and to issue bonds without limit not exceeding a life of 40 years, nor exceeding an interest rate of 6 percent.

I do not think that the Federal Government ought to be recommending that sort of thing.

Mr. NORRIS. Mr. President, is the Senator quoting from the proposed amendment to the law?

Mr. DICKINSON. No; I am quoting from the proposal sent out by the Federal Government to the State of Minnesota asking them to enact legislation which fits in with a type of Government power control such as we are discussing today.

A further suggestion is to—

> Authorize any municipality to issue bonds in an unlimited amount by a three-fourths vote of its governing body for any public-works project of any kind whatsoever.

It does not seem to me that the Federal Government ought to be in the business of telling any municipality in any State how they may issue bonds or where they may issue bonds. I am not charging the Tennessee Valley Authority, I will say to the Senator, with making this suggestion; I think it comes from another branch of the Government, which is attempting to put on a program of electrification all over the country, and I am going to refer to that a little later.

Another suggestion is that the model bill should—

Authorize any city, village, or town in Minnesota to acquire and operate public utilities, specifically naming as public utilities, street-railway systems, bus lines, telephone systems, waterworks, artificial or natural gas works, electric light, heat or power works, public docks, union depots, terminal systems, ice plants, stone quarries, and public markets.

This is a suggestion from the Federal Government, not from the T. V. A., which we are discussing today, but it is in line with the apparent motive that prompts this agency to suggest that the various States in the Union should modify their laws with reference to the public ownership and operation of utilities.

Also to—

Create a State commission to administer power districts under the guise of raising the standards of living in rural areas—

That fits in with what the T. V. A. are now attempting to do—

to issue bonds in any amount, make any contracts, and exercise power of eminent domain.

Furthermore, we find that there is a Presidential set-up under the new $4,880,000,000 act recently passed which is in control of Morris L. Cooke, whose nomination, I think, is now before the Senate for confirmation. I noticed in the New York Times of recent date that he gives the various functions which he thinks ought to be carried out under the law referred to:

To facilitate handling, the projects were divided into four groups, as follows:

1. Federal projects: Those which originate in the departments or agencies of the Federal Government and are entirely financed by it.
2. Non-Federal projects: Those planned by individuals, public bodies, or political subdivisions and financed by loan or grant, or both. Applications on these will come through the Public Works Administration and its State directors.
3. Work-relief projects: Those financed and carried out by the works progress administration. These originate among the various political subdivisions of the country and their applications will come through the works progress administration and its local and State offices.
4. Administrative expense projects: Those which originate within the Federal departments and agencies and which provide for administrative expenses in planning, preparing, and carrying out projects.

Purchase of $5,000,000 worth of additional equipment was authorized today by Robert Fechner, director of the Civilian Conservation Corps.

That is in cooperation with this program.

What I have read shows where these agencies are gradually leading us.

I also find in today's New York Times an explanation of the program of Mr. Cooke, in which he says:

Mr. Cooke indicated that if private concerns cooperated with the Government in extending electricity to farmers his policy would be to build up going concerns, and lend them money where necessary in the hope that with the production of greater power, the rates might be reduced.

He warned, however, that if the industry declined to offer facilities to the rural sections at reasonable rates, the Government might be compelled to buy plants here and there to control rates.

Since when should a Government agency be the supreme court on the question of electric-light rates in this country? It seems to me that it is the right of the people of Tennessee to fix the light rates which they are compelled to pay. It is the right of the people of the State of Iowa to fix the electric-light rates which they are compelled to pay. In Iowa we have always fixed our own electric-light rates, and I do not know of any particular abuse of the privilege. I do not know why we should be creating an agency of the Federal Government which is going to say, "If you do not do this in the way we want you to do it, and sell power at the price at which we want you to sell it, we are going to come in and assume an authority over you and compel you to comply with our wishes."

I can well remember reading years ago that when the United States established the Post Office Department it was stated all over the world that we were attempting to do too much for the citizens of our country.

I do not believe that anyone wants now to retract one single, solitary privilege we have ever granted, so far as the free distribution of the mail is concerned. I can also remember that when we started Federal aid to the roads, people thought we were going too far, and I do not know but what we have gone further than we should have gone. Now, the question is, Should we go further than that and assume Federal control over education? Do we want to assume authority of that kind?

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

Mr. DICKINSON. I yield.

Mr. NORRIS. Of course, the Senator is citing incidents in past history which he remembers, but of which I have no recollection, though I have read about them.

Mr. DICKINSON. I said I had read about them; I do not remember them.

Mr. NORRIS. I am not old enough to go back that far in memory, but I think the Senator has stated fairly a proposition that has been true ever since the dawn of civilization, namely, that there never was an improvement made, there never was anything in the way of advancement proposed, there never was any movement in the direction of progress undertaken but there was always somebody there to fight it; and that will always be true, I presume.

Mr. DICKINSON. That is an indication of my fairness, I hope the Senator will admit?

I had referred to the public-highway situation. The next question, Is the Federal Government going to assume control over the educational facilities of the country? Are we going to say that the distribution of electricity is a function that must be put on a parity with some of these other proposals? I take it those who are anxious, as I have shown, to have the Federal Government reach out in all these different directions are willing that the Federal Government shall assume control and shall become the supreme authority in the matter of electric rates, though it is true we are starting in with a unit that only controls a district, one watershed, or whatever one may wish to call it.

Quoting further from the statement of Mr. Cooke—and this again is going to have a very far-reaching influence, I will say, in the matter of the expenditure of some $300,000,000 under the Public Works Administration:

Every encouragement would be given to the private companies to enjoy additional revenues from rural electrification, but he added, if this is not done, the Government might have to form a Delaware corporation, similar to the Electric Farm and Home Authority, now prevailing in the Tennessee Valley, to carry out its plans to give the farmer the same facilities as are now enjoyed in the urban sections.

I am just as friendly to the farmer, I think, as is anyone; I want to see him have every privilege he can possibly have and can possibly afford. I believe that electrification can come from a dozen different sources. All our electricity does not need to be produced at big dams.

As a matter of fact, we have units which supply small towns, and villages and even small homes, known as the "Delco" electric-light plant. I do not know how successful they are now. I know they were used extensively in Iowa, and I think many of them are still being used. At any rate, prior to the time when there was such a widespread distribution by high lines, they were in common use.

My reason for suggesting this is that the privilege of enjoying electricity is not one which at the present time is denied to many people if they really want it. I know the object of the legislation is to have the Federal Government use every endeavor it can to distribute electrical energy at the lowest possible rate. I have no objection to that objective; I think it is a worthy one.

On the other hand, I believe it is the duty of the Tennessee Valley Authority to see that every dollar that is being paid to it out of the Federal Treasury shall be paid back. I

believe that is the ambition of the Senator from Nebraska, who has fathered the legislation. I know it is the ambition of Dr. Morgan, who heads the Tennessee Valley Authority. I do not know that the project is sufficiently well planned that we can give assurance to the American taxpayer that the money will be paid back; and that is an assurance which I think we ought to have, especially in view of the fact that we are now saying that for a period of 5 years we are going to guarantee the bonds of the T. V. A., principal and interest. That puts every American citizen into the electric-light business in the Tennessee Valley. That makes every citizen of every State of the Union an endorser of the notes to the amount of $100,000,000.

The question I have in mind is whether the program has been worked out to the point where those in charge are going to be able to say definitely this money will be repaid. I remember very well when many irrigation projects were submitted to Congress and were shown to be plausible, and yet it is a sad story for us to contemplate when we analyze them and learn how few of them were ever able to put back into the Federal Treasury the advances made in their behalf.

I find that oftentimes the Government authorities are unable to complete the construction of their projects within the figure of the original estimate. I remember reading the other day in the famous book known as "Handout", wherein Dr. Tugwell says, with reference to the A. A. A., that he thought 50 men in Washington would be all that would be necessary to operate the Agriculture Adjustment Administration. That is the statement made in the book, a copy of which I have here. It is a statement made in the hearings and I have a copy of the hearings. Yet at the present time there are over 5,000 people here in the city of Washington on the payroll of the A. A. A. against Dr. Tugwell's judgment and advice that 50 men would be all that would be necessary.

There is another phase of this matter about which we ought to think seriously. I note in certain sections there is now being circulated certain propaganda, and I presume everyone knows it. I do not think I have any particular information that other Senators do not possess, but I find that as the attempt is made to develop various projects under the Tennessee Valley Authority, they are discouraging other sections of the country. I remember very well that not long ago it was suggested that the pottery industry was one of the industries of the country suffering severely from the depression, and yet I now find that the people in the pottery section of the State of Ohio are being circularized and invited to move their plant into the Tennessee Valley where there is cheap power. I am not charging that to the Tennessee Valley Authority. It is one of the incidental things that has grown up outside of the Authority.

Here is a letter to the Harker Pottery Co., of East Liverpool, Ohio, in which it is suggested, through a certain industrial and city planner at Florence, Ala., as follows:

> We do not know if you have noticed the constant references throughout newspapers and periodicals on the part of the Tennessee Valley Authority officials predicting that this is destined to become the center of ceramics industry in America, and the Budget just submitted to Congress carries a large appropriation for the development of this industry in the Tennessee Valley.

That is true. The Budget does carry that appropriation. I have forgotten the amount, but I think it is an experimental appropriation for research, and so forth.

> Besides being in an advantageous location to develop the field for distribution in that part of the country which is destined to grow more rapidly than any other section of the country for a number of years, there is also this vast potential field connected with governmental activities.
>
> There is probably no project which the present administration is more desirous of making a success than the Tennessee Valley project, and while I cannot say this officially, I believe you will find that the Tennessee Valley Authority will cooperate to the limit on a basis that those who helped to make the new deal a success they in turn will reciprocate to the fullest extent.

This letter was received by the Harker Pottery Co. of East Liverpool, Ohio, and was signed "E. C. Pfahl Associates, industrial and city planning, Florence, Ala."

Further showing the intent of the present organization is largely that of power rather than of either flood control or navigation, I cite an article, The Tennessee Valley Looks to the Future, by Walter E. Myer. This article was published in the journal of the National Education Association and reads in part:

> The Tennesee Valley Authority, or the T. V. A., as it is called, is doing its work in this territory. It is studying social conditions and social needs. It is making a survey of the natural resources, the soil, minerals, forests. It is canvassing the possibilities of water-power development and is actively at work harnessing the waters of the Tennessee and its branches, creating a great integrated power system. It is already generating electric power and selling it at low rates. It is devising means of preserving the fertility of the soil, of checking erosion, of encouraging the reforestation of the wooded regions.

The reason I read that is to show the ramifications, to indicate where this is leading us, and that outside of the production of surplus electrical energy we are reaching into practically every phase of life in the Tennessee Valley. We could not pass an original act for that purpose. We could not pass an original act purely as legislation setting up a board for that purpose. If we have given such authority, we have given it as incidental to that which we know is permissible under the Constitution. The question is, Where is the line going to be drawn? Are the powers of the Constitution sufficiently broad that from one power incidental powers may be conceded so as to make an incidental project the primary project, and the real authorization under the Constitution a minor project? That, I think, is the real question that is going to be decided under the decision of Judge Grubb.

Let me quote further from this article. Mr. Myer, who, as I understand, was an employee of the Tennessee Valley Authority, wrote this article:

> In showing what can be done in planning the future of industry and agriculture, and in maintaining high standards of workmanship in all its operations, it will be suggesting what may be done elsewhere. It is working not only to promote industrial growth but to see that this growth contributes to the welfare of human beings. If the T. V. A. succeeds in directing business and agricultural development so that the people of the valley are happier and more secure, it will serve as an object lesson to the Nation.

No one can object to that motive. No one can complain that it is not a worthy motive. The question is whether or not Congress under the Constitution has the power to grant that privilege in view of all the circumstances and the limitation imposed upon us. Article 10 of the Constitution provides that all powers are reserved to the States unless specifically granted to the Federal Government. That being the case, the question is whether or not we have the authority to reach out and control the States in the various phases of social development. To my mind the Supreme Court decision will be very far-reaching when it undertakes to define just what our privilege is under the Constitution.

Let me quote further from this article:

> It is because of the possibilities involved in the developments of the next few decades, possibilities of tragic import to the whole Nation, that the T. V. A. finds this valley such a fertile field for its program of economic and social development with human well-being rather than excessive manufacturing profits as the guiding aim.

In other words, it is not the question of navigation; it is not the question of flood control; it is the question of social development which is uppermost in the minds of those who are developing this project.

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

Mr. DICKINSON. Yes.

Mr. BONE. Since the Senator emphasizes that, I wonder if he thinks that social welfare, or the thought of social welfare being stressed and emphasized is a tragedy. I wonder what the Senator thinks governments come into existence for—merely to serve a few private interests, or to serve social welfare? If that is to be the theory of government, where are we going, and where are we heading?

Mr. DICKINSON. May I ask, if it was desired to make a social-welfare bill out of this measure, why was it not so named?

Mr. BONE. Very well; but the Senator presumes to criticize it on that basis, and that is why I ask the question.

Mr. DICKINSON. No; I am criticizing the bill on the basis that we thought we were doing one thing under the Constitution, and the way this project is developing we are doing an entirely different thing. I am not opposed to social welfare. I am not opposed to human progress. The question is, first, whether or not we have the authority to do this thing; and, second, are we doing the thing we thought we were doing when we passed the original law?

Mr. BONE. If the Senator will yield again, my questions were impelled by the fact that the Senator is basing his criticism of what has been done down in the Tennessee Valley on the fact that these activities have projected themselves into the realm of social welfare, rather than on a mere proposition of law.

Mr. DICKINSON. No; what the Senator from Washington is trying to do is to make it appear that I am not for social advancement, and so forth. I am just as much for social advancement as he is, and I desire to say that the people of my State have advanced just as far as have the people of the State of Washington under the Senator's splendid guidance.

Mr. BONE. I am very happy to know that the people of Iowa are thoroughly happy in the possession of a Senator who feels as does the Senator from Iowa. If the people of Iowa are happy, certainly I should make no objection.

Mr. DICKINSON. Quoting further:

> When the Tennessee Valley Authority learns about the minerals and soils and railroads and highways and waterways and water-power sites, it will be in a better position to give industrial advice. It may discover, for example, that kaolin and feldspar are located in a certain district.

The State of Tennessee has been developing its industries for a good many years. I am wondering whether or not we are creating a Federal agency that will go into Tennessee and assume authority which is really vested in the State under the Constitution and which it has been able to exercise.

I could go on and refer to the various questions of soil erosion, and so forth. I have simply tried to outline this matter and to raise the question, first, whether or not we are authorized to take this action under the Constitution; second, whether or not this program was contemplated by those who supported the original legislation at the time of its passage; and, third, whether or not we desire to say that the many taxpayers of the United States shall underwrite this proposition by guaranteeing $100,000,000 in bonds to be used in this enterprise.

With these suggestions I have but one more request, and that is that I be permitted to insert in the RECORD, following my remarks, the conclusions of law of Judge Grubb as set forth in his opinion. I think the Senator from Nebraska is fully familiar with them.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

CONCLUSIONS OF LAW

(1) The Congress has no constitutional authority to authorize Tennessee Valley Authority or any other Federal agency to undertake the operation, essentially permanent in character, of a utility system, for profit, involving the generation, transmission, and commercial distribution of electricity within State domain, having no reasonable relation to a lawful governmental use.

(2) The power program of Tennessee Valley Authority relating to the generation, transmission, and commercial sale of electricity, as shown by this record, substantially utility in type and permanent in its implications, is not related to any lawful governmental function and is beyond the power of Congress to authorize.

(3) If and to the extent that the Tennessee Valley Authority Act should be construed as authorizing Tennessee Valley Authority to operate an electric generating, transmission, and commercial distribution system, of the character and type proposed and intended by Tennessee Valley Authority as shown on this record, such act would be beyond the power of Congress and void. It is, accordingly, unnecessary to determine whether the act authorizes such operation by Tennessee Valley Authority or whether the act, because of inclusion of illegal objectives, delegation of legislative power, legislative uncertainty, or for other reason, is invalid.

(4) The Congress is without authority to authorize an agency of the Government to bind itself or the Government to a long-term commercial servitude for the operation within State domain of an electric network involving generation, transmission, and delivery of electricity essentially proprietary and utility in type and having no relation to any lawful governmental function.

(5) The proposal or undertaking of T. V. A. to bind or commit itself to operate the steam-electric or hydroelectric units at Muscle Shoals to produce electricity independently of and not required for Government use for the sole purpose of proprietary or commercial sale to the public, at wholesale or retail, for nongovernmental uses, is beyond the power of Congress to authorize.

(6) Assuming, without deciding, that the steam-electric plant and hydroelectric generators installed at Muscle Shoals were lawfully constructed for national defense and that by reason of the termination, suspension, or obsolescence of the original use there is not sufficient governmental use to absorb currently their entire capacity, Congress cannot lawfully authorize the Tennessee Valley Authority to operate such parts of the plant as are no longer required for governmental use or as are not currently required for governmental use for the sole purpose of generating electricity admittedly not required for governmental use in order to market this electricity for profit, either by sale at the dam or in support of a commercial utility system proposed to be established and operated by Tennessee Valley Authority.

(7) The production of electricity for the sole purpose of filling long-time contracts or commitments entered into by Tennessee Valley Authority for the supply of the public with electricity, at wholesale or retail, under the circumstances shown on this record, is not production for a lawful governmental use.

(8) There may be surplus emplacements and surplus capacity in hydrogenerators installed at Wilson Dam, that is, emplacements or capacities not presently required for the production of electricity for governmental use. This circumstance does not authorize the Congress to authorize the use by the United States or any agency thereof of those emplacements or the hydrogenerators not required for governmental use in the commercial operation of the units in the production and sale of electricity to the public.

(9) There are decisive distinctions between (a) the sale or conservation (for future use) by the Government of Government property lawfully acquired but no longer required or not presently required for Government use and (b) the utilization by the Government itself of such property for the conduct of an ordinary commercial business on or by means of the property. The same or like distinctions exist as to power plants, emplacements, and hydrogenerators lawfully constructed by the Government for a governmental use and no longer required or not presently required for governmental use. As to such units Congress may authorize the sale, or such custodianship of the units as may reasonably relate to their reservation or conservation for governmental use, but this principle does not authorize Congress to create and authorize T. V. A. or any wholly owned agency of the United States to use the property for commercial and proprietary production of electricity for sale to the public for nongovernmental use.

(10) There are distinctions in law under the evidence in this record between:

(a) The leasing of power emplacements lawfully established in navigation or national-defense dams, awaiting their related need for governmental use.

(b) The lawful installation of turbo-generators in such dams or the lawful construction of steam-electric plants relating to Government use and the leasing of such emplacement and generators or plants.

(c) The installation of the hydroelectric units and the commercial operation of the plant by the Government itself in generating electricity for sale at the generating plant to fill commercial contracts or utility service assumed by the Government.

(d) The commercial business of generating electricity and its commercial transmission and distribution in service utility in type.

The function intended by T. V. A. under the evidence in relation to service utility in type, in the area ceded by the contract of January 4, 1934, transcends the function of conservation or disposition of Government property, involves continuing service and commercial functions by the Government to fill contracts not governmental in origin or character.

(11) Except when the Tennessee Valley Authority operates the electric plants and properties subjected to its care by the Tennessee Valley Authority Act (assuming its validity), substantially in excess of requirements and marginal reserves for governmental use, there is not a sufficient amount of electricity to set up a commercial electricity program such as proposed by T. V. A. To the extent that Tennessee Valley Authority intentionally commits itself to sell in the market and thereupon produces electricity to fill the commitment, in known excess of any requirement and reasonable margin for governmental use, it cannot properly be said that Tennessee Valley Authority is disposing of a surplus unavoidably or reasonably produced in supplying a current Government requirement.

(12) Congress cannot by substantially overestimating or overproviding the electricity required for a lawful governmental use lawfully capitalize the error to the extent of authorizing the Tennessee Valley Authority or other agency of the United States to employ the excess capacity as a means for establishing and operating the equivalent of a public-service utility network in the Tennessee Valley under the circumstances shown by this record.

(13) Congress cannot authorize the construction of a plant for national defense and thereupon, when the war is over or in anticipation of another war, utilize the plant for ordinary com-

mercial operation by the United States in the production of commodities for proprietary sale for profit in competition with citizens of the State. That principle covers the utilization by Tennessee Valley Authority of so-called "surplus capacity" at Muscle Shoals in the business of operating an electric system in the area.

(14) The court cannot conclude that Tennessee Valley Authority is disposing of a bona fide surplus of electricity actually existing and unavoidably created in the light of the fact that Tennessee Valley Authority is proceeding with construction which will enormously, progressively, and indefinitely add to such surplus, both new and old units being interconnected into a common pool in support of long-term commercial commitments and public-service operations by T. V. A.

(15) Congress cannot, in lieu of taxation, authorize Tennessee Valley Authority to enter into the commercial power business for the purpose of reimbursing the Government for the cost of improvements to navigation, where such commercial business has, as proposed by Tennessee Valley Authority on this record, no relation to any lawful governmental function.

(16) Congress has no lawful power to authorize the Tennessee Valley Authority to subject the United States or any agency of the United States to an actionable obligation to perform a proprietary service for the public generally in north Alabama either by conducting utility operations in the area or to the extent of a commitment for the production of electricity for sale at wholesale or retail where such function, as upon this record, has no relation to any governmental purpose. This conclusion applies to the objectives sought to be accomplished by Tennessee Valley Authority in part by means of the contract of January 4, 1934. Any such authority from Congress would be illegal because without foundation under the Constitution, and it is unnecessary to determine whether such action would be at the same time affirmatively violative of the tenth amendment, void as an infraction of sovereignty or as constituting a delegation and impairment of the legislative discretion of Congress, or invalid by reason of other objectives of Tennessee Valley Authority shown by the record or by reason of electricity policies set out in the Tennessee Valley Authority Act.

(17) The plan and program of the Tennessee Valley Authority, in furtherance and execution of which the Tennessee Valley Authority entered into the contract of January 4, 1934, is a plan and program for the operation by Tennessee Valley Authority of a system for the generation, transmission, and distribution of electricity. Its proposed functions are utility in type. Under its contracts with the various municipalities to be served the service is to endure for at least 20 years, and involves a service which by reasonable implication is permanent in its nature. This purpose, based on the intentional generation of electricity by Tennessee Valley Authority in excess of intended governmental use, and being necessarily withdrawn from that use by its commitment to the utility program, would constitute illegal proprietary operations, and would be and is illegal, whether conducted as a utility or by direct sale by Tennessee Valley Authority either at wholesale or retail and at the dam or after transmission.

(18) The contract of January 4, 1934, expressly provided for the transfer of all or substantially all of the lines and properties of the Alabama Power Co. for the service of the ceded area, included transmission lines, rural distribution systems, and certain urban distribution systems, and contemplated the eventual transfer of 14 urban distribution systems. This contract, expressly contemplating service of the ceded area by the Tennessee Valley Authority with electricity to be generated or purchased by the Tennessee Valley Authority for that purpose, was in furtherance of illegal proprietary operations by the Tennessee Valley Authority in violation of the Federal Constitution and void. The contract was accordingly ultra vires and void as to the Alabama Power Co.

(19) Performance of the contract of January 4, 1934, would involve substantial loss and injury to the Alabama Power Co., including, inter alia, the loss or abandonment of franchises, licenses, going business, and service area supporting its general system and power facilities and unless resisted would tend to invite a progressive encroachment on its service area by the Tennessee Valley Authority.

(20) For the management and the board of directors to yield to the proposal and program of the Tennessee Valley Authority and to execute and go forward with the contract for the transfer of properties in proximate furtherance of its illegal proprietary operations, unnecessarily (because of its illegality) and to the injury of the Alabama Power Co., constituted a breach of duty on part of the board of directors and management of the corporation.

(21) It is not necessary to the foregoing conclusion that the directors or that the Commonwealth & Southern Corporation, its dominant stockholder, should be shown to have acted fraudulently or in bad faith or from evil motives, or that the contract should have been exacted by the Tennessee Valley Authority under circumstances constituting administrative oppression or malevolence (*American Bank & Trust Co.* v. *Federal Reserve Bank*, 256 U. S. 350). The breach of duty to the injury of the corporation in not resisting and the action of the management in going forward with an arrangement in furtherance of an illegal objective by the Tennessee Valley Authority, and therefore ultra vires, is remediable at suit of the plaintiffs, although the directors and Commonwealth & Southern may have considered it more desirable to yield to the Tennessee Valley Authority program than to resist and incur the risk and consequences of resistance inherent or threatened.

(22) In this situation the plaintiffs, as holders of preferred stock of the Alabama Power Co., on behalf of themselves and other preferred stockholders, had the right to demand that the Alabama Power Co. refrain from performance of the contract of January 4, 1934, and take such action as might be necessary to protect the corporation in the premises. The stockholders made due demand, and upon refusal of the management and the board of directors to take action, they became vested with the right to maintain this suit for relief.

(23) The conclusion of the court is that plaintiffs are entitled to maintain this suit within the principles laid down in *Dodge* v. *Woolsey* (18 How. (59 U. S.) 331), *Chicago* v. *Mills* (204 U. S. 321), *D. & H. Co.* v. *Albany, etc., Co.* (213 U. S. 435), *Ex parte Young* (209 U. S. 123), *Greenwood* v. *Un. Fr. R. Co.* (15 Otto (105 U. S.) 13), *Smyth* v. *Ames* (169 U. S. 466), *Pollock* v. *Farmers Loan & Tr.* (157 U. S. 420 (158 U. S. 601)), *Cotting* v. *Goddard* (183 U. S. 79), *Smith* v. *Kansas City, etc., Co.* (255 U. S. 180), *Brushaber* v. *U. P. R. Co.* (240 U. S. 1).

(24) The proof sustains the right of the plaintiffs to have the contract of January 4, 1934, annulled in its entirety as to Alabama Power Co. and for such additional relief as may be necessary or appropriate to give effect to the annulment of the contract and to protect the corporation from the consequences threatened by the contract itself, viz, the loss of business, franchises, and service area to the Tennessee Valley Authority in pressing its illegal proprietary operations in the ceded area directly and through the defendant municipalities or other privies.

(25) The municipal defendants hold or propose to enter into 20-year contracts with the Tennessee Valley Authority for the supply of electricity to said municipalities as soon as they shall obtain municipal distribution systems. The city of Athens already has its system. Such contracts, existing and proposed, give or tend directly to give effect to the aforesaid illegal plan and program of the Tennessee Valley Authority and are and will be in furtherance thereof. In the same category are or will be loans or grants of public funds made or to be made by the Tennessee Valley Authority, the Federal Emergency Administration of Public Works, or other Federal agency to said municipalities in cooperation with Tennessee Valley Authority and with a view to their becoming a market for Tennessee Valley Authority's commercial power business. Said agreements, existing or proposed, between the said municipalities and the Tennessee Valley Authority will directly and necessarily involve competition with and displacement of the Alabama Power Co. from the area served by the facilities and properties required to be transferred or expressly contemplated to be transferred out of the Alabama Power Co. by the contract of January 4, 1934, hereby annulled. All such agreements constituting a means of and in furtherance of said illegal operation and all extensions of its lines, system, and service by Tennessee Valley Authority to give effect to its proposed illegal operations in competition with and to the injury of the Alabama Power Co. in the area of service of the facilities required or contemplated to be subjected to Tennessee Valley Authority service by Tennessee Valley Authority, at wholesale or retail, should accordingly be restrained.

(26) The Electric Home and Farm Authority, Inc., is a proprietary agency of or for the T. V. A. in the promotion of the sale and in the financing of the sale of electric appliances in furtherance of the T. V. A. power policy and program herein defined. The contract between the Alabama Power Co. and Electric Home and Farm Authority, Inc., dated May 21, 1934, was entered into pursuant to a covenant required of the Alabama Power Co. by section 19 of the agreement of January 4, 1934. The plan, program, and objective of said Electric Home and Farm Authority was and is illegal as an agency of and in furtherance of the T. V. A. program and for the further reason that there appears to be no valid authority in or pursuant to any act of the Congress of the United States for the creation or functioning of said E. H. F. A. or its appropriation or use of the funds of the United States. Said agreement is therefore deemed to be proximately related to the contract of January 4, 1934, and also being intrinsically illegal, should be annulled.

(27) This court has, in the view taken of the relief to which plaintiffs are entitled, given no consideration to the request or prayer of plaintiffs for a declaratory judgment or to any phase or matter of relief not reflected in the final decree herein and in these conclusions of law and is without prejudice to such further independent or supplemental relief as may hereafter be sought by plaintiffs or by the Alabama Power Co. in its own right.

This April 11, 1935.

W. I. GRUBB,
United States District Judge.

Mr. BARBOUR. Mr. President, I desire to offer up at this time an amendment to this bill which I presented on Friday, and asked to have printed and lie on the table. I ask to have the amendment read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, at the proper place in the bill, the following:

That all moneys heretofore or hereafter made available for expenditure in carrying out the purposes of the act of May 18, 1933, known as the "Tennessee Valley Authority Act of 1933", of whatsoever character, shall be deposited and covered into the Treasury of the United States to the credit of a fund to be designated the

"Tennessee Valley Authority Fund", and be withdrawn therefrom only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer, as determined by the Comptroller General of the United States, or certificates of settlement issued by the General Accounting Office.

No part of such money shall be used to make payment under any formal or informal contract in excess of $100 hereafter entered into except in case of public emergency requiring immediate action, unless the need be advertised so as to permit of full and free competition, and award made to the lowest responsible bidder offering delivery or performance in accordance with the advertised specifications.

Except in the case of a public emergency requiring immediate action, the facts of which emergency shall be duly entered of record and filed with the contract, no bid shall be accepted until after a lapse of 7 days from the date the bids were opened nor while there is pending a protest filed in writing either with the Tennessee Valley Authority or the Comptroller General of the United States, or any questions otherwise raised and undetermined by the Comptroller General of the United States, involving the corporations procedure, the bidding or effect thereof, or other matters affecting the legality of the proposed obligation, or the availability of the money proposed to be charged.

The Comptroller General is authorized, in his discretion, to allow credit for payments from moneys under the control of the corporation, not otherwise allowable, when shown to be reasonably necessary to the accomplishment of the work authorized by law to be done by the corporation.

Mr. BARBOUR. Mr. President, last Friday, when I offered this amendment, I mentioned the fact that about a year ago I offered exactly the same proposal, then in the form of a separate bill. I explained to the Senate last Friday that I did so originally because a constituent of mine, who was a bidder for work which had been advertised by the Tennessee Valley Authority, though the low bidder and a responsible bidder, and bidding on either machinery or materials which were standard and known to be adequate and suitable for the purposes for which they were intended, was not awarded the contract; that the contract was awarded at a higher price to some other bidder. This contractor came to me and asked me why this was so, having understood, as certainly I did, that under the law all contracts on Government work had to be awarded to the lowest responsible bidder.

I took up the matter with the Comptroller General, asking him how it could be that this was done. The Comptroller General told me that in respect to the Tennessee Valley Authority he had no control over such matters as in all other cases; in other words, there was no control beyond what the members of the Board themselves exercised. To put it differently, so far as this particular department or activity of the Government was concerned, they did not come under the full purview, in the sense that I mean it, of the Comptroller General or his department. True, the Comptroller General has the responsibility of making a periodical audit; but that is simply what I might call a statistical-accounting audit, and there is no control beyond that so far as the Comptroller General's department is concerned.

It seemed to me, therefore—and it has seemed to me ever since I became acquainted with the true situation—that there is no reason why this particular activity of the United States Government, which is supported at public expense, should have any preferred, specially privileged status, so far as the purview of the Comptroller General is concerned, over any or all other departments, establishments, or agencies of the Government. There is nothing in my amendment which goes into the activity or purposes of the Tennessee Valley Authority. My amendment confines itself solely to this one phase of this proposition.

I shall not take any of the time of the Senate in discussing, as has been so ably discussed by other Senators, the philosophy and intent which underlies this great, growing undertaking. It is enough to say that it certainly is competition with private industry, which it taxes for its own support. My amendment, however, has nothing at all to do with any of those aspects of T. V. A. It just raises the question as to whether or not I am right in my belief that in this instance the Comptroller General should have the same measure of control that he has in all other Departments or agencies of the Government. I say "all other." I believe, however, as I have said before, that there is one other instance, the Shipping Board, where the purview of the Comptroller General is not so complete as it is in all other instances, excepting only the T. V. A.

But, as I said last Friday, as I understand, the Shipping Board is in the course of liquidation, and the necessity for that control is certainly not as great as it is in this instance, where expansion and growth are contemplated, and wherein the distinguished author of the bill which is before us this afternoon seeks not only to double the capital and, if I read this bill aright, increase the scope and power of the Authority, but to bring into a legalized status, if I may put it in that way, certain present and past activities of the Authority, which it seems to me were not contemplated or permitted in the original act.

However, these things are not what I want to go into. As I have said, I am perfectly sincere in making this suggestion and this suggestion alone, that the T. V. A. Authority be brought, as I have said, and repeat, under the full purview of the Comptroller General, just as is every other activity of its kind. That these particular activities be safeguarded in the public interest as are all other activities supported by the taxpayers' money. For that reason the amendment suggests that such moneys as rest in the Authority be returned to the Treasury of the United States, and hereafter be paid out only on accountable warrants and spent only by duly bonded accountable officers. There are other features which are not as important, but which I think would be very helpful to the safeguarding of the Authority and its undertakings. In other words, to mention one, in certain necessities credit should be extended so as to save time, and in certain small amounts the expenditures could be made without the check and control I seek to exact. And in the case of certain emergencies, exception could also be made as set forth in my amendment.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Tennessee?

Mr. BARBOUR. I yield.

Mr. McKELLAR. The other day, during a colloquy I had with the Senator, I understood him to say that the Comptroller General did not have the right to audit the accounts of the T. V. A. Was he not mistaken in that? Does not the Comptroller General have the right to audit the accounts of this subdivision of Government just as it does those of other departments and bureaus?

Mr. BARBOUR. I well remember the question asked by the distinguished Senator from Tennessee, and he will recall that I replied to him that I was not sure whether he had in mind the full purpose of the amendment. And I want to say again, as I said last Friday when the Senator spoke to me about the matter, that the Comptroller does have the power of audit. I do not feel, however, that the power of a mere audit is sufficient.

Mr. McKELLAR. I recall that; and when I examined the amendment I found that it apparently had a very different purpose from the one I had thought was behind it. I find also that the Comptroller General does have jurisdiction over the accounting of the Tennessee Valley Authority, and for that reason I have changed my mind entirely with reference to the amendment.

Mr. BARBOUR. Mr. President, I absolve the Senator from Tennessee of the suggestion he made at the time—that he would vote for the amendment. I understand the position in which he finds himself.

Mr. McKELLAR. I did not understand the nature of the amendment.

Mr. BARBOUR. I am quite satisfied that the Senator did not realize it went as far as it is intended to go, and I am sure the Senator will do me the justice to say that I did not try in any way to place him in a false position in this respect.

Mr. McKELLAR. The Senator is absolutely correct about that, of course.

Mr. BARBOUR. Mr. President, I do not feel that I wish to take any more of the time of the Senate. This is not a new matter. I am not trying in this in any way to obstruct, or to waste time. My hope had been that the

Senator from Nebraska, who admittedly knows a great deal more about this whole subject and this activity than I could know, because he has studied it so closely and for so long a time, would be willing either to accept my suggestion or tell me, if I am not asking too much, if he cares to do so, any valid reason why this particular activity of the Government should have this special privilege so far as freedom from the full purview of the Comptroller General is concerned.

I ask the Senator from Nebraska, if I may, whether he looks with any sympathy upon my suggstion.

Mr. NORRIS. Mr. President, I expect to speak on the Senator's amendment as soon as I am able to get the floor.

Mr. BARBOUR. Well, Mr. President, under those circumstances, I shall be very glad to yield the floor to the Senator from Nebraska.

Mr. NORRIS. Mr. President, in his closing remarks the Senator asked me whether I had any objection to his amendment. In reply let me state that, in my judgment, if this amendment were adopted, to a very great extent it would nullify all the benefits which can come from the proper administration of the T. V. A. Act. Of course, I concede frankly that the Senator has a perfect right to offer the amendment and to support it in any way he sees fit to do so.

I do not believe there is a thing in the amendment which is not already covered by law, or is not very objectionable. Let me read from the amendment:

> Except in the case of a public emergency requiring immediate action, the facts of which emergency shall be duly entered of record and filed with the contract, no bid shall be accepted until after a lapse of 7 days from the date the bids were opened nor while there is pending a protest filed in writing either with the Tennessee Valley Authority or the Comptroller General of the United States, or any questions otherwise raised and undetermined by the Comptroller General of the United States, involving the Corporation's procedure, the bidding or effect thereof, or other matters affecting the legality of the proposed obligation, or the availability of the money proposed to be charged.

Think what that would mean. They could not accept a bid, in the first place, within 7 days after it was opened, and thereafter could never accept a bid so long as there was a protest in writing on file with the Comptroller General or with the T. V. A. It would be disastrous. It would cost the Government of the United States, through this instrumentality, millions of dollars, if that kind of a provision were in the law.

It is simply not understandable to me how anyone who does not want to destroy the Tennessee Valley Act can suggest for a moment that such an amendment should be agreed to, and I doubt whether the Senator from New Jersey himself fully comprehends just the evil that is included in the amendment.

The Comptroller General, under existing law, has full authority to make all audits. That authority is included in subsection (b) of section 9 of the existing Tennessee Valley Act. Let me read it:

> (b) The Comptroller General of the United States shall audit the transactions of the Corporation at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his selection. In such connection he and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property and places belonging to or under the control of or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositaries. He shall make report of each such audit in quadruplicate, 1 copy for the President of the United States, 1 for the chairman of the board, 1 for public inspection at the principal office of the Corporation, and the other to be retained by him for the uses of the Congress. The expenses for each such audit may be paid from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General. All such audit expenses shall be charged to operating expenses of the Corporation. The Comptroller General shall make special report to the President of the United States and to the Congress of any transaction or condition found by him to be in conflict with the powers or duties intrusted to the Corporation by law.

The pending amendment, if enacted into law, would make it impossible, except after great delay, for the Corporation to act when there was a simple written protest filed by anybody in the United States; yes, in the world. It might be a protest filed by someone in London or in Japan. There is no question that the Comptroller General and the Corporation would be flooded with protests filed from time to time making it impossible for any bid ever to be accepted.

Mr. BARBOUR. I should like to ask the Senator from Nebraska if the provision on page 2, in line 20—

> No bid shall be accepted until after a lapse of 7 days from the date the bids were opened—

should remain in this amendment, and if the phrase which immediately follows—

> nor while there is pending a protest filed in writing either with the Tennessee Valley Authority or the Comptroller General of the United States—

and so forth, were eliminated, would that meet the Senator's approval?

Mr. NORRIS. No, Mr. President. The rest of the amendment is, from my viewpoint, practically as objectionable as what I have pointed out. Let me refer to part of it:

> That all moneys heretofore or hereafter made available for expenditure in carrying out the purposes of the act of May 18, 1933, known as the "Tennessee Valley Authority Act of 1933", of whatsoever character, shall be deposited and covered into the Treasury of the United States to the credit of a fund to be designated the "Tennessee Valley Authority fund", and be withdrawn therefrom only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer, as determined by the Comptroller General of the United States, or certificates of settlement issued by the General Accounting Office.

That would be absolutely destructive of the conduct of the business of the Corporation. It would nullify several sections of the existing law, where with great care and after great deliberation we finally reached a conclusion as to how the finances of this Corporation should be handled. The law now provides for the handling of these funds. It never has been charged by anyone that one cent of the money ever has been lost on account of default or on account of any criminal act of any official. There has been no such complaint. This amendment, however, would put the money in a special fund, entirely different from the one in which we had it in another case, and handicap and hamstring and repeal about one-fourth of the Tennessee Valley Act.

What is the necessity of doing that? Why put the money in a special fund in the Treasury from which it can be taken out only by a bonded disbursing officer? It is proposed that the moneys "be withdrawn therefrom only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer." That will mean setting up another officer. Does not the law now provide for a treasurer and how the money shall be handled and where it shall be placed? I do not see any objection to the way it is now being handled. I know of no objection that has ever been made so far. Why is it made now? What is the object in changing the procedure at all?

Then there is another part of the amendment:

> No part of such moneys shall be used to make payment under any formal or informal contract in excess of $100 hereafter entered into except in case of public emergency requiring immediate action, unless the need be advertised so as to permit of full and free competition, and award made to the lowest responsible bidder offering delivery or performance in accordance with the advertised specifications.

Mr. President, I have on my desk a better analysis than I have made of the amendment prepared by the members of the Board of the Tennessee Valley Authority. Unless further debate brings it all out, I shall not attempt to read it all now, although I ask unanimous consent to include it all as a part of my remarks; but I will read an extract from it showing what would happen. That which I do not read shows the necessity of existing law in carrying out the contracts, opening bids, and letting contracts under the bids.

The Board says:

> The requirement that 7 days should elapse between the opening of the bids and the award of a contract, and that no award

should be made while a protest is pending before the Comptroller General is entirely unworkable and would cost the Government many thousands of dollars. The Authority could not meet emergencies nor schedule its work. As stated above, the question of determining the lowest responsible bidder is one of experienced engineering judgment of the highest quality. The Authority has such a staff. The Comptroller General does not.

In other words, this amendment turns over the matter of passing on technical questions to the Attorney General, who is not equipped to do it, taking it away from the board which is equipped to handle it.

The Authority knows from experience that the delays in obtaining decisions from the Comptroller General's Office will be considerable and costly.

They make no complaint about that. That follows as a matter of course, because the Comptroller General is one of the hardest-worked officials in the Government of the United States.

The Authority knows from experience that the delays in obtaining decisions from the Comptroller General's Office will be considerable and costly. A few examples might be cited. In each case the equipment involved was of a very special nature, the experience of the successful bidder was a controlling factor, and delay in receiving the equipment or failure in operation would have interrupted the entire construction process and might have been disastrous to life and property.

Here is an example which they give on the Norris Dam:

Protest of award filed with Comptroller General April 27, 1934. T. V. A. award sustained by Comptroller General on July 2, 1934.

From April 27 to July 2 they would have been held up, under this amendment, and nothing would have been done, which might, as they say, have been disastrous, involving in some cases perhaps a million dollars or more.

Here is another example:

Protest of award filed with Comptroller General January 13, 1934. Decision sustained by Comptroller General on April 28, 1934. Delay, 111 days.

When a dam is being built on a river where high water is going to come after a certain period, where the work must be done during low water, where those in charge of the construction are rushing to get something done that cannot be done during high water, what might 111 days' delay mean? It might mean the destruction of millions of dollars' worth of property which otherwise could be saved.

Here is another example:

Protest of award filed with Comptroller General December 20, 1933. Decision sustained by Comptroller General on April 27, 1934. Delay, 129 days.

The proposition need only be stated, it seems to me, to show how foolish it would be to try to amend by such a process as that a law which now is giving perfect satisfaction:

In each case it should be noted the Comptroller General sustained the award made by the Authority.

Here is another instance:

The cableway unit which conveys the concrete to the job is the key to the construction operation. It must last for the life of the job and operate continuously and safely. When it stops the job stops. Taking into consideration the relation of the construction schedule to high-water conditions on the river, waiting for a Comptroller General's decision in this case for over 4 months would have cost the Government a million dollars or more.

So, as I see the amendment, there is nothing in it but destruction and expense, with no good to anybody.

Considering the construction plant at Norris Dam as a whole, the economy of T. V. A. purchasing is illustrated by the fact it has operated at more than 20 percent above its rated capacity. As a result there has been a saving of equipment overhead and the work is 2 months ahead of schedule now.

The provisions of section 3—

They are referring to this amendment—

would afford an excellent opportunity for disqualified bidders and other adverse interests working through them constantly to harass the T. V. A. and disrupt its work program.

In requiring advertising for bids for the purpose of full and free competition it is important to note that there must be some exceptions. Occasionally equipment is required which is made by only one manufacturer. No substitute will serve. Occasionally it is in the public interest and economical initially to select single items of equipment as a basis of experience for subsequent large purchases. Particularly in research and demonstration work is the purchase of proprietary articles a necessity. It would appear that the proposed amendment would prohibit such purchases and seriously handicap the work.

Mr. President, I might read the remainder of this statement, but I shall not do so. I do not believe the Chair put the question on my request. I ask unanimous consent that the entire matter be printed in the RECORD as part of my remarks.

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

The matter referred to is as follows:

COMMENT ON AMENDMENT PROPOSED BY SENATOR BARBOUR TO S. 2357 (THE NORRIS AMENDMENT TO THE T. V. A. ACT) CONCERNING PURCHASING PRACTICES OF THE T. V. A.

The purchases of the Authority are of great variety and of large volume. Many exceptional and special conditions arise. Large dam-construction projects require new and special equipment. Failure of a single piece of equipment or delay in obtaining equipment or material interrupts the entire process of construction and costs thousands of dollars and possible loss of life. Electricity generation, operation of high-voltage power lines, and the necessity of uninterrupted service similarly require a degree of purchasing flexibility and the freedom to meet emergencies. Further complexity arises out of the wide range of purchases required by an extensive research and demonstration program calling for special equipment and materials.

The Authority now has a certain flexibility of purchasing through which it has been able to meet emergencies, obtain the equipment required, buy economically, and save large sums of Federal money. The procedure used by the Authority is based on the principle of adequate specifications, advertisement of bids, and award to the lowest qualified and responsible bidder. Forms for invitations to bid and contracts are standard Government forms with the caption "United States Government" changed to "Tennessee Valley Authority."

The procedures generally are those of the Navy Department. Many suggestions of the Comptroller General have been adopted. Facilities of the Federal Warehouse in Washington, of the Traffic Bureau of the United States Treasury, and of the Bureau of Standards are used. Close contact is maintained with the Procurement Section of the Treasury and with the code offices of the N. R. A. Standard Government specifications are the basis of T. V. A. specifications.

In accordance with the procedure followed by certain Government departments, the T. V. A. purchasing agent is authorized by the Board to make purchases under $500 without bids where there is an emergency or an economy would be effected by eliminating unnecessary procedures. For all other purchases the practice of the Authority is to require competitive bids. The award is then made to the lowest responsible and qualified bidder with full consideration for all factors mentioned in the specifications and the best interests of the Authority.

Price is only one factor. Time of delivery may be important. A small additional expenditure may result in a quality of product and assured continuity of operation worth many times the small extra cost. In purchasing large special equipment for construction work an outstanding consideration is the experience of the bidder. Great reliance is placed on this factor of experience, and it is so stated in the specifications. A guaranty to meet specifications by an inexperienced bidder may be meaningless when considered in the light of costly interruption of the entire construction process due to the failure of equipment or materials. Only experienced and competent engineers can appraise bids under such construction conditions and assure a maximum of economy of public expenditure. The Authority has such outstanding engineers on its staff and as consultants; in relying on their judgment it is following the best practice of private construction.

The requirement that 7 days should elapse between the opening of the bids and the award of a contract, and that no award should be made while a protest is pending before the Comptroller General, is entirely unworkable and would cost the Government many thousands of dollars The Authority could not meet emergencies nor schedule its work. As stated above, the question of determining the lowest responsible bidder is one of experienced engineering judgment of the highest quality. The Authority has such a staff. The Comptroller General does not.

The Authority knows from experience that the delays in obtaining decisions from the Comptroller General's Office will be considerable and costly. A few examples might be cited. In each case the equipment involved was of a very special nature, the experience of the successful bidder was a controlling factor, and delay in receiving the equipment or failure in operation would have interrupted the entire construction process and might have been disastrous to life and property:

Hammermills, Norris Dam: Protest of award filed with Comptroller General April 27, 1934. T. V. A. award sustained by Comptroller General on July 2, 1934. Delay, 67 days.

Crushers, Norris Dam: Protest of award filed with Comptroller General January 13, 1934. Decision sustained by Comptroller General on April 28, 1934. Delay, 111 days.

Cableways, Norris Dam: Protest of award filed with Comptroller General December 20, 1933. Decision sustained by Comptroller General on April 27, 1934. Delay, 129 days.

In each case it should be noted the Comptroller General sustained the award made by the Authority.

The cableway unit which conveys the concrete to the job is the key to the construction operation. It must last for the life of the job and operate continuously and safely. When it stops the job stops. Taking into consideration the relation of the construction schedule to high-water conditions on the river, waiting for a Comptroller General's decision in this case for over 4 months would have cost the Government a million dollars or more.

Considering the construction plant at Norris Dam as a whole, the economy of T. V. A. purchasing is illustrated by the fact it has operated at more than 20 percent above its rated capacity. As a result, there has been a saving of equipment overhead and the work is 2 months ahead of schedule.

The provisions of section 3 would afford an excellent opportunity for disqualified bidders and other adverse interests working through them constantly to harass the T. V. A. and disrupt its work program.

In requiring advertising of bids for the purpose of full and free competition it is important to note that there must be some exceptions. Occasionally equipment is required which is made by only one manufacturer. No substitute will serve. Occasionally it is in the public interest and economical initially to select single items of equipment as a basis of experience for subsequent large purchases. Particularly in research and demonstration work is the purchase of proprietary articles a necessity. It would appear that the proposed amendment would prohibit such purchases and seriously handicap the work.

Mr. NORRIS. It is very illuminating to have this statement. I do not think it is necessary to take up the time of the Senate to argue further against the adoption of such an amendment as that which is proposed.

Mr. BARBOUR. Mr. President, of course I am not really surprised, though I had hoped otherwise, that the distinguished Senator from Nebraska should be so opposed to this amendment of mine, which, as I previously stated, I introduced originally as a separate bill in the last session of the Congress, and certainly I am not surprised at all that the members of the Board of the Tennessee Valley Authority should use every means at their command to prevent action which would place them under the full purview and control of the bureau of the Comptroller General.

The fact remains—and I wish to make a record of the fact—that this particular activity of the Government, the Tennessee Valley Authority, either because of its corporate status, which I felt at the time was given it so that it could sue and be sued, or because of the manner in which the act was drawn, though that is only my impression and I cannot prove that Senators meant that the original act should be so construed, has been removed from the full purview of the Comptroller General. Be that all as it may, the fact remains, this particular activity has a preferred status; it is accorded in this respect a special privilege, and entirely aside, as I have previously said, of any other consideration relating to the activity and purposes of the Tennessee Valley Authority, I seek only to bring it under the same control and under the same safeguards which have been provided in the case of all other governmental activities and independent offices.

I am reluctant to speak any longer on the subject for I feel I have fully covered it and explained the obvious necessity of my amendment. I have already spoken two or three times on my amendment, and I am sure that it must be clear to every Senator that those who are particularly interested in this peculiar and unusual activity of the Government are very tenacious in resisting anything that would bring it under the control I have suggested. I do not wish to delay the Senate by asking for a roll call on the amendment, though I should like to have a record vote. I had hoped, as I have said, that some, at least, if not all, of the suggestions embodied in the amendment would be received with better favor than they have been on the part of the distinguished Senator from Nebraska, but I press now for action on the amendment, and I hope that it may be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. AUSTIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is the demand seconded?

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Coolidge	Johnson	O'Mahoney
Ashurst	Copeland	Keyes	Pittman
Austin	Costigan	La Follette	Pope
Bachman	Couzens	Logan	Radcliffe
Bankhead	Dickinson	Lonergan	Robinson
Barbour	Dieterich	Long	Russell
Barkley	Donahey	McAdoo	Schall
Bilbo	Duffy	McCarran	Schwellenbach
Black	Fletcher	McGill	Sheppard
Bone	Frazier	McKellar	Shipstead
Brown	George	Maloney	Steiwer
Bulkley	Gerry	Metcalf	Thomas, Okla.
Bulow	Gore	Minton	Thomas, Utah
Byrd	Guffey	Moore	Townsend
Capper	Hale	Murphy	Truman
Caraway	Harrison	Murray	Tydings
Carey	Hastings	Neely	Wagner
Clark	Hatch	Norris	Wheeler
Connally	Hayden	Nye	White

The PRESIDING OFFICER. Seventy-six Senators have answered to their names. A quorum is present.

The question is, Shall the bill pass?

Mr. AUSTIN. I ask for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll.

Mr. CLARK (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. McNARY]. Not knowing how he would vote, I withhold my vote. If I were permitted to vote, I should vote "yea."

Mr. JOHNSON (when Mr. McNARY's name was called). The senior Senator from Oregon [Mr. McNARY] is absent, attending a meeting of the Jefferson Memorial Commission. His pair with the senior Senator from Missouri [Mr. CLARK] has been announced. If the Senator from Oregon [Mr. McNARY] were present, he would vote "yea."

The roll call was concluded.

Mr. CLARK. As previously announced, I have a pair with the Senator from Oregon [Mr. McNARY]. Being advised that if he were present and voting he would vote as I intend to vote, I am at liberty to vote. I vote "yea."

Mr. COPELAND. On this question I have a pair with the Senator from Utah [Mr. KING]. In his absence, I withhold my vote.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. ROBINSON. The Senator from Nebraska [Mr. BURKE] has a general pair with the Senator from Vermont [Mr. GIBSON].

I desire to announce the following Senators are unavoidably detained from the Senate: The Senator from North Carolina [Mr. BAILEY], the Senator from Nebraska [Mr. BURKE], the Senator from South Carolina [Mr. BYRNES], the Senator from Virginia [Mr. GLASS], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], the Senator from South Carolina [Mr. SMITH], the Senator from Florida [Mr. TRAMMELL], the Senator from Massachusetts [Mr. WALSH], and the Senator from Indiana [Mr. VAN NUYS].

The junior Senator from Louisiana [Mr. OVERTON] is detained from the Senate by illness.

The junior Senator from North Carolina [Mr. REYNOLDS] is absent upon a commission of the Senate to the Virgin Islands.

Mr. AUSTIN. I wish to announce that the Senator from Michigan [Mr. VANDENBERG] has a general pair with the Senator from North Carolina [Mr. REYNOLDS]. I am not advised how either Senator would vote if present.

The result was announced—yeas 56, nays 19, as follows:

YEAS—56

Adams	Connally	Logan	Pope
Ashurst	Costigan	Long	Radcliffe
Bachman	Couzens	McAdoo	Robinson
Bankhead	Donahey	McCarran	Russell
Barkley	Duffy	McGill	Schall
Bilbo	Fletcher	McKellar	Schwellenbach
Black	Frazier	Minton	Sheppard
Bone	George	Murphy	Shipstead
Brown	Guffey	Murray	Steiwer
Bulkley	Harrison	Neely	Thomas, Okla.
Bulow	Hatch	Norris	Thomas, Utah
Capper	Hayden	Nye	Truman
Caraway	Johnson	O'Mahoney	Wagner
Clark	La Follette	Pittman	Wheeler

NAYS—19

Austin	Dickinson	Hastings	Moore
Barbour	Dieterich	Keyes	Townsend
Byrd	Gerry	Lonergan	Tydings
Carey	Gore	Maloney	White
Coolidge	Hale	Metcalf	

NOT VOTING—19

Bailey	Davis	McNary	Trammell
Borah	Gibson	Norbeck	Vandenberg
Burke	Glass	Overton	Van Nuys
Byrnes	King	Reynolds	Walsh
Copeland	Lewis	Smith	

So the bill was passed.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of the joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provision of title I of the National Industrial Recovery Act, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, which had been reported from the Committee on Finance without amendment.

Mr. HARRISON. Mr. President, I shall not occupy much of the time of the Senate, but shall content myself with a brief explanation of just what the joint resolution proposes to accomplish.

It will be recalled that the Senate directed its Committee on Finance to make a very thorough investigation with reference to the N. R. A. It was stated at that time that the Committee on Finance, in connection with that investigation, should formulate legislation for the continuance or extension of the N. R. A. For more than 7 weeks the Committee on Finance did make a very exhaustive investigation into the administration of the N. R. A., with the view of following through some of the criticisms of the N. R. A. and at the same time formulating new legislation.

Concluding with the investigation, we began the constructive consideration of legislation, and the joint resolution now before us is the outcome of that consideration of the committee and is reported to the Senate by a committee vote of 16 to 4.

The joint resolution is quite different from the original bill which I introduced as the basis for the consideration of legislation, and quite at variance with certain amendments offered by me to that bill. The committee thought it wise, following the suggestion made by the Senator from Missouri [Mr. CLARK], that we should very well get together without prolonged discussion and consideration upon the floor of the Senate if we should leave the N. R. A. as it is today, with two exceptions, and limit its extension until March 1, 1936. After some exchange of views, the committee agreed upon April 1, 1936, as the date of extension, and that date is carried in the pending joint resolution.

There are two exceptions or amendments made to the present law. One is the elimination of codes which affect wholly intrastate commerce. The N. R. A. in the future would be confined to interstate commerce; in other words, businesses which are wholly intrastate commerce are removed from the codes of the N. R. A. That is the first exception.

The other question is the one upon which much discussion has hinged, and which many persons think was the basis of monopolistic practices in certain trades and businesses—the power of price fixing in certain codes. So, the committee, as the second exception, has eliminated all price fixing by the N. R. A. in any of the codes except in mineral natural resources.

It was first suggested that the exception ought to apply to natural resources of all kinds; but it was pointed out that lumber was one of the natural resources, and that it should be eliminated. So, the committee has recommended the joint resolution to the Senate for passage, with the exception as to price fixing applying only to natural mineral resources.

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

Mr. HARRISON. I yield to the Senator from Kansas.

Mr. McGILL. Did the committee construe section 1, on page 2, to include the production of coal, and so forth?

Mr. HARRISON. Yes; and I may say to the Senator from Kansas that the coal situation was one of the moving considerations which caused us to make the exception. There has been hardly any division of opinion among all the coal people that the N. R. A. has greatly helped them. I think almost all the captains of that industry, as well as the labor engaged in it, agree that the N. R. A. has been a lifesaver to the coal industry.

Mr. McGILL. Then, it is the Senator's construction of this section that it includes the production of coal, lead, zinc, and other ores?

Mr. HARRISON. That is the construction of the committee.

Mr. President, coming now to section 3 of the joint resolution, this section provides for the continuation of the existing codes, but provides that in carrying out the changes in the law as to price fixing and intrastate business, the President shall have 30 days following the 15th day of June in which to make the changes, and so forth. The N. R. A. authorities tell us that this is sufficient time in which to make the changes, and that is why the 30-day period was put into the joint resolution.

Mr. CONNALLY. Mr. President, if the Senator will yield, a question was raised by the Senator from Kansas [Mr. McGILL] as to price fixing on coal. I desire to call the attention of the Senator to the fact that that applies only to the natural mineral resources as to which prices are now fixed under the codes; so that the natural resources as to which there is no price fixing under the codes are not affected.

Mr. HARRISON. That is true; but there is in the code on coal a price-fixing arrangement.

Mr. CONNALLY. Oil is not affected.

Mr. HARRISON. I think that is about all I desire to say.

Mr. President, I very much hope we can pass this joint resolution speedily. The House, of course, must take it up. I do not know what the House will do. No one can tell. I very much hope they will make few, if any changes in the joint resolution. Some may believe there will be an insistence on extending the life of N. R. A. for 2 years. I desire to say to the Senate and to the N. R. A. authorities that if the House should extend the life of N. R. A. for 2 years after the passage by the Senate of a measure extending its life until April 1, 1936, and if I should be honored by being named as a conferee in the conference between the two Houses, I should agree to nothing, but I should have the measure brought back to the Senate, if my conferees would agree with me, and let the Senate pass upon the question; and I say as much for any other changes that may be made in the joint resolution by the House. If the Senate should pass this joint resolution, and if the House should decide to write a new N. R. A. bill, carrying out some of the suggestions made by certain gentlemen in the N. R. A., if I should have anything to do with the matter as a conferee in the conference between the House and the Senate, I should insist on the measure being brought upon the floor of the Senate and being considered over again as legislation.

In other words, this joint resolution was adopted as the best way out of a very difficult situation. For my part, I believe in the N. R. A. I believe it has done a wonderful work. I believe it has been a means of giving employment

to millions of men. I believe the great trade organizations and businesses of the country are for an extension of the N. R. A. I think it would almost cause an economic collapse for the N. R. A. to die on June 16; and I am not unmindful of the fact that there are Senators here, many in number, and a great number of people in the country, who do not agree with the conclusions I have formed with reference to the N. R. A. I can appreciate the fact that if the Senate committee had gone ahead and written a new bill and brought it in here, it would have taken weeks on weeks, perhaps, to pass the measure, if it could be passed at all. June 16 is rapidly approaching. So, as a practical proposition, in my opinion it is much better for us to let the N. R. A. run along until April 1, 1936, with the two exceptions I have stated.

The courts should pass upon certain phases of the subject. There are such cases now pending before the Supreme Court. At the next session of Congress we can then more certainly and clearly write a law which will be upheld by the courts. I hope the present law will be sustained by the court and construed to be constitutional and legal; but if it should find anything wrong, we should then be in a position where we could frame legislation much better than at the present time.

Mr. LONG. Mr. President——

Mr. HARRISON. I yield to the Senator from Louisiana.

Mr. LONG. I desire the RECORD to show, because I am going to vote with the Senator, that I am voting for his joint resolution not to help the N. R. A., but because I think it dehorns and gums it up a little. I just want the RECORD to show that.

Mr. HARRISON. I do not care what reason the Senator may advance; I am delighted that he is voting with me one time. [Laughter.]

The resolution was the solution of a practical situation that confronted us, and one upon which I think the whole Senate can agree. I desire to give every assurance upon my part, as far as it is within my power, that if the measure is changed in the House and new legislation written, the Senate will have an opportunity to pass upon the new bill. In other words, it will not go into conference and the Senate have no opportunity to pass upon it save as a conference report.

As a note of warning to those gentlemen who are enthusiastically for N. R. A. and who have worked in N. R. A., I desire to say that I hope, if they are doing it, they will desist from trying to bring influence to bear upon the other body to extend the life of N. R. A. for 2 years or to write new legislation, because in so doing they may be in the position of killing the goose that laid the golden egg, and the blame may be on those who are the best friends of N. R. A. for killing it in the end.

So, Mr. President, I hope we can pass this joint resolution this afternoon, and get it upon its way to the House and let them deal with it, and let the uncertainty which exists in the country disappear.

Mr. BORAH. Mr. President, I do not mind saying that I had a tacit understanding with the Senator from Mississippi [Mr. HARRISON] that I should not oppose the joint resolution in its present form; that is, eliminating price fixing and exempting intrastate commerce, and so long as it remains in its present form, with a possible change of expression, to which I shall call attention in a moment.

The Senator from Mississippi has stated that if any change shall be made upon the part of the other body, the joint resolution will be brought back here for our consideration, and we shall not be compelled to deal with it purely as a conference report. That puts the matter, from a parliamentary standpoint, in a condition which is entirely satisfactory to me. In other words, we are to have full parliamentary protection in the event of a change.

Of course, we do not know what the other body will do; but if we are permitted to deal with the matter as an original proposition in case there is a change it is all we can ask for, I assume.

I desire to ask the Senator from Mississippi a question at this point.

Mr. CLARK. Mr. President, before the Senator asks the question will he yield to me for just a moment?

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

Mr. BORAH. I do.

Mr. CLARK. As one of the proponents and supporters of the joint resolution, I should like to say that I entirely agree with the Senator from Mississippi as to the basis of the joint resolution, although the Senator from Mississippi and I approach it from essential different angles. He thinks the N. R. A. should be preserved. I think the N. R. A. should be wiped out, although there are certain portions of it which I should be glad to preserve. It seems to me, however, that the joint resolution embodies the only practical procedure for having court determination, and finding out what portions of the N. R. A. can be preserved, and what portions cannot be preserved. So it is necessary to enact some such joint resolution as this in order that Congress may proceed intelligently.

I should like to add to what the Senator from Mississippi has said that so far as I am concerned, as one proponent of the joint resolution, I shall not only oppose the conference report if it extends the N. R. A. for 2 years, but if the other body at the other end of the Capitol shall attempt to extend the joint resolution for 2 years, as one Member of the Senate I shall vote against sending the joint resolution to conference at all, and let nature take its course on the 16th of June.

Mr. BORAH. Of course the joint resolution is a compromise. It does not embody all that I desire, but it is satisfactory, considering all the circumstances with which we have to deal. I would, if it were deemed possible, join in terminating the act, but I feel if we can eliminate price fixing and exempt intrastate commerce we have gone far in that direction. Exemption of intrastate business will remove 80 percent of small businesses from the codes. I agree with the Senator from Missouri; my attitude of mind toward the N. R. A. is that of the Senator from Missouri. But legislation is a practical proposition, and although I do not wish to be placed in a position where I shall vote for the N. R. A., I am content not to oppose the joint resolution.

I desired to ask the Senator from Mississippi and the Senator from Missouri what significance they place upon the word "wholly" in line 10 of the joint resolution, page 10, where it says "wholly intrastate commerce." Is that intended to mean anything different from "intrastate commerce"?

Mr. HARRISON. The codes of fair competition which apply to those types of business which do a wholly intrastate commerce we thought should be eliminated. Of course, if some business substantially affects interstate commerce, I presume that the Supreme Court in its decisions would hold that it might come under a code and under the law, because that would not be wholly intrastate commerce. I could cite to the Senator many illustrations of businesses which are now under codes which ought to be out of the control of codes.

Mr. BORAH. If it is intrastate commerce, Congress has no control over it, and should not have. I do not understand the significance of the word "wholly." It does not seem to me to be anything but surplusage. Does it add anything to the fact that it is intrastate commerce, or subtract anything from it?

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

Mr. BORAH. I yield.

Mr. ROBINSON. It would clearly be applicable to a case where an individual or corporation was engaged in intrastate business and interstate business. The Senator certainly would not wish to deny the right to apply a code to a case of that nature.

Mr. BORAH. No, indeed; and in my opinion, if we should say "intrastate commerce", we would confine the matter to intrastate commerce, and anything that was interstate com-

merce would be excepted. I desire to make it plain that I do not propose to accept a term that would limit the meaning of "intra" as defined by the courts.

Mr. ROBINSON. I suppose the word "wholly" is used in contradistinction to the word "partly", and that it is employed for the purpose of making clear that the intention is not to eliminate from the codes those businesses which are partly engaged in interstate commerce.

Mr. BORAH. I take the position, Mr. President, that if a business is interstate Congress has the power to control it. In other words, so far as the jurisdiction of Congress is concerned, there is interstate commerce and there is intrastate commerce, and whenever the line is passed and it is partially interstate commerce, Congress draws to itself the power to control it. When the commerce passes the boundary of the State it is interstate.

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

Mr. BORAH. I yield.

Mr. BARKLEY. The Senator will observe that this language applies to the persons who are engaged in commerce. and not to the commerce itself. The language is, "No code of fair competition shall be applicable to any person." "Person", of course, is defined in the measure as not only a natural person but a corporation or an association. The language is, "No code of fair competition shall be applicable to any person whose business is wholly intrastate." So that any person whose business is not wholly intrastate, which, of course, would mean that it was partly intrastate and partly interstate, would not be exempt under this language.

Mr. BORAH. I understand that perfectly; but what I am seeking to ascertain is whether or not the word "wholly" adds anything, in the view of the proponents.

Mr. BARKLEY. If the Senator will permit, I think it does, because it emphasizes the fact that the persons to whom a code is to be applicable are engaged in intrastate commerce exclusively, and not interstate and intrastate.

Mr. BORAH. If that is the interpretation, it is quite objectionable to me. In other words, suppose an individual were engaged in interstate commerce, but suppose he had a business that was wholly intrastate. Because he individually was engaged in interstate commerce, you could not draw to Congress authority over that business which was wholly intrastate commerce.

Mr. BARKLEY. Of course, if the Senator refers to a man who is in some business that is interstate commerce and in some other business that is intrastate commerce, he could be drawn into the code so far as his intrastate commerce is concerned. But take the case of a wholesale grocer, for instance, one who lives on the State line, and sells groceries in a wholesale way all over the country. He is engaged in interstate commerce, although he may sell some of his products to grocers in the State in which the concern is located.

Mr. BORAH. Clearly that man would be engaged in interstate commerce.

Mr. BARKLEY. That is true.

Mr. BORAH. And he would be subject to the control of Congress.

Mr. BARKLEY. Yes.

Mr. BORAH. His business is interstate. It would be so held. Whenever a court determines that it is interstate commerce, of course, Congress has control of it, but when it is intrastate commerce Congress has not control of it. But all this is beside the point. I have said in my opinion the word "wholly" neither adds to or subtracts from intrastate, and the word "wholly" should be stricken out in the interest of clarity. If the proponents are to insist that "wholly" has any legal significance, I should urge it be stricken out.

Mr. BARKLEY. If the Senator will permit me, I should like to draw the distinction. If the same person who is engaged in interstate commerce in the grocery business, as I have illustrated, had a coal yard off in some other part of his city which was wholly within the State, and that business were wholly within the State, that would not be brought within the code simply because in the grocery business he was engaged in interstate commerce.

Mr. BORAH. That is a more satisfactory explanation. I wish to say that in approving the joint resolution I do not believe that, as a legal proposition, the word "wholly" has any significance whatever. It would have considerable significance as interpreted by some of the administrative forces in the administering of the N. R. A.

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

Mr. BORAH. I yield.

Mr. ASHURST. Is it not a fact that, so far as the courts are concerned, they must and will disregard the word "wholly"?

Mr. BORAH. I have no doubt about it. I think it will lead to a great many complications when it comes to the administration of the act by some of the executive officers. They will convince a man that if he is raising a product which ultimately gets into interstate commerce he is under the control of Congress. That is not true. I want it understood, so far as my vote is concerned, that I regard the word "wholly" as wholly superfluous. It has not any significance whatever as a legal proposition.

It is true that in the famous "steamboat" case, as it is known, where the doctrine of interstate commerce and intrastate commerce was first announced, the word "completely" was used in the act as distinguishing intrastate commerce. But it has never had any significance; it has never been used as a distinguishing word in determining what was interstate and what was intrastate. The distinction turned upon the question of whether the business was within a State, was being conducted within a State. If it was, it was intrastate. If the business overlapped State boundaries, it was interstate. It cannot be divided.

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

Mr. BORAH. I yield.

Mr. ASHURST. We complain frequently against courts because they strike down laws here and there. I have often thought that if we should apply some of the criticisms to our own body, or to Congress, we might find that we could help the courts by not using language which we know adds nothing to the law, gives it no strength, adds nothing to the legality or to the constitutionality of any particular statute.

So far as this proposed act is concerned, I think that the word "wholly" might mislead some administrative officials. It would not mislead any court. If I may be pardoned for using the word, I think it is a sloppy way to legislate. I think that word should not be in the measure.

Mr. BARKLEY. Mr. President, if the Senator will yield further, if we strike out the word "wholly" we run the risk of eliminating persons whose business is intrastate although it is not wholly intrastate.

Mr. ASHURST. In my judgment, we run the same risk with the word there.

Mr. BORAH. Let me ask the able Senator from Kentucky a question. Does the Senator from Kentucky claim that by this joint resolution and by this word "wholly" we are in any wise seeking to modify or change any of the laws as laid down by the courts?

Mr. BARKLEY. No; we are not attempting to change the law, but the Senator must keep in mind that this language is made to apply to people and not simply the commerce in which they are engaged; that many organizations may be engaged in both interstate and intrastate business, and if we strike out the word "wholly" we might by implication include institutions a part of whose business is intrastate, but who have some business, even in the same line, which extends beyond State lines.

Mr. BORAH. If we should provide that no code of fair competition shall be applicable to any person whose business is intrastate, we would cover intrastate business, and only that would be eliminated which was intrastate business.

Mr. BARKLEY. I am afraid not; but if we are going to change it, if the word "wholly" is to be eliminated, then it seems to me that the whole paragraph would have to be rewritten so as to make it applicable to the business, so that

no code of fair competition should apply to any business which was intrastate.

Mr. BORAH. Mr. President, I think that is the construction that will be given the statute anyway. It refers to any person whose business is wholly intrastate. Of course, it is the business which we are seeking to regulate.

Mr. COUZENS. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. COUZENS. From a practical operating point of view, I can see a clear distinction between the measure with the word "wholly" left in and with the word left out. The Senator from Kentucky has pointed out the particular point; that is, when we attempt to regulate the hours of labor and the wages of a concern which is handling both interstate and intrastate commerce, from a practical proposition it is not possible to separate the two. So the committee wrote the word "wholly" in the measure so that a concern that was doing a combination business might come under a code of fair competition, while if it was doing a business wholly intrastate, and there was no combination of the two, it could not come under a code of fair competition.

Mr. BORAH. Mr. President, if that is the construction which is to be placed on this matter I desire to be heard somewhat at length. When I consented to this resolution there was nothing said about the word "wholly." We were to take the terms "interstate" and "intrastate", and that was made perfectly clear at the conference. It is evident that there is intended to legislate a different construction upon the proposition.

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

Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. It is not evident here that we are trying to put over anything on the Senate by the language which we have used.

Mr. BORAH. No; I do not mean that at all. It is simply an unfortunate expression.

Mr. BARKLEY. What we are trying to do is to make it perfectly plain that any man or any institution whose business is exclusively intrastate is not to be eligible for a code even—he cannot even enter into one voluntarily; but we do not want the language so loose that any man who happens to be engaged in intrastate business but has an extensive interstate business also, would be let out, and that is the danger in removing the word "wholly."

Mr. BORAH. Mr. President, we have been dealing with this question of "interstate" and "intrastate" for over 100 years——

Mr. BARKLEY. I know, but we have been dealing with it in a different way from that which applies to these codes under the N. R. A. We have been attempting to regulate commerce by regulating carriers of commerce, and prohibiting or restricting the shipment across State lines of certain types of commerce, but that has been a little bit different from what we have here, where men who are engaged in that commerce are permitted to enter into agreements.

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

Mr. BORAH. I yield.

Mr. CLARK. Let me say to the Senator from Idaho and the Senator from Kentucky, that as one of those who participated in the negotiations leading up to the introduction of this particular resolution, and also as a member of the Finance Committee and a member of the subcommittee which actually prepared the resolution, I should like to say that I am not in agreement with my friend from Kentucky on the construction placed on this language. Let me say that the statement of the proposition in the intrastate phase rather than in the interstate was done with the particular suggestion and assistance of the Senator from Idaho. In other words he desired to have it stated, and other Senators with whom we had at all consulted, also desired to have it stated as a negation of the interference of codes with intrastate commerce, rather than an authorization for the imposition of codes on interstate commerce.

When the subcommittee met—and I think I violate no confidence in making this statement—the subcommittee being made up of the Senator from Mississippi, the chairman of the full committee, the Senator from Delaware [Mr. HASTINGS], and myself, I proposed that the word "wholly", in line 10 on page 2, just before the word "intrastate", be stricken out, having in mind the same distinction and proposition now advanced by the Senator from Idaho. On the other hand, in discussion in the subcommittee this thought occurred to all of us, and I think is an entirely bona fide thought. We have not stated here that codes of fair competition may be imposed as to concerns engaged in interstate commerce. We put it in the negative—that no code of fair competition shall be applicable to any person whose business is wholly intrastate.

Mr. President, I now suggest to the Senator from Idaho, and urge this upon him for his consideration, and I think I speak for the whole subcommittee when I state that this was the consideration which appealed to all of us; if we strike out the word "wholly", which I originally desired to do, we provide that a concern whose business may be both interstate and intrastate, and whose business is 95 or 99 percent interstate, shall not be subjected to a code because they happen, accidentally, to be engaged to a small extent in intrastate business. I am unable to see any other rule of reason if we strike out the word "wholly."

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

Mr. BORAH. I yield.

Mr. BARKLEY. It will be the same as if the language provided—"No code of fair competition shall be applicable to any person a part of whose business is intrastate." That would be the effect of it.

Mr. BORAH. Of course, if I took that view of it I would agree with the Senator at once, because I have not any desire to accomplish that object.

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

Mr. BORAH. I yield.

Mr. CLARK. I am certain he and I are trying to accomplish the same purpose.

Mr. BORAH. I do not have any doubt about it; and I may say that of the entire committee.

Mr. BARKLEY. Of course, it may be splitting hairs to draw any fine-spun distinction here, but if it is said that no code shall apply to a person whose business is intrastate, then if we take the concern, the imaginary concern referred to by the Senator from Missouri and by myself, which is engaged in both interstate and intrastate—of course its business is intrastate, but it is not all intrastate——

Mr. BORAH. Well, it is not intrastate.

Mr. BARKLEY. And it is not interstate.

Mr. BORAH. It is not intrastate unless it complies with certain rules and definitions and principles which have been announced from time to time by the courts.

Mr. BARKLEY. The business which is intrastate, of course, is not interstate, but the person who is doing that business is engaged in interstate business.

Mr. BORAH. Then we had better get rid of the word "person" and say, "no business." The word "person" would cover a corporation.

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

Mr. BORAH. I yield.

Mr. CLARK. On that point, Mr. President, let me suggest to the Senator that if a concern is engaged in intrastate and interstate business in a city such as Pittsburgh, New York, Boston, St. Louis, or Kansas City, where they do both intrastate and interstate business, if the distinction is made that they are coded as interstate, and no code is applicable to the intrastate business of the concern in their interchangeable business, then that imposes an almost impossible administrative function on any code authority whatever.

Mr. BORAH. Let me ask the Senator: Does the Senator understand that this word "wholly" in any way attempts to modify the principles which have been announced by the courts as to what is intrastate?

Mr. CLARK. I will reply to the Senator from Idaho that I do not; and I do not understand that the Congress has the authority in any case whatever by definition of interstate or intrastate commerce, or any sort of commerce, to change the definitions which have been laid down by the Congress from time to time with respect to that.

Mr. BORAH. I would not have been so interested in this word "wholly" had it not been for what seemed to me to be extraordinary constructions of the meaning of interstate commerce which have emanated from certain sources with regard to the N. R. A.

Mr. CLARK. Let me suggest that the Senator from Idaho and I are in entire accord on that proposition. If Mr. Richberg's definition of interstate commerce is correct, then I am a "heathen Chinee."

Mr. BORAH. Mr. President, with a simple statement for the RECORD I shall not detain the Senate longer with regard to the matter. My view is that the word "wholly" has no effect whatever when it comes to the construction of this statute by the courts. My further view is, however, that the word "wholly" may be used in the administration of it if so desired to the annoyance of people who are engaged in intrastate business.

Definitions have been given us which would lead us to believe that a farmer who was producing hay or corn which might ultimately get into interstate commerce would be regarded by certain people as engaged in interstate commerce.

While I do not think for a moment the courts are going to hold to any such proposition, I can imagine that it may be utilized in the administration of this bill greatly to the annoyance of those who are engaged in intrastate business, because the man who is engaged in intrastate business ordinarily, a small business, is not prepared to contend against these constructions which may be placed upon it by those who are administering it, and it was my hope, and I so expressed myself at the general conference, and at other conferences, that this statute might be made so plain that the small business man engaged in business in the State, and in no sense engaged in interstate commerce, might not be confused or annoyed by constructions and rules and regulations with reference to the conducting of his business, and that is the reason why I have called attention to the word "wholly"; not that I think it makes any difference as to what is intrastate business after it reaches the Court, but it will lead to a great deal of annoyance before it reaches the Court, in my judgment.

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

Mr. BORAH. I yield.

Mr. ADAMS. I desire to ask the Senator from Idaho a question. I think the question I intended to ask was probably answered in the colloquy which took place in the other part of the Chamber and which I was unable to hear. The provision is that "No code of fair competition shall be applicable to any person * * *." I was wondering whether or not persons are what are to be governed by the code rather than the businesses. In other words an individual might have, as was suggested by the Senator from Kentucky, two entirely independent businesses. He would be regulated according to the intent of the statute in one of those businesses and not regulated as to the other. Yet the phrasing of this clause would bring him within its terms, because his businesses were not wholly intrastate. I was wondering whether or not it might be possible to make these laws applicable in some way to the business which the person is doing rather than to the person.

Mr. BORAH. I had not supposed so. I think the code would have to apply to the business. If A was engaged in a business which was intrastate and engaged in another business which is interstate you could apply the code to the business which was interstate, but you could not apply it to the business which was intrastate. That would be my interpretation of it.

Mr. ADAMS. I understood the Senator from Kentucky to say that this section applied to persons and not to businesses.

Mr. BARKLEY. I was commenting upon objections raised by the Senator from Idaho to the word "wholly", and I mentioned the fact that "person" was used here rather than the word "business." The Senator has the idea that was in my mind when he suggests that when any person or any corporation is engaged in two separate kinds of business, one of which is altogether within a State, the other of which goes over the line and therefore becomes interstate commerce, that person is not excluded by the word "wholly" here, because he is partly engaged in one and partly in the other, and would be subject or eligible, insofar as his interstate business is concerned, but not insofar as his intrastate business is concerned.

Of course, in writing a law we have to keep in mind those who are not engaged in both kinds, but only in one kind. If he is engaged altogether in interstate business, of course, he would be ineligible and the law would apply. If he is engaged exclusively in intrastate business, he would not be eligible and it would not apply. We have to use the word "person" so as to make sure we are not trying to divide a man's business.

Mr. BORAH. Suppose Mr. A were engaged in a business which is intrastate, a business conducted entirely within the State. Suppose Mr. A also has a business which is interstate. I am not speaking of the same business, but he has two businesses, one of which is interstate and the other of which is intrastate. Would his business which is intrastate be excluded?

Mr. BARKLEY. That is right.

Mr. BORAH. His business which is interstate would be subject to the rule, but the fact that he had two businesses, one interstate and one intrastate, would not draw the entire business, both intrastate and interstate, under the code?

Mr. BARKLEY. Not at all.

Mr. CLARK. The reason for not defining the word "person" more specifically is that the term "person" is defined in the original act of which this is an extension. According to the definition in the original act and according to the understanding of the members of the subcommittee and according to the advice of our legislative counsel, it was as the Senator from Idaho stated.

Mr. BORAH. Does the Senator from Missouri expect that the word "wholly" will give rise to any misunderstanding or annoyance?

Mr. CLARK. If I had thought so, I should not have agreed to keep the word in the joint resolution. My endeavor, as that of other Senators, was to arrive at some composition, if possible, which would enable the matter to be held in abeyance until the Supreme Court of the United States might have an opportunity to determine the issue. I certainly would not knowingly or willingly have agreed to leave any word in the measure which I thought would make trouble in construction in the future.

Mr. BORAH. Is it the Senator's opinion that if the joint resolution becomes a law it would exclude intrastate business from the operation of the codes?

Mr. CLARK. If I did not think so, I certainly would not be in favor of it.

Mr. GLASS. Mr. President, I simply want to make a statement to the effect that I intend to vote for the joint resolution, but, like the Senator from Idaho [Mr. BORAH], I do not want to be understood as desiring to extend the N. R. A. for a single minute. If I could do so I would terminate it right on the spot, because I have not had anything to do with it, nor have I permitted it to have anything to do with me or my business. I shall vote for the joint resolution as the best thing perhaps that we can get.

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from Mississippi [Mr. HARRISON] a question. I understood him to say that when the joint resolution comes

back from the House, if it is changed in any respect the change will be submitted to the Senate for consideration.

Mr. HARRISON. In view of the fact that we are trying to get together on the joint resolution and get it out of the way so the N. R. A. may be extended and not die on June 16, I think I would be unfair, if I had anything to do with the conference and the House should amend the joint resolution or write a new measure, not to bring it to the Senate and let the Senate pass upon it. I should not agree to anything in conference without first submitting it to the Senate. So far as in my power lies I shall follow that course.

Mr. SHIPSTEAD. I understood and the Senator from Idaho [Mr. BORAH] seemed to understand it was to come back here as an original proposition, which would throw the whole matter open for discussion.

Mr. HARRISON. No. What would happen would be this. If the House, for instance, should substitute a new bill for the joint resolution and it should come over here, we could either go to conference or we could submit it to the Finance Committee and its report back to the Senate would bring the whole matter again before the Senate. If I had anything to do with it I should not ask that it go to conference if there was any substantial amendment made to the joint resolution as now before us, but would insist upon permitting the Senate itself to pass upon any changes made, agreeing or disagreeing to them.

Mr. BARKLEY. Mr. President, the Senator does not intend to preclude any amendment that might be adopted in the House from going to conference if the Senate should be willing to send it to conference?

Mr. HARRISON. Oh, absolutely not.

Mr. SHIPSTEAD. If the House should add an amendment to the joint resolution as it passed the Senate, and it should come back here and be submitted to the Senate, we can then only consider the amendment made in the House. Is not that true?

Mr. HARRISON. If the House should extend the N. R. A. 2 years and it should come over here in that form, I should feel that the Senate itself ought to consider the proposition whether it should be extended beyond April 1, 1936, or for 2 years.

Mr. SHIPSTEAD. I should like to ask the Senator a question concerning the exception on page 2 of the joint resolution, paragraph 1. The exception provides that price fixing may be allowed for the regulation of prices under Government control. It says it may include any codes for "mineral natural-resource industries."

Mr. HARRISON. If the prices are now permitted to be fixed or are fixed. If those codes now in operation have no price-fixing provision, then they would not be permitted under the terms of the joint resolution to get up a code that would fix prices.

Mr. SHIPSTEAD. But if they have a price-fixing code they can continue?

Mr. HARRISON. Yes; if there is a mineral natural-resource business.

Mr. SHIPSTEAD. Can the Senator give me an outline or enumeration of the industries which would come in that category? Does that include the steel industry?

Mr. HARRISON. I have placed in the RECORD a statement which has been prepared by experts.

Aluminum: Trade practice provisions are suspended.

Bituminous coal: Prices provided by article 6.

Asbestos: Article 8 permits price fixing.

Building granite: No provision.

Copper: Through an Executive order price fixing is permitted. The whole copper industry is for the N. R. A. and appeared before the committee.

Crushed stone: Article 7.

Feldspar, gypsum, lead, limestone, manganese, marble quarrying, mica, and petroleum codes provide for posting the previous 24-hour price.

Quicksilver, soapstone, soft lime rock, salt producing sand-stone, slate, fuller's earth, natural cleft stone—these are the ones where price fixing is permissible under the code and they all come in the natural mineral-resource category.

Mr. SHIPSTEAD. We have in the steel code an arrangement that is a modified arrangement of what is called the "Pittsburgh-plus system" of fixing prices. Can that be continued?

Mr. HARRISON. I may say to the Senator that in my opinion there was some very just criticism of the N. R. A. administration. It is useless to go into that; it would take too much time; but they have the authority in the code administration to change these basing points.

Mr. SHIPSTEAD. I know they have, and to the best of my knowledge it has not been done. It should have been done. They had authority to do it.

Mr. HARRISON. I agree with the Senator that more basing points should have been established. It is my considered opinion, and I have so stated before this time, that 90 percent of the criticism which has been hurled at the N. R. A. could be obviated by certain changes that might be made in the administration of N. R. A.

Mr. SHIPSTEAD. As long as they have had the opportunity and the authority to do it, and have not done it, why do we not do it here?

Mr. HARRISON. If we should start in to do that we should have to write new N. R. A. legislation, and we never should get through.

Mr. SHIPSTEAD. That ought to be done.

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

Mr. SHIPSTEAD. Yes; I yield.

Mr. CLARK. I think my friend from Mississippi is clearly in error when he says that the Pittsburgh-plus provisions of the steel code, or any other provisions of the steel code having to do with price fixing, would be saved by this exception. Steel is not a natural commodity, it seems to me, within this exception.

Mr. SHIPSTEAD. It is a mineral natural resource.

Mr. CLARK. Steel is not a mineral natural resource.

Mr. SHIPSTEAD. Iron ore is.

Mr. HARRISON. Steel was not included in what I said.

Mr. CLARK. I think everybody will agree that the steel code is clearly outside of this exception.

Mr. COUZENS. Steel is not a mineral resource.

Mr. SHIPSTEAD. Is it not a natural mineral resource?

Mr. CLARK. It is a derivative of mineral, but it is not a natural mineral resource. I do not think anybody, even Mr. Richberg, would contend that that was true.

Mr. BARKLEY. Any more than tin plate would be.

Mr. SHIPSTEAD. Then am I to understand that the steel code is eliminated so far as concerns price fixing under the so-called "base-rate system", the system which is a modification of the former Pittsburgh-plus system?

Mr. CLARK. Absolutely.

Mr. HARRISON. I may say to the Senator that the experts of the N. R. A. tell me that steel is not construed as one of the natural mineral resources as to which price fixing might be permitted, and that only through establishing basing points could the price-fixing idea be approached.

Mr. SHIPSTEAD. Will the basing-point system of price fixing be permitted to continue under the joint resolution?

Mr. HARRISON. Price fixing in the steel industry will not be continued, and is not now in the steel code.

Mr. SHIPSTEAD. I am told that steel does not come in here because it is not a natural mineral resource industry, while aluminum is. Aluminum is made out of ore. So is steel. Why does one come in and not the other?

Mr. CLARK. Steel is an amalgam of iron and certain other things.

Mr. SHIPSTEAD. What is aluminium made of?

Mr. CLARK. I am frank to say that I do not understand the process of manufacturing aluminum.

Mr. BARKLEY. It is pure aluminum when it comes out of the ground.

Mr. SHIPSTEAD. It does not come out of the ground as pure aluminum.

Mr. HARRISON. Aluminum has been suspended, so there is no price-fixing code as to aluminum.

Mr. SHIPSTEAD. I thought the Senator read that from the list.

Mr. HARRISON. I said that the trade practices alone have been suspended.

Mr. CLARK. If my friend from Minnesota will yield to me for just one further remark, I should like to say that I think it is perfectly clear that the steel code is not included within the exception with regard to natural mineral resources. I should like to say further that so far as I am concerned, I am entirely opposed to the exception as a matter of permanent law.

Mr. SHIPSTEAD. So am I.

Mr. CLARK. I am opposed to excepting coal or copper or oil or iron or anything else from the restriction on price fixing; and I desire further to say that I should like very much to have price fixing defined in a more explicit manner than it is defined in this joint resolution. I should like specifically to include the matter of Pittsburgh pluses, the matter of production control, and all the other devices for price fixing which Mr. Richberg and other authorities deny are price fixing. If it were a question of enacting a permanent law or a law to run for a substantial period, I should not be willing to agree to this joint resolution or any other joint resolution which did not make the specific definition of price fixing include all the devices with which we are familiar which have been resorted to for the purpose of price fixing.

I will say to my friend from Minnesota, however, that the purpose of this joint resolution is simply to extend the status quo as far as possible, cutting out the most obvious of the devices developed by the N. R. A., until an opportunity may be afforded for a decision by the Supreme Court of the United States which will tell us what parts of the N. R. A. are constitutional and what parts are not constitutional, so that Congress may proceed intelligently to decide what parts of N. R. A., if any, they desire to continue, and what parts they desire to outlaw by law.

Therefore it seems to me that even those who, like the Senator from Minnesota and the Senator from Idaho and me, are very bitterly opposed to price fixing in any form, including natural mineral resources as well as any other, and including any device such as Pittsburgh pluses, or production control, or any other device, may very well agree on this proposition for a temporary extension to enable and in a way to force a decision by the Supreme Court of the United States on the issue.

Mr. BARKLEY. Mr. President, if the Senator will yield, it is necessary to keep in mind in connection with this exemption the fact that even though a product may be a natural mineral resource, unless there is a present price-fixing code operating on it, it is exempt.

Mr. SHIPSTEAD. I understand that.

Mr. BARKLEY. While aluminum is included in this list, as a matter of fact, price fixing has been suspended as to aluminum, and it would not apply to any other natural mineral resource unless there is now an active code which authorizes price fixing.

Mr. SHIPSTEAD. This applies to natural mineral resources, and that kind of an industry is an industry which takes material which it obtains from natural mineral resources. It includes all natural resources out of which finished products may be made. If it does not include the steel industry, then I am entirely wrong as to what is meant by a natural mineral resource industry. The raw material is a natural resource, and, being mineral, it comes within that category; but it seems to me that when we add "industries" we include the manufacture of products that come from natural mineral resources, and it seems to me that would include steel.

Now, I should like to know if the system of price fixing called the "open-price system" will be permitted to continue under this joint resolution.

Mr. COUZENS. Absolutely.

Mr. SHIPSTEAD. I desire to call the attention of the Senator from Mississippi to the open-price system of price fixing, and to ask if that can be continued under this joint resolution. By that system I mean where a contract is advertised for bids, and the bidders are permitted or are compelled to publish their bids, say, 5 or 10 days before the bids are opened. After that has been done, any bidder is then allowed to amend his bid to meet any other bid; and, as a result, we have unanimity of price just as effectively as though the bidders themselves had gotten together, as they were prohibited from doing under the antitrust act, and agreed upon a price. All they have to do is to have some understanding that the lowest bidder shall bid high enough; then the others can amend their bids, and the bids are identical. I should like to know whether that system can continue under this joint resolution.

Mr. HARRISON. That is one of the very phases upon which the court must pass, and about which there is doubt, and we hope that by the time this joint resolution would expire the court will have passed on it.

Mr. SHIPSTEAD. I do not care what the courts do about it; what I want to know is what we are asked to provide here as something that shall or shall not be done. We said that it should be done. I am not in favor of saying that it shall be continued.

Mr. CLARK. Congress never said it could be done. Congress never said that price fixing was legal. Congress never outlawed price fixing, but it never said it was legal. I agree entirely with my friend from Minnesota that this device which he has described here is price fixing, and I say that if Congress outlaws price fixing, the practice which he has described is outlawed by that action, and I believe that every reasonable court would so hold.

I think it is only fair to say since the question has been raised, that the eminent head of the N. R. A., Mr. Richberg, takes a contrary view on that legal proposition, and holds that nothing is price fixing except where fellows get together and write down a definite schedule of prices, saying, for instance, that 27¾ cents a yard is the price of such and such a fabric. That is Mr. Richberg's definition of price fixing. But I believe that every lawyer in this Chamber who has considered the matter will agree that when we outlaw price fixing we do outlaw the processes which the Senator from Minnesota has described, such as production control, and the other devices for price fixing.

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

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. On page 2 the language is, "No price fixing shall be permitted or sanctioned under the provisions of any code." Then, of course, the exception is made which we have discussed.

Mr. SHIPSTEAD. Yes.

Mr. TYDINGS. If no price fixing is to "be permitted or sanctioned under the provisions of any code", I do not see how bids could be the same, if this joint resolution were enacted and were administered with the intendment which it carries on its face. Certainly no contractors bidding on building a bridge, or furnishing supplies to the Government, could agree on prices unless there was price fixing, and that is declared outlawed by the joint resolution.

Mr. SHIPSTEAD. "Except."

Mr. TYDINGS. Except as to mineral resources. I am not discussing that exception.

Mr. SHIPSTEAD. That is what I am discussing.

Mr. TYDINGS. I am assuming the purchase of automobiles, the building of battleships, the buying of tires, the building of roads, or the construction of buildings, the doing of any of the many things in which contractors are engaged. If the joint resolution were enacted and all the bids which came in were identical in amount, it would be a clear violation of the law, and all the bids ought to be rejected because there could be no price fixing under the law, if I understand the joint resolution correctly.

Mr. COUZENS. The testimony before the Committee on Finance does not indicate that construction. Price posting, the posting of prices, is clearly differentiated from price fixing.

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

Mr. SHIPSTEAD. I yield.

Mr. CLARK. The whole purpose of the joint resolution, I think the Senator from Michigan will agree, is to get away from the definitions of a lot of things as fixed by Mr. Richberg and other officials of the N. R. A., and to get court definitions of the same terms.

Mr. COUZENS. Mr. President, I am not in disagreement with the Senator, as has been shown by the fact that I was the first one on the committee to support his position. But I do say that all of the witnesses—and I sat there week after week—contended that the posting of prices was not price fixing, and I do not interpret price posting as price fixing.

Mr. TYDINGS. May I, with the consent of the Senator from Minnesota, ask the Senator from Michigan a question?

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. As I understand what the Senator has in mind, it is a situation like this, and I think it is more prevalent in the automobile industry than perhaps in any other. Suppose there were in Washington three dealers in Ford automobiles. The Ford Co. sells its car to the dealer with the understanding that he will sell it to the public at an established price. Is that correct?

Mr. COUZENS. That is my understanding.

Mr. TYDINGS. It is my understanding also. Therefore, that being the case, price posting would be an act on the part of those dealers to sell that car to the Government at the price at which they have agreed to sell it to an individual, in accordance with their agreement with the manufacturer. That would be price posting. Price fixing, as I understand it, would be making a price on something that is not in existence.

Mr. COUZENS. The Senator overlooks the fact that there is a very great deal of difference between selling an article at a price quoted, or a fixed price, and selling a lot of stationery, like envelops, or bulk goods, when one would go to a place, to an institute of some kind, and say, "I post up on the wall that I will sell these envelops at a dollar a thousand", and everybody else comes along and does likewise. That is price quoting, but there is no price fixing, because there is no agreement. In other words, anyone else who desires to break that price may do so, but he obviously gets in bad with his associates in the code.

Mr. SHIPSTEAD. He will be penalized under the code if he does it.

Mr. TYDINGS. One of the things I attempted to point out was in the realm of fair trade practice without price fixing and another was naked price fixing. I am wondering whether any language was devised or presented to the committee which would give the Senate an opportunity to vote against price fixing and at the same time would favor a code of fair trade practices.

For instance, let us suppose there are three automobile dealers in Baltimore—and this case frequently comes to mind—all selling the same car. A man takes a car that is 5 years old to one of the dealers and asks at what price he can turn that car in on a new one. As I understand it, cars of a certain year bring a certain price. Instead of adhering to the code price for that traded-in car, one dealer will cut the price as an inducement against another dealer, we will assume.

I am not in favor of price fixing, but I do think there is a twilight zone where, if the words could be found, there could be a code of fair trade practices evolved which would not involve price fixing. I admit it is a very twilight zone, and I could not suggest the words to go into the measure, but I would not be opposed to that sort of a thing if it could be concisely and emphatically expressed.

I am absolutely in favor of what the Senator from Minnesota and what the Senator from Missouri have said as being opposed to any policy of price fixing.

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

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. The question of price fixing has been one of the most difficult problems with which the N. R. A. has had to deal. My conception of price fixing, of course, is not simply the picture of half a dozen men or companies engaged in the same business fixing their own prices and posting them in a public place. That is not price fixing. Price fixing as I have always understood it, and to which there has been objection, has been a concurrence or agreement among all the different competitors in a business to fix the same prices to the public for their products.

Mr. SHIPSTEAD. That is just what happens in this open posting of prices.

Mr. BARKLEY. A situation arose, which I think we all have to acknowledge, that in the codes which limited hours of labor in industry and undertook to provide for an increase of wages it was recognized that if all of an industry should be subject to a code which increased wages and reduced hours of labor, no one of them ought to be allowed to sell its product below the cost of production, so as to be able to injure the others who were regulated by the same hours and the same wages. In that case there was a "floor", as it was called, a minimum below which they could not sell, and that minimum was represented by the cost of production. But this joint resolution even eliminates that. It takes out the "floor." It would permit anyone who wanted to do so, who was under a code, to sell at a price below the cost of production without any restriction, if he saw fit to do so.

I myself felt, and still feel, that in any permanent or long-time extension of the N. R. A. there ought to be some way of guaranteeing that competitors who are under the same restrictions as to hours and wages ought not to be allowed to cut prices. That is one of the things that was extensively indulged in in this country long before the N. R. A. Ever since I have been a Member of Congress bills have been pending in both Houses undertaking to make it impossible for large concerns to go into a community and undersell all their competitors until they had driven them out of business, and then get the whole market for themselves.

There is no "floor" provided in this joint resolution, no minimum; and therefore price fixing would be completely eliminated, save in the limited instances referred to in the exception.

Mr. SHIPSTEAD. If the Senator from Michigan is correct in his statement that all of the testimony before the Finance Committee indicated that what he calls "price posting" is not price fixing—it may not be price fixing, but the result is that it does fix prices on an identical basis.

Mr. BARKLEY. Of course, there would be no illegal price fixing unless they had entered into an agreement prior to that posting. But if all of them post the same prices without any previous agreement or understanding, and even if one of them did it first and the rest of them come along, hoping to be able to get some of the business at the same price and post at the same price, that would not be illegal price fixing; that would not be against the law.

Mr. SHIPSTEAD. I want to make that illegal price-fixing and prohibit it.

Mr. BARKLEY. I do not know how you can ever prevent one man from coming in without any collusion and fixing or posting the same price that somebody else has made or was posting.

Mr. SHIPSTEAD. You can do it by secret bids.

Mr. BORAH. When you do it by secret bids you are within the price-fixing principle.

Mr. SHIPSTEAD. I mean by competitive bids.

Mr. BORAH. If it results in a tacit understanding, express or implied, and they arrive at a final conclusion and they use one price it is price fixing.

Mr. SHIPSTEAD. Of course. We had the same system in the steel industry. They were prohibited by law from agreeing on prices and fixing prices. How did they get around it? They evaded the law by attending the Gary dinners, and all that was necessary to fix the price was to have someone at that dinner representing the United States Steel Corporation say, "for the next 30 days we are going

to sell steel at $30 a ton", for instance. There was no agreement, but everyone who left the dinner knew what the price of steel was and what they would sell the steel for within 30 days.

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

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. As I understand the price-fixing proposition, that was the case before the N. R. A. came into existence. Under this resolution we would be in the same position as before N. R. A. was adopted?

Am I right?

Mr. SHIPSTEAD. I do not understand the Senator.

Mr. TYDINGS. It says there shall be no price posting. If price posting amounts to price fixing it goes out.

Mr. SHIPSTEAD. Except as to certain industries.

Mr. TYDINGS. Of course, with the exception. But we are in the same position if this resolution is adopted, outside of the exception which the Senator has made, as we were in before the N. R. A. was adopted.

Mr. SHIPSTEAD. I think that is true. I am trying to find out what is included in this category under exceptions, and I am particularly interested in knowing whether or not the steel industry is included in this exception.

I am told that it is not.

Mr. BORAH. That the steel industry is not included?

Mr. TYDINGS. That is what I understand.

Mr. BORAH. In other words, that the price fixing in the steel industry would be prohibited under this resolution.

Mr. WAGNER. Mr. President——

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

Mr. SHIPSTEAD. I will yield to the Senator in just a moment. I ask the attention of the Senator from Mississippi [Mr. HARRISON], and suggest that the Senator from Idaho repeat his statement.

Mr. BORAH. As I understand, under this resolution, no price fixing would be permitted, with certain exceptions; that the price fixing in the steel industry would be prohibited.

Mr. HARRISON. Absolutely.

Mr. SHIPSTEAD. I thank the Senator for that information.

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

Mr. SHIPSTEAD. I yield.

Mr. WAGNER. So long as we are on this subject of price fixing, I wanted to inquire whether the Senator from Minnesota knows, or whether the Senator in charge of the bill knows, the answer to the question I am about to ask. When we had up for consideration the National Recovery Act 2 years ago one of the things we were concerned about, and which we wanted to prohibit, was particularly a practice which many of the large chain stores and concerns indulged in, of disposing of the little competitor by selling a certain commodity, which the smaller store in that neighborhood was selling, below the cost of production. After the little fellow, who, of course, was not able to continue competition under those circumstances, was disposed of, then the price of the particular commodity would be raised again to where the chain store would secure a profit.

There has been pending in the Senate a bill proposed by the Senator from North Dakota [Mr. NYE], which has been pending for several years, which made an effort to cure that very thing; and we proposed to cure it, or attempted to cure it, in the National Recovery Act by permitting the code to prohibit a sale below the cost of production. Under the provision in this pending bill that power is wiped out, and hereafter that sort of a practice, which really disposed of the little fellow, is not permitted. Whatever might be said of the administration of the N. R. A., that provision has saved many of these little fellows around the country by prohibiting such type of unfair competition.

Now, that is being wiped out. You are prohibiting hereafter any provision being in any code preventing the sale below the cost of production. I should like to get the advice of the Senators in charge of this bill. I think under this provision you are prevented from fixing the minimum wage, because as I interpret it, and particularly under the strict interpretations which are made by the courts, which are not always in sympathy with all progressive movements—under their construction it may be held, and perhaps it will be held, that fixing a minimum wage is fixing a price of labor. I admit it is a debatable question. But should we take that chance of possibly preventing or prohibiting the fixing of a minimum wage?

Mr. SHIPSTEAD. I will say to the Senator that if you can fix the minimum wage by law it seems to me that you naturally have the right to fix the maximum wage by law. And that may be a very dangerous experiment.

Mr. WAGNER. I think it is a debatable question. I do not say we cannot.

Mr. BARKLEY. Mr. President, this resolution does not attempt to fix wages, either minimum or maximum. Under this resolution and under the N. R. A. minimum wages are provided for in the codes, but nowhere has that minimum wage, whatever it may have been, been regarded as price fixing in the sense that it fixes the price of the product turned out by a producer.

Mr. SHIPSTEAD. Except so far as it entered into the cost of the production.

Mr. BARKLEY. Except insofar as it enters into the cost of production. In that case it only prohibited a sale below the cost of production in order that all competitors might be on an equal basis. All of them having the same wage and the same hours of labor, there was a minimum below which they could not go, and that minimum was the actual cost of the thing being sold. I do not think that any court would hold that price fixing applied to the wages of labor.

Mr. BORAH. It seems to me that there is a clear distinction between fixing the minimum wages and price fixing.

Mr. WAGNER. Except the language is "no price fixing shall be permitted or sanctioned under the provisions of any code." I think it is a rather debatable question. It could be easily enough clarified if it is not intended to do that. I mean I am raising the question so that we may understand what is the pleasure of Congress.

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

Mr. SHIPSTEAD. I yield.

Mr. COUZENS. I want to say that this language is merely in my opinion a sort of a guidance as to what the N. R. A. will permit in the future.

Mr. SHIPSTEAD. A guidance to whom? To Mr. Richberg?

Mr. COUZENS. Yes; and to the N. R. A.

To the N. R. A. In effect the mere use of that language without any control over production means nothing. It did not mean anything in fact before we had N. R. A. Everyone that was wise to industry and commerce knew that there was price fixing going on, and always has been price fixing, so that the adoption of N. R. A. has not extended to any great extent price fixing. What has happened has brought price fixing out in the open, where, by congressional enactment, you can stop it if you want to, but you certainly cannot stop it by this mere resolution.

So far as I am concerned, and as a member of the Finance Committee, when I approved of this resolution it was for the purpose of serving notice on code authorities and on N. R. A. that that was what Congress intended to eventually prohibit. I do not expect that we are going to prohibit it in the next 10 months, since most of these codes are in effect now, because when you take away one device for fixing prices they will soon find another device for accomplishing the same purpose.

Mr. SHIPSTEAD. The Senator may be perfectly right. There may have been price fixing before we had these codes and the N. R. A. I know that a pair of overalls, which sold for 75 cents under former conditions, immediately after the adoption of the N. R. A. the farmer paid $1.50 for those overalls, and coal in the State of Minnesota, which under the system of price fixing was sold at a certain price, was raised from $1.50 to $2 a ton. I prefer, if there was price fixing before, to have that kind.

Mr. COUZENS. Will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. COUZENS. It seems to me the Senator overlooks the fact that when his constituents got coal at the low prices they did, and when a man got overalls at the price he did, no consideration was given to the condition of labor which produced the coal or the overalls, and by the establishment of codes it is admittedly a fact that the wages in many cases were raised; the condition of the coal operators and the coal miners was improved and the wages were raised.

We cannot get away from the philosophy that if we are going to pay men, women, and children a decent and adequate wage the consumers have got to pay the price. We cannot harmonize the buyers and sellers so they will both be satisfied all the time.

Mr. SHIPSTEAD. I agree with the Senator entirely, except as to his premise. The price of coal has practically doubled in the last 15 years. We used to buy hard coal out in my State for $10 or $11 a ton. Now we pay $19 or $20. No Senator need try to tell me that that is due to the high cost of labor or that labor got its proportionate increase in wages as compared with the increase in the price of coal.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Minnesota yield to the Senator from Kentucky?

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. There is no code which applies to the anthracite-coal industry. They are not operating under a code, either as to wages or anything else.

Mr. SHIPSTEAD. It came in under the general proposition of raising prices. I happened to take coal as an illustration. It is true with reference to the price of everything else. The Senator from Michigan [Mr. COUZENS] seems to think that the $1.50 or $2 a ton increase was due to the high price of labor or increase in the wage scale. For 10 or 15 years the price of coal has gradually gone up, and I venture to say the coal miner did not fare any better with coal selling at $18 a ton than he did when coal was selling for $10 or $11.

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

Mr. SHIPSTEAD. I yield.

Mr. COUZENS. That was done by price fixing before N. R. A. These things did not all happen since N. R. A. As the Senator from Kentucky [Mr. BARKLEY] pointed out, there is no code for the anthracite-coal industry.

Mr. SHIPSTEAD. Let us take the price of steel, for instance, which in many instances increased as much as 800 percent.

Mr. COUZENS. Yes; and it was always fixed before we had N. R. A. For years under a Republican Department of Justice I tried to have the price of rails to the railroads lowered, and yet with all the antitrust laws on the statute books the price of rails continued to the railroads at $44 a ton.

It is perfect nonsense to say that a code of the N. R. A. has been responsible for all of the price fixing. It has nothing to do with anthracite coal. It may have had something to do with steel; I do not know. What I am anxious about is to have the price-fixing combination come out in the open and not have to be dealt with in secret as they have been heretofore. It happens now that all the codes are public property, the hearings are public property, we know what is in the various codes, we know the agreements, and when we get around to it I hope we shall enact a law to stop it all.

Mr. SHIPSTEAD. That is what I want to do. Let us stop it all.

Mr. COUZENS. We cannot stop it inside of 10 months unless we know our constitutional jurisdiction with respect to wages, hours of labor, and interstate commerce.

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

Mr. SHIPSTEAD. Certainly.

Mr. BARKLEY. With respect to steel, I think it ought to be stated that the only price-fixing arrangement under the code with which I am familiar is the basing-point arrangement by which, instead of having one Pittsburgh-plus situation, there were numerous situations over the country indicated as basing points. That was a concession to the consumer under the N. R. A. It enlarged the number and extended them so that instead of having one point of distribution from which freight should be charged, whether it was ever distributed from that point or not, there were numerous points throughout the country. That may have been objectionable. It may be objectionable to have any arrangement of that sort, but it did operate as a concession to the consumer as compared to the situation which existed prior to N. R. A.

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

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. SHIPSTEAD. Certainly.

Mr. CLARK. I cannot agree with the construction placed on this matter by the Senator from Kentucky. As a matter of fact, the old custom of Pittsburgh plus has been outlawed for a long period of years by the Supreme Court of the United States. I cannot agree that is a boon to the consumer. For instance, a man wants to put in a hardwood floor at Springfield, Mo. He goes to the door of the factory at Springfield, Mo., which furnishes material for hardwood floors, and has to pay freight from some point in Tennessee or Louisiana. I cannot agree that it is a boon to the consumer in St. Louis who desires to use some steel fabrication, when we have steel plants in the city of St. Louis, to have to pay freight from Chicago or Pittsburgh.

I want to reserve my exception to the statement made by my friend from Kentucky. I say the Pittsburgh-plus system has been outlawed under the antitrust laws for years before the N. R. A. came into existence, and it has been rehabilitated and reestablished under N. R. A., and is one of the things I think ought to be wiped out forever.

Mr. BARKLEY. While it is true that the courts have outlawed the Pittsburgh-plus situation, there had been, prior to N. R. A., basing points established throughout the country that were increased in number under N. R. A. It is a matter of difference of opinion as to whether the increase in the number of basing points, so they would be closer to the consumers than before, was a benefit to the consumer or not. I think it was a benefit to that extent.

Mr. SHIPSTEAD. That was not the only method used to increase the price of steel. For instance, the user of steel would buy 700 pounds or 1,200 pounds. He had been paying 10 cents a pound up to 1,000 pounds. Then the system of fixing prices was changed and he was charged 15 cents a pound up to 200 pounds. If he took 400 pounds, he got it for 12 cents a pound. If he took 700 pounds, he got it for 11 cents a pound. If he took a thousand pounds, he got it for 10 cents a pound. Under that system they raised the price of steel as much as 800 percent. What I am trying to find out is whether this is going to be allowed to continue under the joint resolution.

The Senator from Michigan [Mr. COUZENS] said this is only a clarifying resolution. I asked him if it was to help the understanding of Mr. Richberg, and he said it was. The Senator from Missouri [Mr. CLARK] said that when we passed the original N. R. A. Act we prohibited price fixing.

Mr. CLARK. Mr. President, will the Senator permit me?

Mr. SHIPSTEAD. I yield.

Mr. CLARK. I said that the N. R. A. original act failed to specifically exclude price fixing. It was stated in committee and stated on the floor that the act did not authorize price fixing. However, it was not specifically excluded, and it has been the sedulous and very successful effort of N. R. A. authorities to keep from having any price-fixing problems passed on to the Supreme Court during the period in which it has been in existence. The joint resolution now before us is specifically to outlaw price fixing.

Mr. SHIPSTEAD. I misunderstood the Senator from Missouri, and I apologize. He said the N. R. A. Act did not specifically authorize price fixing.

Mr. CLARK. Nor did it outlaw it.

Mr. SHIPSTEAD. Yes; but Mr. Richberg has said it permits it, because it fixes prices and tolerates the fixing of steel prices.

I understand that the same process of price fixing is prevalent in the sugar industry. I am told that the sugar refineries in Western States like Montana and Utah charge the same price for sugar that is charged in New York, and the price is based upon the price in New York plus freight from New York.

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

Mr. SHIPSTEAD. Yes; I yield.

Mr. WAGNER. In defense of the National Recovery Act, I should like to say that if any price fixing is permitted—and I have no such information—which in any way results in a monopoly or in a monopolistic practice, it is a violation of the present National Recovery Act. Therefore, if that type of price fixing was permitted by any administrator, it was in violation of the law.

Mr. SHIPSTEAD. I believe I heard the Senator from New York state on this floor that in his opinion the antitrust laws were suspended. If the Senator was correct in that respect, I do not see how monopoly or monopolistic price fixing could be prohibited.

Mr. WAGNER. Oh, no; I never said that.

Mr. SHIPSTEAD. Price fixing will not do any good unless there is a monopoly. Without a monopoly the price cannot be maintained.

Mr. WAGNER. I am sure the Senator from Minnesota will not find anywhere that I made any such statement as he attributes to me. What I did say was that under the National Recovery Act, to the extent that provisions in a code were in conflict with the antitrust laws, the antitrust laws were suspended, except, as the act itself says, that no code could permit any practice which was a monopolistic practice. So there is a clear prohibition in the law itself against the creation of a monopoly or indulging in or permitting a monopolistic practice.

Mr. SHIPSTEAD. Then under this joint resolution, as I understand, with few exceptions, the intention is to ride along until we find out what the Supreme Court of the United States says about the original N. R. A. Act.

Mr. HARRISON. That is true.

Mr. WAGNER. I may say to the Senator, if he directs his question to me, that there are other practices which I think we all now agree are desirable which were not permitted under the antitrust laws, such as an association for the purpose of exchanging economic information or agreeing upon certain practices which are vicious or wasteful or economically unsound. Even that kind of a meeting is not permitted under the antitrust laws, and the Supreme Court of the United States has so declared.

Mr. SHIPSTEAD. Without intending to cast any reflection at all on anyone who does not agree with me—I have never attempted to do so since I came to the Senate and I have never done so knowingly—I desire to say that the more I see of this general language in legislation, handing a kind of bushel basket over to someone else and not only giving him authority to say what legislation means but also giving him authority to say things which are not in the legislation, or which can be found there only by the most extreme exercise of the imagination, the less I like it. Under that system we might as well start out at the beginning of a session of Congress and pass a general resolution covering the whole session and say, "We tender to this department or that department or the other department our good wishes, and delegate to them our judgment, and expect them to pull us out of the depression and save the country, because we do not know what it is all about", and then adjourn.

I say that without meaning to be facetious and without any intention to indulge in levity. We have been discussing an act passed by the Congress in such general terms that we have to go to Mr. Richberg, whom I respect, to find out what it means. There are things about it which we do not like, but which we cannot remove because we have to wait upon the Supreme Court of the United States to tell us what we can do. I am so old-fashioned that I do not see just where we are drifting. My ideas are so old-fashioned that many people think they are new. I cannot help protesting against this general legislation.

I have always felt that to all intents and purposes section 7 (a) of the National Industrial Recovery Act has been emasculated. I believe the original N. R. A. should have contained what is now contained in the so-called "Wagner labor-disputes bill."

Mr. HARRISON. Mr. President, just as soon as this joint resolution is out of the way, the Senator from New York [Mr. WAGNER] is going to move to take up that bill, which will have full discussion.

Mr. SHIPSTEAD. Yes; I understand so. I desire to make my position clear because I feel that if we are going to have one, we ought to have the other. In my opinion, with all due respect to those who disagree with me, the N. R. A. is a monstrosity and has been a monstrosity without some provision for labor such as is found in the Wagner labor-disputes bill.

I hesitate very much to vote for this joint resolution without the Wagner bill as an amendment. In fact, I do not intend to vote for it. I wanted the Senator from New York to offer it as an amendment to this joint resolution, and carry the two measures along together, because one is a complement to the other. N. R. A. is a monstrosity without the other, and they should pass through the channels of legislation together and as one act. I defer to the Senator from New York in the matter, however, because he is the author of the other bill, and he prefers to have it go through as a separate measure. What I fear is that we shall continue N. R. A., and the Senator's labor-disputes bill will be defeated.

Mr. WAGNER. Mr. President, if that shall be done, the whole Congress will be breaking faith with the American worker, and I cannot believe Congress will do such a thing.

Mr. SHIPSTEAD. It will not be the first time.

Mr. WAGNER. This is a different Congress.

Mr. SHIPSTEAD. Mr. President, I do not intend to delay the Senate any longer. I did not make these remarks to postpone a vote. In order to save time I ask permission to have printed as a part of my remarks a statement which I made the other evening over the radio in regard to the N. R. A. and the Wagner labor-disputes bill, together with some remarks on an unrelated subject, but one which was included in the same statement, a few paragraphs on the payment of the bonus.

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

The matter referred to is as follows:

SPEECH GIVEN BY SENATOR HENRIK SHIPSTEAD, OF MINNESOTA, OVER RADIO STATION WEVD, NEW YORK, ON MAY 10, 1935, FROM 9:15 TO 9:30 P. M., E. S. T.

Ladies and gentlemen of the radio audience, I am pleased to accept the invitation of radio station WEVD to address you this evening. I will speak about some problems that are for the moment confronting the Senate—the N. R. A. and the payment of the bonus.

The N. I. R. A. law provided that unless the Congress extended its life beyond June 16 of this year the N. R. A. would cease to exist. There is strong opposition to its continuation and those who want it continued for another year demand that it be changed to some extent.

Complaints against the N. R. A. have been voiced with a great deal of justification in that because of the suspension of the antitrust laws it permitted monopoly price fixing, and as a result retail prices were raised higher than there was purchasing power to consume unless the Government furnished the money to buyers to buy goods at these high prices. This the Government has done by taking money out of the Treasury for public works and for relief.

Complaint has also been made that the N. R. A. has favored big industries to the disadvantage of labor, because under its provisions the hours of labor were reduced and as a result where labor was paid by the hour its weekly or monthly pay check was also reduced. Of course, what the average workingman wants to know is, what amount of money does he have at the end of the week or month with which to support his family. That is the most important thing for him. Under the N. R. A. how has the workingman fared, for instance, in the paper industry, one of the most important industries in this country?

According to the code authority figures the average workingman in that industry in the northern zone in 1929, being paid by the hour, had an income of $125 a month. In 1934, working under the N. R. A., he had an income of $60 a month. The code admin-

istrator explained that there were two reasons for the drop in his monthly check from $125 to $60; one was that in 1929 the industry was working 75 percent of capacity, while in the spring of 1934 it was working only 50 percent of capacity. He said that as production increased the workingman would put in more hours and thus increase his monthly income. The question then became important as to how much he could make if production increased to 100 percent of capacity and he could work as many hours as allowed under the code. It was then discovered that, the hourly wage remaining the same, the most he could possibly make under the N. R. A. would be a few cents over $90. So you see the best he could do under the N. R. A. would be to receive at the end of a month $90 instead of $125, as in 1929.

The answer is made that we have put more men to work and have given men an income now who did not have any before the N. R. A. Now the question is how was that accomplished? It is done in this way. For instance, we will say, I have no work and you who are listening to me have a job, so we cut down your working time and income in order that I shall have a job and income. We make you divide your job and your income with me. Together we have no more purchasing power than you had alone before this arrangement was made for me. That is distributing poverty and misery and not wealth, and I call that making the poor support the poor.

Now what did the N. R. A. do for the paper industry so far as invested capital is concerned? It prohibited the industry from selling below cost of production, and it permitted an agreement on prices; therefore, in contracts for paper to the Government of the United States, of which I have personal knowledge, the prices were from 10 to 40 percent higher in 1934 than in 1929. Now, what this all amounts to is that in that industry, no matter what the rate of production, the price must reflect the cost, and the capital invested is, therefore, protected from loss while the workingman is reduced in income to give a job to a fellow workman.

While this applies to the paper industry it does not apply to the wood-pulp industry, which is suffering from competition from foreign importations due to the political influence of certain newspapers which obtain their supply from foreign countries.

In my opinion, if the N. R. A. is to be extended for another year it ought to have attached to it the Wagner labor-disputes bill in order to give labor some chance to bargain with capital for a better deal than they have had under the N. R. A. heretofore. Unless this is done there will probably be temporary recovery for big business for a time followed by another crash as bad as or worse than we had in 1929.

The N. R. A., with the exception of the prohibition of child labor, minimum hours of work, and minimum wages, provisions which we can have without any other part of the N. R. A., has so far been largely a continuation of industrial and labor policies that preceded its enactment.

The exception has been that in some respects the policy proved more vicious toward labor and the small manufacturer and merchant than that pursued before. The hundreds of millions of dollars spent by the Government to feed the unemployed and the needy has obscured the vision of this fact. What the Congress will do to remove the evils resulting from these practices only time can tell. We hope for the best.

The other problem immediately confronting the Senate is the question of the payment of the soldiers' bonus. An overwhelming majority of the Senate are in favor of paying the bonus now. However, there is a disagreement as to how the bonus shall be paid. Some Senators favor the issuing of bonds, selling them to the banks, paying interest to the banks, and then having the banks take the bonds to the Treasury to have the money printed with which to pay the bonus. The majority of the Senators who voted for the Patman bill, which provides that the Government itself shall issue the money direct to those who own bonus certificates, take the position that instead of the Government printing money for banks, the Government should print the money and pay it direct to the veterans.

The amount to be paid in both cases is about $2,200,000,000. If we issue bonds and borrow the money printed by the Government from the banks, we will pay interest on the bonds in 20 years in the amount of something like $1,300,000,000, and the $2,200,000,000 in bond issues will still be unpaid. Consequently, by the bond-issue method of payment the bonus will cost the taxpayers approximately $3,500,000,000. On the other hand, if we issue the currency direct it will cost us only $2,200,000,000.

Those who want to pay $3,500,000,000 say that if you pay $2,200,000,000 that is inflation; and, on the other hand, they say that if we issue bonds and charge the taxpayer $3,500,000,000 that is not inflation. They say that the issuance of currency direct instead of against bonds threatens the credit of the Government of the United States, while the issuance of bonds, resulting in the consequent increased obligations, will protect the Government credit. There is nothing back of the bonds or the currency except the credit of the Government. To me it seems that the cheaper method would do more to protect the Government's credit than the bond method, because at the end of 20 years the obligations of the bond method would cost us $1,300,000,000 more.

The bonus is a contract that the Government made with the veterans in 1924. It is due in 1945. The House of Representatives believes it would have a good effect on our economic situation and hurry along recovery to pay it now. The Senate is of the same opinion as expressed by its vote. The bill is in the hands of the President for his approval or veto.

In my opinion if $2,200,000,000 is now paid to discharge this contract of debt by the Government, this money will go into every nook and corner of the country where people live. It will pay from eight to ten billion dollars' worth of private obligations; it will relieve the Government from expending vast sums for relief. This money will, if prudently expended by those who receive it, carry many families through the hardships of next winter and will furnish purchasing power to the great mass of the people who have no purchasing power now. The payment of this bonus should make it possible to remove several million people from the relief rolls.

In 1797 the Bank of England could not redeem its currency and appealed to the Privy Council of England for help until Parliament could give it relief, and for 23 years England fought the Napoleonic wars with nonredeemable paper currency. Britain prospered as never before with what some people call fiat money, and when England adopted the gold standard and put gold behind its currency in 1820 there resulted a depression the like of which had never been seen in English history, and can only be compared somewhat to the depression we have gone through in the last 5 years. If currency without metallic backing was good enough for England to go through 23 years of war and win it, while at the same time remaining prosperous, that money is good enough for us with which to pay the bonus and fight the depression, because it has back of it the credit of the United States, and it is the same kind of money that many of you have in your pocket as you sit listening to me. I thank you.

Mr. BORAH. Mr. President, I desire to ask the Senator from Mississippi [Mr. HARRISON] a question.

As I understand, the Senator from Mississippi is committed to the proposition of keeping this joint resolution to the terms specified in it.

Mr. HARRISON. That is my hope.

Mr. BORAH. And in case the matter shall be brought back to the Senate, that will still be the program?

Mr. HARRISON. That is my hope and, so far as I am concerned, I want the Senate to pass on the proposition.

Mr. BORAH. I know the Senate will pass on it, but I want to know whether the Senator feels that that is the program which he will support through the legislative process.

Mr. HARRISON. If this matter should go to the House and they should change the word " wholly ", it might be that, in the interest of getting something done, getting this legislation out of the way, I might have to agree to eliminate that word, and I might vote somewhat differently from the way I am voting now. I hope the joint resolution can remain intact as it is.

Mr. BORAH. I have just been informed that it is the program of the House to change the joint resolution by the simple insertion of 2 years instead of 10 months.

Mr. HARRISON. If it does that, the matter will be brought back to the Senate and the Senate will vote on it, and, so far as I am concerned, I am going to vote against a 2-year extension in view of the action of the Senate.

Mr. GERRY. Mr. President, I shall say only a few words, as the hour is late, but I desire to make my position clear on the pending joint resolution.

From statements which have appeared in the press it would seem as if all the members of the Committee on Finance who voted to report the joint resolution were not in favor of the continuation of the N. R. A. That was not the case. In my own instance, I voted to report the joint resolution because I felt that it was the only way of preventing the N. R. A. expiring on the 16th of June. I did not feel there would be time for a general discussion of the subject in the Senate in the few weeks left and that a vote could not be had on any bill. I therefore voted to report the joint resolution, although I felt that the N. R. A. should be amended and curtailed. I do feel that it has performed great service to certain industries, particularly the textile industry and should not be allowed to die.

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement for the RECORD as to my position upon this joint resolution. I recognize that it is futile to argue this question with the hope of changing any votes. Not only were very long negotiations entered into by the alleged proponents and the avowed opponents of N. R. A. before this pending resolution was introduced, but in addition the majority has held a conference upon the joint resolution and determined to support it. Therefore, it is a foregone conclusion that not only is the joint resolution going to be passed, but it is also a foregone conclusion that no amendments, no matter how desirable they might be, will be given any consideration upon their merits.

Nevertheless, it is a very important question with which the Senate is about to deal, and as one member of the Finance Committee I wish to make it perfectly clear that I am unalterably opposed to the joint resolution. I am unalterably opposed to it, Mr. President, in the first place, because I think it is a complete surrender of the legislative responsibility upon the part of the Senate Finance Committee, and that it will be a complete surrender of legislative responsibility upon the part of the Senate and the House of Representatives if it shall be written into law.

The Finance Committee was charged with a certain responsibility under the resolution introduced and sponsored by the Senator from North Dakota [Mr. NYE] and the Senator from Nevada [Mr. MCCARRAN]. For 7 long weeks the committee took testimony, sitting in many instances both in the morning and in the afternoon of each day. We heard those who were opposed to the N. R. A. and to the policies which had been inaugurated under it; we heard those who were in support of it. And then suddenly, when the time came in the usual course of legislative procedure, when the committee, in the light of its investigation and in the light of the facts that had been adduced before it, would have devoted itself to the consideration of the necessary corrective measures, we suddenly were confronted by this joint resolution, which as I stated a few moments ago, was the result of long negotiations upon the part of a number of Senators on the Finance Committee and others who were not members of the committee.

I want it understood that I have been as critical of some of the policies of the National Industrial Recovery Administration as has any other Senator upon this floor. Nevertheless, I must be forced to the conclusion that this joint resolution does not accomplish any good purpose, either from the point of view of those who are opposed to N. R. A. and the policies which have prevailed under it in the past, or from the point of view of those who desire to support the general policies and principles involved in the N. R. A. legislation and in its administration.

I make that statement, because in supporting this joint resolution the Senator from North Dakota [Mr. NYE], the Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. BORAH], and others who have been most outspoken in their criticism of N. R. A. and its policies, are abandoning their previous position. In short, Mr. President, there is nothing contained in the joint resolution save the provision having to do with price fixing, and the other provision confining the operation of the N. R. A. to industries which are wholly engaged in interstate commerce, which affords any protection from the alleged abuses which have been charged upon this floor by those Senators.

On the other hand, from the point of view of those who are alleged to be supporting N. R. A., from the point of view of the chairman of the committee, the Senator from Mississippi [Mr. HARRISON], and from the point of view of other Senators who sit upon the other side of the Chamber, I say that the joint resolution accomplishes no good purpose. In other words, it is a plea of confession and avoidance upon the part of both those who have been the most outspoken critics of N. R. A. and its policies and upon the part of those who have pretended at one time or other to be friends of N. R. A. and its policies.

I make that statement, Mr. President, because if this resolution becomes law I venture the prediction that the National Industrial Recovery Act will be as dead as a doornail. Everyone familiar with the administration of the National Industrial Recovery Act knows, due to the uncertainties created by the termination of the act on June 16 and the uncertainties as to the legislative policy upon the part of Congress for the past 4 months, that there has been a process of rapid disintegration and demoralization of both enforcement and compliance. With that condition perpetuated for another 10 months there will not be enough left of N. R. A. to wad a shotgun.

Furthermore, legislation will have to be considered, if it shall again be considered at all, next April on the eve of a Presidential campaign. I have been in Washington pretty much of the time since 1907, and I have never seen during all that period a session of Congress on the eve of a Presidential campaign which enacted constructive legislation. Sessions of Congress preceding Presidential campaigns are given over largely to political shadow boxing and to maneuvering for political position. So that any Senators who hope some action may be taken at the next session of Congress are, in my opinion, doomed to tragic disappointment.

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

Mr. LA FOLLETTE. I yield.

Mr. CLARK. The Senator, of course, well knows that a far-reaching and important law known as the "Adamson Act" was once passed right in the midst of a Presidential campaign.

Mr. LA FOLLETTE. Yes. Of course, there have been exceptions, but I think the Senator from Missouri, who has also been in Washington a great deal of the time, will agree that in general the statement which I have made is borne out by the legislative history of the Congress.

Mr. CLARK. The Senator from Wisconsin made the statement generally. He said he could not recall an instance of an important, constructive piece of legislation being passed during a session of Congress when we were on the eve of a Presidential campaign. I dare say if we were to put our heads together we could recall numerous instances where important legislation has been enacted at such a time.

Mr. LA FOLLETTE. Nevertheless, Mr. President, I stand on the statement that as a general rule sessions of Congress which precede Presidential campaigns do not enact constructive legislation, and that they are usually given over to political maneuvering and to political shadow boxing.

I think it would be better for the country and for everyone else concerned to permit the National Industrial Recovery Act to expire on the 16th of June than to pass this pusillanimous joint resolution. Then, at least, we would have a definite understanding of what was to occur. Now, all of those concerned will be in doubt during this entire period of time.

As I stated a moment ago, I am convinced that during that period of time there will be a rapid disintegration, demoralization, and decay of the whole effort which has been made under the National Industrial Recovery Act.

Mr. President, it has been said by some who support the joint resolution that they do so in the hope that the Supreme Court is going to hand down a decision which will chart the course Congress might follow on the general subject matter involved in the legislation. Perhaps that will occur, but it may not.

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

Mr. LA FOLLETTE. I yield.

Mr. CLARK. I think the Senator will agree that the only reason why the Supreme Court has not heretofore handed down a decision indicating the limitation of Congress in regard to the N. R. A. is due to the very studious and insistent efforts of the N. R. A. authorities to keep the Supreme Court from passing on a case, which was recently illustrated in the case from Georgia, which the N. R. A. authorities and the Department of Justice dismissed on the very day it was set for trial.

The purpose of the joint resolution is to put not only the N. R. A., but industry and everybody else, on notice that the Congress of the United States does not intend to legislate as to controversial matters until it has had an opportunity to have what we have previously done construed by the courts. It is intended to give an opportunity to the Department of Justice and the N. R. A. officials to take their case to the Supreme Court without doing what is planned by Mr. Richberg and the N. R. A. authorities, and that is to make moot cases out of every pending case and give the N. R. A. 2 more years to duck and dodge and avoid having the Supreme Court of the United States say what the Congress may do.

Mr. LA FOLLETTE. I have heard the Senator from Missouri make that same statement on numerous occasions, but it does not alter the opinion I was about to express when he interrupted me, namely, that the Supreme Court

might disappoint the Senator from Missouri and all other Senators who were expecting the Court to lay down a very broad decision which will afford a chart for the legislative branch of the Government to follow in this legislative field. It is entirely possible that the Court may decline to take such action and that it may decide some of the cases on much narrower grounds than the Senator from Missouri anticipates.

Mr. CLARK. I do not desire to interrupt the Senator unduly, but if he will permit a further suggestion I would say that of course there is no way of compelling the Supreme Court to decide a case on broad lines. There is no way of having a broad decision on fundamental questions unless the Government is willing to present the question to the Supreme Court. It has been a disinclination on the part of the N. R. A., which up to date has prevented a determination by the Supreme Court, assuming the Supreme Court would be willing to decide on broad lines. Certainly they have never been afforded an opportunity up to this time, either on broad or narrow lines, to decide the constitutionality of the N. R. A.

By the joint resolution now before us we are affording an opportunity to the administrative officials of the Government, whether they be N. R. A. or whether they be Department of Justice, to bring before the Supreme Court cases which can be tried and which are now pending, presenting to the Court a broad general issue.

Mr. LA FOLLETTE. I know that is the Senator's position, but I reiterate that we may come back here at the next session of Congress and find that the Supreme Court has not handed down the type of decision which the Senator is hoping it will hand down. To that extent, if that should prove to be the situation, we would not be any better off than we are at this time.

My point is that what the Senate Finance Committee should have done was to take the evidence and the facts which were adduced at the hearing and proceed, in the light of that investigation, and the experience of nearly 2 years the law has been on the statute books, to write a constructive piece of legislation. A constructive statute should have been brought to the Senate and should have been debated to the extent necessary to give every Senator an opportunity to present his views; and that then the majority of the Senate should have determined what the policy of this legislative body should be in this important field of legislation. Following that, the proposed legislation should have gone to the House and been considered there, and then whatever measure the two Houses agreed upon should have been sent to the President of the United States.

Therefore, so far as I am personally concerned, realizing that there probably will not even be a record vote upon the joint resolution, I wanted to state my opposition to it. So far as my position is concerned, I think it would be much better to let the N. R. A. expire on the 16th of June than to pass this makeshift joint resolution.

Mr. SHIPSTEAD. Mr. President, from what I heard of the remarks of the Senator from Wisconsin [Mr. LA FOLLETTE]—and I am sorry I did not hear his entire statement—I want the RECORD to show that I agree that the joint resolution should have come here as a measure reflecting the experience of the N. R. A. and the views of the committee as they formulated those views.

I should like to have a vote on an amendment which I desire to offer. I shall not discuss the amendment, but I think it is important. I offer an amendment, on page 2, line 1, after the words "price fixing", to insert the words "including the open system of bids."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 2, line 1, after the words "price fixing", to insert the words "including the open system of bids", so as to make the clause read:

No price fixing, including the open system of bids, shall be permitted or sanctioned under the provisions of any code.

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

The amendment was rejected.

The VICE PRESIDENT. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. LA FOLLETTE. Let us have the yeas and nays.

The yeas and nays were not ordered.

The joint resolution was passed.

SETTLEMENT OF LABOR DISPUTES

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Calendar 595, being the bill (S. 1958) to create a National Labor Relations Board, and so forth.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes, which had been reported from the Committee on Education and Labor with amendments.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Cecil W. Clark to be postmaster at Newcastle, Wyo., in place of E. C. Jessen.

Mr. TRAMMELL, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Florida.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE JUDICIARY

The legislative clerk read the nomination of Joseph J. McGuigan, of the Canal Zone, to be district attorney, Canal Zone.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Robert W. Rabb to be United States marshal, middle district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk read the nomination of Fred Wheeler to be postmaster at Hudson, N. Y.

The VICE PRESIDENT. This nomination is reported adversely. The question is, Shall the Senate advise and consent to the nomination?

The nomination was rejected.

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the remaining nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the remaining nominations of postmasters are confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask unanimous consent that the Army nominations also be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and 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 30 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, May 15, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 14 (legislative day of May 13), 1935

UNITED STATES ATTORNEY

Joseph J. McGuigan to be district attorney, Canal Zone.

UNITED STATES MARSHAL

Robert W. Rabb to be United States marshal, middle district of Pennsylvania.

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY

Capt. Hubert Wiley Keith to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

Lesley James McNair to be colonel, Field Artillery.

Charles Russell Alley to be colonel, Chemical Warfare Service.

James Garfield McIlroy to be colonel, Infantry.

Lucian Barclay Moody to be colonel, Ordnance Department.

Paul Delmont Bunker to be colonel, Coast Artillery Corps.

George R. Allin to be colonel, Field Artillery.

William Bryden to be colonel, Field Artillery.

Henry Newbold Sumner to be lieutenant colonel, Adjutant General's Department.

Edward Roth, Jr., to be lieutenant colonel, Adjutant General's Department.

George Winship Easterday to be lieutenant colonel, Coast Artillery Corps.

Austin Garfield Frick to be lieutenant colonel, Coast Artillery Corps.

Sydney Smith Winslow to be lieutenant colonel, Coast Artillery Corps.

Wilmot Alfred Danielson to be lieutenant colonel, Quartermaster Corps.

Boltos Elder Brewer to be lieutenant colonel, Infantry.

Edgar Bergman Colladay to be lieutenant colonel, Coast Artillery Corps.

Jacob Albert Blankenship to be major, Cavalry.

Charles Henry McNair to be major, Infantry.

Orville Jackson to be major, Quartermaster Corps.

LeRoy Henry Palmer to be major, Quartermaster Corps.

Walter Clarence Hamilton to be major, Ordnance Department.

Robert Grant Mangum to be major, Field Artillery.

Robert Lee Hostetler to be major, Infantry.

Harrison William Flickinger to be major, Air Corps.

Mark Albert Dawson to be major, Field Artillery.

Elmer Gwyn Thomas to be major, Quartermaster Corps.

Roscoe Arthur Dean Stanis to be major, Infantry.

William Frederick Gent to be major, Infantry.

Richard Bryan Wheeler to be captain, Infantry.

Thomas Roswell Aaron to be captain, Infantry.

David Albert Newcomer to be captain, Corps of Engineers.

Alfred Maximilian Gruenther to be captain, Field Artillery.

Herbert Bernard Loper to be captain, Corps of Engineers.

Williston Birkhimer Palmer to be captain, Field Artillery.

Robert Gibbins Gard to be captain, Field Artillery.

Herbert Maury Jones to be captain, Field Artillery.

Orville Wells Martin to be captain, Field Artillery.

Forrest Eugene Cookson to be captain, Infantry.

Alexander Sharp Bennet to be captain, Field Artillery.

George Sheldon Price to be captain, Field Artillery.

Wyburn Dwight Brown to be captain, Field Artillery.

Robert Miller Montague to be captain, Field Artillery.

Charles Pollard Jones to be captain, Field Artillery.

Anthony Clement McAuliffe to be captain, Field Artillery.

Lester Francis Rhodes to be captain, Corps of Engineers.

Albert Rhett Stuart Barden to be captain, Field Artillery.

William Ball to be first lieutenant, Air Corps.

Carl Rose Storrie to be first lieutenant, Air Corps.

Merrill Davis Burnside to be first lieutenant, Air Corps.

Hollingsworth Franklin Gregory to be first lieutenant, Air Corps.

Eugene Harold Beebe to be first lieutenant, Air Corps.

Harold Winfield Grant to be first lieutenant, Air Corps.

Kenneth Alfred Rogers to be first lieutenant, Air Corps.

Reuben Columbus Hood, Jr., to be first lieutenant, Air Corps.

Leslie Oscar Peterson to be first lieutenant, Air Corps.

Irving Remsburg Selby to be first lieutenant, Air Corps.

Floyd Bernard Wood to be first lieutenant, Air Corps.

Theodore Matthew Bolen to be first lieutenant, Air Corps.

Norman Delbert Sillin to be first lieutenant, Air Corps.

Flint Garrison, Jr., to be first lieutenant, Air Corps.

James Leroy Jackson to be first lieutenant, Air Corps.

Chester Price Gilger to be first lieutenant, Air Corps.

Hugh Arthur Parker to be first lieutenant, Air Corps.

Thomas David Ferguson to be first lieutenant, Air Corps.

POSTMASTERS

IOWA

Jens P. Jensen, Bode.
Jacob VanHoute, Jr., Boyden.
Harry J. McFarland, Davenport.
Ralph Schroeder, Dysart.
Theodore F. Schmitz, Ossian.
George S. Peters, Renwick.
Chris H. Bokmeyer, Sheffield.
Lewis R. Kinsey, West Branch.

MAINE

Lewis W. Haskell, Jr., Auburn.
Claude D. Garnache, Biddeford Pool.
Carlton A. Simmons, Friendship.
Hubert A. Nevers, Patten.

MISSISSIPPI

Shelton M. Thomas, Jr., Ellisville.
Lee D. Fulmer, Lumberton.
Nellie E. Hardy, Piney Woods.
Samuel P. Carter, Quitman.

MISSOURI

Ethel M. Elliff, Anderson.
Edgar W. Stone, Bland.
William S. Drace, Centralia.
Victor F. Engelage, Chamois.
Phillip S. Cohen, Fredericktown.
A. Josephine Humble, Grandview.
Robert L. Chappell, Louisiana.
William H. Bust, Potosi.
William A. Ruggles, St. James.
Carl A. Baldwin, Vienna.
Joseph D. Hawkins, Webb City.
Blanche E. Tucker, Westboro.

NEW YORK

Neal Sullivan, Bombay.
John W. Masterson, Harmon-on-Hudson.
Charles A. Denegar, Madalin.
Thomas F. Connolly, Port Chester.
C. Green Brainard, Waterville.

OKLAHOMA

Ulysses S. Shockley, Yale.

REJECTION

Executive nomination rejected by the Senate May 14 (legislative day of May 13), 1935

POSTMASTER

NEW YORK

Fred Wheeler, Hudson.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 14, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, whom Jesus taught us to call "Father", we would wait a moment at the place of prayer before we hurry on to the lessons of the day. As Thy breath is upon us, we pray that old doubts, fears, and suspicions may be forgotten and fraternity and gratitude may flame on the altars of all hearts. Do Thou inspire us with the sacred fidelities which give divine quality to the humblest endeavor. Give us power to free our thoughts from those that dye and stain the mind. May ours be radiant with that faith from which are born inexhaustible hope and unfailing strength. Keep us conscious of our obligations and help us to shun all that is contrary to Thy holy will; strew our paths with golden deeds. We pray for our country, not from the depths of despair but from the heights of vision, rapture, and consecration. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 2, 1935:

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., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively.

On May 3, 1935:

H. R. 5914. An act to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936.

On May 6, 1935:

H. R. 3911. An act for the relief of Sarah J. Hitchcock.

On May 7, 1935:

H. R. 3098. An act for the relief of Bertha Ingmire.

On May 8, 1935:

H. R. 1488. An act for the relief of Rose Burke;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.; and

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.

On May 9, 1935:

H. R. 6223. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes.

On May 10, 1935:

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive;

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

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 3787. An act for the relief of Robert D. Hutchinson; and

H. R. 5133. An act for the relief of Nellie Oliver.

AIR MAIL SERVICE IN ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5159) to authorize the Postmaster General to contract for air mail service in Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, I think this is the bill which the gentleman spoke to me about. It has the approval of the Department and also the approval of the former Postmaster General. It relates simply to the carrying of mail in Alaska, and is all right as far as I am concerned.

Mr. DIMOND. The gentleman is correct. This matter was recommended by former Postmaster General Brown and by the present Postmaster General. It is purely local in its operation.

Mr. RICH. Mr. Speaker, reserving the right to object, has this bill been approved by the Post Office Committee of the House?

Mr. DIMOND. Oh, yes; unanimously.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this bill I understand is on the Consent Calendar. We have established a policy that we would not favor the taking up of bills by unanimous consent in this manner when they are on the Consent Calendar. I have no objection to the present bill, but I do not want this established as a permanent policy.

Mr. DIMOND. Mr. Speaker, I would not ask unanimous consent to call up this bill in this fashion except that the Department would like to have it passed immediately in order to improve the mail service in Alaska. This improvement, I think, may take place without any greater cost to the Government, and I may say there is an emergency existing, and it would be a help to us up there.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of February 21, 1925 (43 Stat. 960; 39 U. S. C. 488), is amended to read as follows:

"The Postmaster General may provide difficult or emergency mail service in Alaska, including the establishment and equipment of relay stations, in such manner as he may think advisable, without advertising therefor; and he is authorized, in his discretion, to contract, after advertisement in accordance with law, for the carriage of all classes of mail within the Territory of Alaska, by airplane, payment therefor to be made from the appropriation for star-route service in Alaska."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORM PENSION ACT

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. UNDERWOOD. Mr. Speaker, I desire to address the House upon a question which I feel will be of interest to every Member, as well as to our constituents, veterans and taxpayers. I refer to the adoption of a uniform national policy regarding benefits extended to our veterans and their dependents. I believe the necessity for such a course is clearly apparent.

FORMATION OF PRESENT PENSION SYSTEM—ECONOMY ACT

For a great many years pension law after pension law has been written into our statutes with no regard to the pension system as a whole. This has resulted in a hodge-podge of inequalities; a system satisfactory to no one. Our veterans complain of its inequalities and uncertainties; our taxpayers of its cost and inefficiency. The law applying to any particular case is lost in a maze of statutes and regulations; to find the correct answer is difficult and expensive. In many cases the correct answer is evidently never found and these cases come up again and again for rerating and redetermination.

The Economy Act was applied to this situation. Many of the old laws were untouched and some of them were reenacted by it. New rules and regulations were added and the uncertainties increased. This act and the rules and

regulations issued under it became the law of the land on March 20, 1935. The Economy Act was admittedly enacted with the greatest of haste in the face of an emergency. That there are inequalities in the kind and character of benefits extended to the veterans of different wars under present laws is undeniable. Veterans are thrown together in their organization meetings, work, and social life. They are familiar with the patent injustices that exist, hence dissatisfaction and complaints increase.

So long as the Economy Act remains the law, there will be constant attempts to amend it for the benefit of some special classes; hence I feel that it is urgent that the Government adopt a definite national policy at the earliest practicable date, before the pressure of some of these special classes destroys even the few benefits contained in the Economy Act.

Many changes have been suggested by various organizations for the consideration of Congress, the adoption of which would tend to multiply the present inequalities and increase the annual budget for veterans' relief. If inequalities and inconsistencies in existing laws are to be corrected and expenditures kept within reasonable bounds, steps having to do with veterans' legislation must be taken only after the most careful consideration.

PRESENT SYSTEM TOO EXPENSIVE—PERSONNEL

The present system is too expensive. When I make this statement, I do so after careful study and consideration, and I mean that of every dollar appropriated for the relief of the veteran too much is lost in costs, redtape, overhead, and inefficient administration before it reaches the beneficiary.

Looking back over the old reports of the Bureau of Pensions, I find, from 1891 to 1894, inclusive, they had the largest number of employees at any one time in their service. This large number of employees for that service is a surprisingly low figure of 2,009. At that time they were paying pensions based on services rendered during the Revolutionary War, our early Indian wars, War of 1812, War with Tripoli, Mexican War, Civil War, and various Indian campaigns. They were, even with the low rate of pensions paid at that time, disbursing $140,000,000 annually direct to veterans and their dependents. The 2,009 employees received $2,508,810 average salaries during those years. The entire cost of operation, which included medical service, supplies, equipment, field service, and maintenance, averaged only $4,898,665 for those years.

In 1898 the peak of Civil War pensions was reached, when the Bureau had 745,822 Civil War veterans on the pension rolls and a total number of pensioners of 993,714. It disbursed $145,000,000 with only 1,836 employees, who were paid $2,281,710 in salaries. The expenses of the Bureau for that year were $4,114,000.

It is interesting to note that from 1868 to 1931, inclusive, when the old Bureau of Pensions was consolidated with the present Veterans' Administration, although the Bureau disbursed more than eight and one-half billions of dollars in the form of pensions to veterans and their dependents, the cost of maintenance and expenses of all descriptions for the operation was only $152,957,460.46.

According to the report of the Administrator of Veterans Affairs for 1934, there was in June a total of 838,855 veterans' cases on the rolls. This includes the living veterans and the dependents of our deceased veterans, representing the total of all those drawing pensions. Under the present system, it requires 34,890 employees to take care of these cases. There is approximately one person on the Veterans' Administration pay roll for every 24 cases on the pension rolls. I ask you to remember that in 1898 the old Pension Bureau had 993,714 cases on the rolls, yet had only 1,836 employees, or approximately 1 on the pay roll for every 542 on the pension roll.

Drawing a further comparison between 1898 and 1934, cases on the rolls have decreased 15.5 percent and the number of employees handling the work has increased from 1,836 to 34,890, an increase of over 1,800 percent.

Does the Administrator of Veterans Affairs intend to do anything to decrease his own standing army of employees? He cites the amount taken from the veterans by the Economy Act; does he intend to apply to his own organization the same drastic principles of economy so ruthlessly applied to our veterans? Does he intend to remove any of his 34,890 employees from the pay roll as freely as he removed veterans from the pension roll? Is any of the more than $55,000,000 now paid annually for salaries by the Veterans' Administration to be saved?

Here is the answer, from page 89, hearing on the first deficiency appropriation bill for 1935 before the subcommittee of the House Committee on Appropriations:

General HINES. Yes, sir. We have had cases where we have put the regional office and the soldiers' home together, or where the situation would allow it, a hospital and a regional office or a home and a regional office together. * * * Off-hand, it might be said that we are adding to the unemployment problem, but we have not done either, because by merging as we go along with the opening up of new activities, we are able to absorb much of the personnel that would become surplus, and in that way we are accomplishing economies without also adding to the burden in other directions.

I am sure that we are all in sympathy with the employment movement, but I am equally sure that this is one governmental activity which will be far more economically conducted without the assistance of the Veterans' Administration. Money appropriated for war veterans is presumably appropriated for that purpose and not for conducting either an employment office or a reemployment bureau. If the Veterans' Administration is going to take over the employment situation along with the many other activities that the General has been gradually gathering under his benevolent wing, a direct appropriation should be made for that purpose, but for the love of heaven, let us not call it veterans' relief!

It is a self-evident fact that any economies devised for the efficient operation of the Veterans' Administration and the reduction of the present vast overhead, must be worked out from the outside and forced in. This task is a proper one for the Congress to undertake.

PILING UP ADMINISTRATIVE COST

So much for the personnel. Let us now further regard the cost of administration. Over a 63-year period from 1868 to 1931, the Pension Bureau disbursed approximately $8,500,000,000 at a total cost of $152,957,460, which is less than 1.8 percent and covered the entire cost of administration, including salaries. Then came the Veterans' Administration with new ideas of efficiency and economy. In 1934 the Administration disbursed $594,022,058.08; and $55,810,584, or about 9.39 percent, went for salaries alone. This, Mr. Speaker, was not the entire cost of administration as in the case of the 1.8 percent, but was for salaries only.

If we say nothing of the added administrative cost, and could simply reduce the salaries alone to the 1.8 percent quoted, the Government would have saved about $48,709,808 in 1934 on that single item. It is a significant fact that for every $4 paid in military pensions of every class in 1932, about $1 was paid for salaries to compensate those who paid the other four. I refer you to page 152 of the report of the Administrator of Veterans' Affairs, 1932, for verification of that statement.

In the face of such conditions, we read with interest the statement of the Administrator of Veterans' Affairs appearing in his report for 1932, that—

Important administrative savings which have been possible, and might, under a stable load, have been conclusively apparent, following this consolidation, have, however, been obscured by the very materially increased load which has confronted the Veterans' Administration in all directions since its organization, due to amendatory legislation affecting all forms of financial relief.

Searching through this same report for further light on administrative costs, we find on page 1 that the entire administrative cost for 1932 was only 3.75 percent, which is not so bad, even remembering prior administrative costs of 1.8 percent, but on page 61 of that report we find that of the total disbursements made by the Veterans' Administration 2.61 percent went for salaries in hospitals, 0.57 percent to pay those working in soldiers' homes, 2 percent to those in field offices, and 1.20 percent to central office employees. Accord-

ing to almost anyone's arithmetic, these add up to 6.38 percent instead of 3.75 percent, and nothing is said of the balance of administrative costs.

It is quite evident from the viewpoint of national policy and a balanced Budget that the problem of veterans' relief merits the most careful consideration of the legislative and executive branches of the Government. It is the clear duty of Congress to get the greatest possible results in services for the money available for a specific purpose.

Appearing before the Subcommittee of the Committee on Appropriations, when the independent offices appropriation bill for 1936 was being considered, General Hines submitted the following estimate shown on page 175:

Salaries and expenses	$86,700,000
Printing and binding	125,000
Pensions	400,760,000
Military and naval insurance	116,910,000
Hospital and domiciliary facilities and services	925,000
Adjusted-service certificate fund	100,000,000
Total for veterans' activities	705,420,000

Analysis shows that about 12.25 percent of that vast sum is going for administrative costs, including salaries which amount to 7.75 percent of the total appropriation asked; 56.94 percent is intended for present benefits to our veterans, and 30.7 percent for future benefits which they may get—sometime—if and when they live long enough.

SIZE AND SCOPE OF VETERANS' ADMINISTRATION

The Veterans' Administration was authorized as an independent agency by act of July 3, 1930, and by Executive order of July 21, 1930, there were considered therein under a single control the Bureau of Pensions, the United States Veterans' Bureau, and the National Home for Disabled Volunteer Soldiers.

The Administrator of Veterans' Affairs has control, direction, and management of all agencies and activities comprising the Veterans' Administration; is chairman of the Federal Board of Hospitalization; is responsible for extending relief to veterans and dependents of veterans in the way of pensions, Government military and naval insurance, adjusted compensation, emergency officers' retirement pay, and hospital and domiciliary care.

The Veterans' Administration, in addition to its central office in Washington, with its 5,052 employees, operates regional offices or combined regional offices and hospitals in every State except Delaware, and maintains and operates 72 hospitals and 14 soldiers' homes, necessitating the services of about 30,415 more employees. Salaries for this army of employees totaled $58,528,639 for 1933.

LACK OF UNIFORMITY, EQUALITY, AND JUSTICE

Our present pension system knows no such thing as equality. It presents to the eye a patchwork of old legislation, new legislation, reenacted legislation, regulations, and precedents; the whole conglomeration subject to still further variation by interpretation, reinterpretation, and bureaucratic ideas, used to fill in the numerous gaps and uncertainties of the law. Out of this jumbled mess, no one can hope for the equality and justice which should be the very foundation of any pension system.

The most urgent need at the present time is a codification of pension laws. This necessity has been realized for some time past, but never more so than since the passage of the so-called "Economy Act", which repealed all laws granting pensions since the beginning of the War with Spain, April 21, 1898, and has resulted in the granting of pensions pursuant to Executive orders and regulations, which have been changed several times and in the administration of which there have been reviews upon reviews, delays, confusion, and a piling up of work within the Veterans' Administration almost to the point of demoralization of service, creating wide-spread discontent throughout the length and breadth of the land in the ranks of all classes of veterans and their widows and dependents. These same orders and regulations today constitute the great body of pension law dealing with service in all our late wars.

We find veterans of one war drawing pensions at specified rates for certain degrees of disability, while veterans of another war, of the same age and under the same disabilities draw something entirely different. For example, suffering a 25-percent disability, nonservice connected, a veteran with 30 days' service in the Indian wars receives $20. Under the same disabilities a Spanish War veterans must have 70 days to get $9 and 90 days to get $15. A World War veteran must show total and permanent disability before he can get anything for non-service-connected disabilities.

In providing for pensions based upon the present age of the veteran, rates have been established for veterans of the Indian wars ranging from $20 to $50. The 90-day Spanish veteran's rate ranges from $22.50 to $45. The 70-day veteran of the War with Spain, from $9 to $22.50. If the World War veteran lives to be a hundred and no new laws are passed, he can get nothing in the way of a pension based upon his age.

I may add that the inequalities existing between widows and orphans of our various wars are even more glaring. It is small wonder that our veterans and their dependents murmur and find fault with the present system.

In place of this hodge-podge of laws, orders, and regulations there should be enacted a law granting uniform benefits which might be administered along lines of simplicity and directness, and with the same degree of economy and efficiency as marked the operations of the old Pension Bureau during its existence of almost 100 years.

UNCERTAINTY OF PRESENT SYSTEM COSTS THE TAXPAYERS AND PENALIZES OUR VETERANS

Practically all our pension legislation has been enacted under the stress of the moment whenever a group of veterans could convince the Congress that some remedy or relief was needed to meet their particular difficulties. We have taken neither the time nor the trouble to formulate a plan which would place all veterans under the same uniform system and give to each of them a just compensation in keeping with age, degree of disability, and service rendered. It has long been the practice to grant veterans of each particular war small pensions after the close of the war. Later larger pensions are provided for, the law usually having application to the veterans of only one war. As the veterans of that war grow old and infirm, other laws are passed and higher pensions provided. It is readily apparent that the treatment accorded each group of veterans has been governed largely by the strength of the voice of that particular group and the temper of the Congress then in session. Certainly a plan to grant all pensions under a uniform system flexible enough to provide for the present and the future can and should be worked out. It should no longer be necessary to run one of the largest branches of the Government under a hit-and-miss system, which amounts in the final analysis to no system.

As I have stated, in 1898 the old Pension Bureau handled 993,714 cases. Today 34,890 employees take care of the 838,855 on the rolls. Uncertainty and lack of uniform policy have contributed largely to the increase in expense and personnel. General Hines did express that truth by his statement before quoted, that—

> Important administrative savings which have been possible, and might under a stable load have been conclusively apparent, * * * have, however, been obscured by the very materially increased load which has confronted the Veterans' Administration in all directions since its organization, due to amendatory legislation affecting all forms of financial relief.

It might be well, however, to add, from my own observations, that any possible savings have not only been obscured but entirely and deeply buried under the ever-increasing burden of administrative costs and high salaries paid to those deciding minor points of law which should have been made decisive in the body of the law. In 1933 the Veterans' Administration employed 857 lawyers at salaries ranging from $2,600 to $9,000 per year.

Not only do the American taxpayers suffer in increased cost of operating the Veterans' Administration and maintaining the redtape factory of that organization, but our veterans suffer from the uncertainty of the law. When a veteran goes to bed at night he never knows what the Veterans' Administration will do to him by some freak ruling before he awakens in the morning. He may go to bed disabled and

drawing a pension sufficient to meet his needs, but may awaken in the morning to find that he has not only lost his pension but is indebted to the Government. I have seen instances of these ghastly mistakes in my own congressional district. I have personal knowledge of one particular case of a veteran whose pension was reduced to a small fraction of the original amount and in addition he found himself indebted to the Veterans' Administration in the sum of $2,000. The indebtedness being for pension paid under what the Veterans' Administration called "an error." Yet the veteran was totally disabled and had done nothing to mislead or misinform the Government. He was informed that the $2,000 could be paid back at once or his pitiful pension would be taken to pay it. Unfortunately, such tragic blunders are not rare; several of them have come to my attention.

Even if the veteran is satisfied with his pension, it seems that in some cases the Veterans' Administration can never be quite sure that he is correctly pensioned. I have in mind a case where the veteran, with no action on his part, was reduced from a substantial pension to a mere pittance without reexamination. After a series of reratings, still with no action or request on his part, he was placed back on the rolls at about $2 less than he was getting in the beginning. A statement of the ratings given constituted nearly a page of single-spaced typewritten matter, covering manipulations extending over a period of months. In the meantime the veteran and his family suffered while someone had the doubtful satisfaction of juggling the case.

COORDINATION WHOLLY LACKING

It has been the policy of our Government to deal with the veterans of each war in separate groups. At times these groups have been further subdivided. It is this feature of the present system which brings us to the realization that we can never have a just pension system until a uniform pension law is enacted and a means of coordination devised. A way must be found to keep the veterans of all wars upon a just and equitable basis. I have always believed that the service, age, and physical condition of the veteran should govern his compensation. There is neither justice nor logic in making it depend upon the name of the war in which he served. Yet at the present time there is no means of coordination. No authority exists for that purpose.

There is no thought of criticism of Congress for the imperfections in the legislation governing existing benefits. Each enactment or amendment to existing legislation has been made in response to urgent representations and demands of different groups. In many instances these demands were so insistent and immediate in character as to preclude deliberate consideration and action such as might have evolved more uniform provisions. I believe the chief cause of these inequalities and injustices was the fact that all earlier legislation had to be taken up piecemeal, as it were, and the needs of each group of veterans had to be handled separately, because the benefits were to be dispensed or administered by many different Government agencies and legislation pertaining to their affairs was handled by several different committees in both Houses of Congress. For the reasons stated, it was impracticable for Congress to attempt to arrange all groups of veterans and benefits in classes for comparative study and then correct or eliminate certain features by one piece of legislation.

To remedy this situation, I propose the establishment of a Joint Congressional Committee on Veterans' Affairs comprised of Members of both the House and Senate, with power to investigate the operation and effects of our pension system; to investigate the administration of pension laws and measures and methods for the simplification of such laws and their administration. Said committee to report from time to time to the proper committees of the House and Senate.

A DEPARTMENT OF VETERANS' AFFAIRS

Considering the fact that there are approximately 35,000 employees in the Veterans' Administration and that the expenditures of the Administration are approximately one-half of the total revenue of the Government, it is my opinion that it is proper and timely that this governmental activity should be placed under the head of a Cabinet officer, who would be the directing head of a department that would rank along side of the other great administrative departments of our Government.

This Cabinet officer would be in a position to secure better results for both taxpayers and the veterans, and would be in a position at all times to visualize to the President and the Congress the picture of veterans' benefits, which would result in a more simplified procedure and, consequently, greater economies.

In 1933 the Veterans' Administration, now an independent establishment, disbursed $868,688,479.42. It paid pensions, compensation, disability allowances, and emergency officers' retirement pay to 997,918 veterans and 272,749 dependents of veterans, gave hospital medical service to 136,626 veterans and out-patient medical service to 256,652 individuals, and took care of 24,225 veterans in soldiers' homes.

To June 30, 1933, it acted upon 3,990,674 applications for adjusted compensation, involving $3,717,487,218.21. It was concerned in life insurance of 637,049, the value of whose insurance was $2,925,618,222.52.

When consideration is given to the fact that the disbursements of the Veterans' Administration are far in excess of those of any of the departments of the Government, except the Post Office Department, which is largely self-supporting; that in its many and diversified activities, involving monetary benefits of various kinds, insurance annuities, adjusted compensation, hospitalization, domiciliary care, construction of hospitals, and so forth, it directly contacts several millions of our people and indirectly benefits many more millions; that in point of numbers of employees it is exceeded by only four of our Government activities, one of which is our great Postal Service, the conclusion must be that so great an activity of our Government should constitute a department with a Cabinet official, the Department of Veterans' Affairs, with a Secretary in charge of its activities. To such a department might be assigned those activities now existent and that may be brought into being that carried grants or benefits to our civilian population, as compensation, annuities, old-age pensions, and so forth. Such a department could work out systems that would be uniform in character, formulate legislation that would be equitable to all beneficiaries, and bring order out of the present chaos of the hodge-podge of laws and regulations that are difficult of administration and so exasperating in their inequalities as to stir up wide-spread dissatisfaction that bodes no good to any party that may be in power.

The President's Cabinet is his official family, the members of which meet frequently to consider and discuss important matters. Opportunity is afforded for exchange of views, a determination as to how projects advanced by one Cabinet officer may affect the departments presided over by other Cabinet officers, and opportunity afforded for coordination and the elimination of overlapping and duplication. It can surely not be gainsaid that the Veterans' Administration has so many great problems and such vast and far-reaching activities that opportunity should be afforded the heads of departments at Cabinet meetings to consider them, and to bring this about means the creation of a department. Examination of cabinet set-ups in other great nations reveals that to certain ministers or secretaries are assigned portfolios dealing with pensions. This is practically true of Great Britain and France, and even our neighbor to the north of us, Canada, has its Minister of Pensions. In Great Britain, under the Secretary for Home Affairs, are centered war pensions, old-age pensions, national health and unemployment insurance, workmen's compensation, hospitalization, and kindred public social services.

INTRODUCING A NEW SYSTEM

Because of the conditions outlined, I have introduced H. R. 5279 and H. R. 7375 for the consideration of this Congress. These bills are similar to my bills, H. R. 6206 and H. R. 6207, introduced on January 3, 1934, the opening day of the Seventy-third Congress. Also to H. R. 9954 and H. R. 9955, which I introduced on June 15, 1934.

Many years ago I advocated a uniform policy and several years ago I drafted the framework of these present bills. After careful consideration of their every provision, I admit, due to human frailty, they may not be perfect bills, and I have never seen a perfect bill; yet I do maintain that their principles are just, and they substitute for the present jumbled and disjointed pension legislation a comprehensive and permanent uniform national policy applicable today and equally applicable tomorrow.

This proposed legislation is not destructive of the present governmental policy with respect to veterans' affairs. It repeals and modifies all prior laws concerning veterans' relief, but it does so only for the purpose of substituting a just, permanent, and uniform national policy.

H. R. 7375 is a bill to establish a Department of Veterans' Affairs with a Secretary of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such department, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes.

H. R. 5279 proposes to adjust and equalize benefits for veterans and widows and dependents of veterans.

I have transmitted copies of my bills introduced in the Seventy-fourth Congress to the various departments and requested reports. I have also forwarded copies to the Honorable Chairmen of the Committee on World War Veterans' Legislation and the Committee on Expenditures in the Executive Departments, suggesting that the respective committees hold hearings on this proposed legislation, at which time I will endeavor to explain this much-needed codification, simplification, and equalization of our pension laws and the merits of the plan proposed.

I believe that there is urgent need for immediate action. I desire to direct your attention to the fact that much is being said and written today regarding social legislation which will affect the economic welfare of our citizens as a whole. I wish to make it perfectly clear that I am heartily in accord with legislation which will grant our indigent aged an old-age pension; which will grant to our citizens who are unable to secure employment in times of depression and economic unrest, or who are only seasonably employed, an unemployment insurance; and which will grant to those who are fortunate enough to have employment through life, by their own contributions, and old-age annuity, that they may enjoy the evening time of life.

I am sure that there is not one of us who has been sympathetic to the just demands of our veterans, and who has consistently supported legislation for their welfare, who does not realize that it will be very difficult to secure in succeeding Congresses the consideration of liberalized legislation in their behalf.

It is a simple problem of reasoning, weighing the demands of special classes, and I refer to the veterans as opposed to the masses. In brief, the veterans will be in the minority, with the masses who are receiving and demanding old-age pensions, unemployment insurance, and old-age annuities in the majority. I believe it behooves every veteran and the representatives of every veterans' organization in the country to give this matter serious and constructive consideration. I say, therefore, to you veterans, and to the leaders of your organizations, that if a just, generous, and definite national policy is to be worked out, which will be of material aid to you and your dependents, it must be done before the gavel falls on the first session of the Seventy-fourth Congress.

I recommend to the Congress that they take action, looking toward the simplification and codification of laws granting benefits to veterans and their dependents, so that we may be able to understand what a veteran or his dependents may be entitled to without wading through innumerable laws, regulations, and decisions, each succeeding one of which contradicts the one before it. I would urge your serious and earnest consideration of H. R. 5279 and H. R. 7375.

AIM AND OPERATION OF PROPOSED PLAN

The underlying principles of these bills aim to secure better coordination, added efficiency, and a more complete economic use of existing facilities. Also to improve the service rendered to the veterans and equalize the benefits extended to them, with more real satisfaction to the veterans and less cost to the taxpayers.

My bills substitute a definite plan in specific terms for the broad, general, and uncertain terms of the Economy Act, but they do not destroy any of the just principles that are contained in the Economy Act and section 20 of the independent offices appropriation act, nor the executive regulations issued to carry out the provisions of the Economy Act, which are beneficial to the veterans and their dependents.

I have drafted into each of these bills, either of which will, if enacted, codify into one law all the pension provisions hitherto scattered throughout the statutes and enacted as far back as July 14, 1862. Both are so drafted in form that they can be readily amended or expanded to meet changing conditions. For once the veteran will be able to pick up one single law, and by a brief examination thereof determine definitely what his rights as a veteran are.

My objective in drafting H. R. 5279 and H. R. 7375 was to submit to the Congress a sound, uniform national policy, applicable to our veterans of future wars as well as to those of past wars. These bills establish three general classes: War-time service-connected disabilities, war-time non-service-connected disabilities, and peace-time service-connected disabilities.

I am of the opinion that while some of the provisions of my bills are more liberal with regard to benefits extended our veterans, there will be little additional cost to our Government. The simplification of operative procedure and proper administration should mean an annual saving of several million dollars in administrative costs. If either bill is enacted, I believe that the personnel of the Veterans' Administration can be reduced one-third or one-half.

A sound pension system should be flexible and apply to existing and future conditions. It should be uniform and equitable as to its operation upon the veterans of all wars. It should be clear and concise in expression and in understandable form. As a matter of economy, overhead and administrative expense should be reduced to the minimum. Such a system should coordinate all pension laws and provide means for continued coordination.

These features I have endeavored to incorporate into my bills, and, while I am aware that they are not perfect, I feel that they do represent a definite step in the right direction. They represent a new deal for the veterans, their dependents, and the taxpayers of the country. I hope that they will point the way out of the morass of jumbled pension laws and out of the forest of red tape now surrounding the subject.

In order that the Membership of the House and others may be fully informed as to the contents of this proposed uniform pension bill, I submit herewith a résumé and index of the bill arranged by sections and pages.

THE UNDERWOOD BILL

(H. R. 7375)

Uniform Pensions Act, 1935

To establish a Department of Veterans' Affairs with a Secretary of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such department, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes

DEPARTMENT OF VETERANS' AFFAIRS

Section 1: (a) Provides for the establishment of a Department of Veterans' Affairs, at the head of which shall be a Secretary of Veterans' Affairs, who shall be appointed by the President with the advice and consent of the Senate, and who shall receive compensation at the rate of $15,000 per annum.

(b) Provides for the transfer of all the duties, functions, and powers of the Veterans' Administration to the Department of Veterans' Affairs and the abolishment of the Veterans' Administration as an independent executive establishment.

(c) Provides for the abolishment of the office of the Administrator of Veterans' Affairs and transfers the functions, powers, and duties to the Secretary of Veterans' Affairs.

(d) Section 158 of the Revised Statutes is amended to include the Department of Veterans' Affairs, and the provisions of title IV of the Revised Statutes as now and hereafter amended shall be applicable to the department.

(e) Provides for a seal for the department.

Section 2: (a) Provides for the transfer of records and property, including furniture and equipment, and such of the officers and employees as are deemed indispensable for the efficient operation of the Department of Veterans' Affairs and the transfer or furlough of others; and that in the transfer of officers and employees no change in classification and compensation be made, but provides that such changes in titles and designations as may be necessary may be made after the transfer.

(b) Provides for the transfer of all appropriations made for the Veterans' Administration to the Department of Veterans' Affairs.

Section 3: (a) Provides that the secretary of veterans' affairs shall administer, execute, and enforce the provisions of this act and prescribe such regulations as may be necessary and appropriate to carry out such provisions.

(b) Authorizes the secretary of veterans' affairs to establish such sections, divisions, and branch offices in the department as may be necessary to carry out the provisions of this act and to appoint or designate the chief officers thereof, to abolish such regional offices and suboffices as he may deem unnecessary, and transfer records and supplies relative thereto to the central office or otherwise as he may prescribe, and directs that branch offices established under this act shall be maintained in department facilities or other quarters owned by the United States, and authorizes the secretary to appoint such other officers, legal counsel, physicians, surgeons, experts, inspectors, and assistants as may be necessary, and all employees (except as the President may deem advisable shall be subject to the civil-service laws and regulations. The secretary may require the opinion of the Attorney General on any question of law arising under this act.

(c) Provides that all orders, rules, regulations, awards, grants, permits, or other privileges made, issued, or granted by or in respect of the Veterans' Administration, in effect on the effective date of this act, shall, subject to the provisions of titles I to VI, both inclusive, of this act, continue in effect until modified, superseded, or revoked by the secretary.

Section 4: Directs that the secretary shall file with the Speaker of the House and the President of the Senate on the 3d day of January of each year a full and complete report of all the activities of the department, and a full and itemized statement of all moneys received and disbursed in the preceding fiscal year.

Section 5: Authorizes the secretary to sell, lease, or exchange surplus equipment, supplies, products, or waste materials belonging to the department; and to lease for terms not exceeding 3 years, lands or buildings or parts or parcels thereof, belonging to the United States and under the control of the department of veterans' affairs, the net proceeds thereof to be covered into the Treasury of the United States as miscellaneous receipts.

TITLE I: PENSIONS FOR WAR-TIME SERVICE—SUBTITLE A; DISABILITY DUE TO SERVICE

Part I: Civil War; Spanish-American War; World War

Section 101: (a) Grants pension of from $10 to $100 per month for disability incurred in service and line of duty in time of war.

(b) (1) Grants $15 per month for the loss or loss of use of one hand, one foot, or one eye additional to those specified in subsection (a).

(2) Grants $25 per month for the loss of a leg at or above the knee or an arm at or above the elbow additional to the rates specified in subsection (a).

(3) Grants $150 per month for the loss or loss of use of both hands or both feet or one hand and one foot or helplessness requiring the regular aid and attendance of another person, in lieu of the rates in subsection (a).

(4) Grants $175 per month for the loss or loss of use of both hands and one foot or both feet and one hand or loss of sight of both eyes, in lieu of rates in subsection (a).

(5) Grants $200 per month for loss or loss of use of one hand or one foot in addition to blindness of both eyes, in lieu of rates specified in subsection (a).

(6) Grants $250 per month for loss or loss of use of both hands or both feet or one hand and one foot in addition to blindness of both eyes, or loss or loss of use of both hands and both feet, in lieu of rates specified in subsection (a).

Section 102: (a) Provides that the widow of any person who died as a result of an injury incurred, disease contracted, or the aggravation of an injury or disease, as specified in subsection (a) of section 101 of this title, shall be paid:

(1) A pension at the rate of $30 per month, if she has not yet attained the age of 50 years.

(2) A pension at the rate of $35 per month, if now or hereafter attains the age of 50 years.

(3) A pension at the rate of $40 per month, if now or hereafter attains the age of 65 years.

(4) A pension at the rate of $50 per month, regardless of age, if she was the wife during the period of such service.

(5) An additional pension at the rate of $8 per month shall be paid for each child of such person.

(b) In case such person is not survived by a widow entitled to pension under this act, and is survived by a child or children, such child or children shall be paid pension at the following rates per month: One child, $30, with $8 additional for each additional child, the total amount to be equally divided.

(c) Provides that in the event the veteran is not survived by a widow or child a grant of $20 per month may be made for one dependent parent or $30 per month for two, equally divided.

Section 103: (a) Provides that after 90 days' service prior soundness shall be presumed except as to defects noted at enlistment or evidence or medical finding that disability existed prior to enlistment.

(b) Provides that a chronic disease showing a 10-percent disability within 2 years shall be held to have been contracted in service, provided the person served 3 months, unless affirmatively shown otherwise.

(c) Provides that an increase in a disability existing prior to enlistment shall be held to be aggravated by service unless there be a specific finding that the increase in disability is due to the natural course of the disease.

(d) Provides that any person who applied for enlistment and was provisionally accepted or was drafted or called into service and incurred a disability in line of duty prior to muster into the service of the United States shall be entitled to have such disability considered as having been incurred in the active military or naval service.

(e) Provides that any person who entered into an enlistment or employment in the active military or naval service of the United States—

(1) Which is held to constitute service in the Civil War under section 171 and incurred a disease or injury or aggravation of a preexisting disease or injury, in line of duty, during such enlistment or employment, but not later than August 20, 1866, shall be deemed to have incurred such disease, injury, or aggravation in the Civil War.

(2) Similar provision as to the War with Spain as defined in subsection (a) of section 172 with the last date July 4, 1902.

(3) Similar provision as to Philippine Insurrection and China Relief Expedition as defined in subsection (b) of section 172 with the last date July 4, 1902.

(4) Similar provision as to World War as defined in section 173 with the last date July 2, 1921.

Part II: Combat service; combined peace and war-time service

Section 121: Directs payment of pension at war-time rates when there has been service in both peace time and war time and pensionable disability incurred in each.

Section 122: Provides for payment of pension at war-time rates for disability or death incurred in combat in any Indian campaign or any military expedition or occupation.

Section 123: Provides a 5-percent increase to any pension to which a veteran may be otherwise entitled (exclusive of Medal of Honor pensions) in case he actually participated in combat with an enemy of the United States, and a like increase to the widow of any veteran who so participated, if otherwise entitled to pension under this act and was the wife of the veteran during the period of such service.

Section 124: Provides for the reduction from 65 years to 50 years of the age at which Medal of Honor pensioners may be entitled to the extra pension provided by the act of April 27, 1916 (reenacted in sec. 641 of this act), and extends its provisions to veterans of Indian campaigns and military expeditions and occupations.

Subtitle B: Disability not due to service

Part III: Indian campaigns

Section 131: (a) Provides that if a veteran has rendered 30 days' service in any Indian war or campaign in connection with or in the zone of active Indian hostilities and his service therein was honorably terminated he shall be paid pension at the following rates per month:

(1) If not qualified under clause (2) or (3) hereof, $50 per month;

(2) If his physical or mental condition is such as to require the frequent and periodical, though not regular or constant, aid and attendance of another person, $65; and

(3) If his physical or mental condition is such as to require the regular or constant aid and attendance of another person, $72.

Section 132: (a) Provides that the widow of any veteran as described in section 131 of this title shall be paid pension at the following rates per month, with $6 per month additional for each child of such person: If aged less than 70 years, $30; if the wife of the veteran during the period of his service or if aged 70 years, $40.

(b) Provides that in case such veteran is not survived by a widow entitled to pension under this act and is survived by a child or children, such child or children shall be paid pension at the following rates for month: One child, $20, with $6 additional for each additional child, the total amount to be equally divided, and in the event the widow has remarried and pension has been granted to a child or children she shall not be entitled until the pension of the child or children terminates unless they are in her care and custody, and when and if pension be granted to such remarried widow, the pension to the child or children shall cease.

Section 133: Sets forth the different classes of evidence that may be accepted to show service in Indian campaigns.

Part IV: Civil War

Section 141: Grants a pension of $75 per month to veterans of the Civil War who rendered 90 days' service and were honorably discharged or who, having served less than 90 days, were discharged on account of a disability incurred in the service and line of duty or who are now on the pension rolls under existing pension laws.

Section 142: Grants a pension of $100 per month to veterans as described in section 141 who are helpless or blind or so nearly helpless or blind as to require the regular aid and attendance of another person.

Section 143: (a) Grants a pension to widows of Civil War veterans as described in section 141 as follows:

(1) If the wife of the veteran during his service in the Civil War, $50 per month.

(2) If married to the veteran after his service and before June 27, 1905, and has attained the age of 70 years, $40 per month.

(3) If married to the veteran after his service and before June 27, 1905, and has not attained the age of 70 years, $30 per month until such time as she shall attain the age of 70 years.

(4) If married to the veteran on or after June 27, 1905, and before June 27, 1915, and lived with and cared for him for at least 5 years next preceding his death, $20 per month.

(5) Grants an additional pension of $6 per month for each child of the veteran.

(b) Provides that in the event there is no widow entitled to pension and there is a child or children they shall be paid pension at the following rates per month: One child, $20, with $6 additional for each additional child, the total amount to be equally divided, and that in the event the widow has remarried and pension has been granted to a child or children she shall not be entitled to recommencement until the pension of the child or children terminates unless they are in her care and custody, and when and if pension is granted to the remarried widow the pension to the child or children shall cease.

Section 144: Provides that if a person has been honorably discharged from any subsequent contract of service in the Civil War, he shall be held and considered to have been honorably discharged from all previous contracts of service in said war if (1) he served at least 6 months under any subsequent enlistment, (2) his entire service under such subsequent enlistment was faithful, and (3) he did not receive by reason of such enlistment any bounty or gratuity, other than from the United States, in excess of that to which he would have been entitled had he continued to serve faithfully until honorably discharged from any contract of service previously entered into by him during the Civil War.

Part V: War with Spain, China Relief Expedition, and the Philippine Insurrection

Section 151: (a) Provides that any person who rendered 90 days' service in the War with Spain (including the China Relief Expedition and the Philippine Insurrection) and was honorably discharged from such service, or who rendered less than 90 days' service, was discharged on account of a disability incurred in such service and line of duty shall be paid pension at the following rates per month:

(1) If not qualified under clause (2) or (3) hereof, $50.

(2) If his physical or mental condition is such as to require the frequent and periodical, though not regular or constant, aid and attendance of another person, $65.

(3) If his physical or mental condition is such as to require the regular or constant aid and attendance of another person, $72.

(b) Provides that those veterans who were recognized as having title under the act of June 2, 1930, who enlisted after August 12, 1898, and who did not render service in either the Philippine Insurrection or the China Relief Expedition and have attained or shall hereafter attain the age of 62 years shall be paid a pension at the rate of $15 per month.

Section 152: (a) Provides that the widow of any person as described in section 151 of this title who has attained an age as hereinafter set forth shall be paid a pension at the following rates per month, with $6 per month additional for each child of such person: If aged less than 60 years, $25; if aged 60 years, $30; if the wife of such person during the period of his service or if aged 70 years, $40.

(b) Provides that in case such person is not survived by a widow entitled to pension under this act, and is survived by a child or children, such child or children shall be paid pension at the following rates per month: One child, $20, with $6 additional for each additional child, the total amount to be equally divided.

Part VI: World War

Section 161: (a) Provides that any person who rendered 90 days' service during the World War and was honorably discharged from such service, or who, having rendered less than 90 days' service, was discharged on account of disability incurred in such service and line of duty, and is suffering from mental or physical disability or disabilities not the result of his misconduct, shall be paid a pension at the following rates per month and under the following conditions:

(1) If the disabled person has attained the age of 50 years and is 50 percent disabled, $18.

(2) If the disabled person has attained the age of 55 years and is 75 percent disabled, $30.

(3) If the veteran, regardless of his age, is totally disabled, $45.

(b) If the person is not entitled to a greater rate of pension under the provisions of subsection (a) of this section,

and has attained an age as hereinafter set forth, he shall be paid a pension at the following rates per month, regardless of the grade of disability: If aged 55 years, $12; 62 years, $22; 68 years, $30; 72 years, $40; 75 years, $50.

Section 162: (a) Provides that the widow of any person as described in section 161 of this title shall be paid a pension at the rate of $22.50 per month and $4.50 per month additional for each child of such person.

(b) Provides that in case such person is not survived by a widow entitled to pension under this act, and is survived by a child or children, such child or children shall be paid pension at the following rates per month: One child, $12; with $4 additional for each additional child, the total amount to be equally divided.

Part VII: Service requirements

Section 171: Fixes date of beginning of Civil War as April 12, 1861, and termination as July 1, 1865, with extension to August 20, 1866, when service was in certain States.

Section 172: (a) Relates to War with Spain and fixes service therein as that performed by persons regularly in the Army, Navy, or Marine Corps, and so forth, between April 21 and August 12, 1898, and that performed by persons who entered the service on or after August 13, 1898, and on or before April 11, 1899, and who served in Cuba or Puerto Rico prior to April 12, 1899.

(b) Restricts service in the Philippine Insurrection to that performed by persons who went to the Philippine Islands prior to July 4, 1902, or if service was in the Moro Province prior to July 15, 1903, and service in the China Relief Expedition to that performed by persons who actually served in China between June 16, 1900, and May 12, 1901.

Section 173: Relates to World War service and fixes the date of beginning as April 6, 1917, and termination as November 11, 1918, with extension to April 1, 1920, if service was rendered in Russia, and to July 2, 1921, if engaged in mine-sweeping operations.

Section 174: Provides that in case of discharge or dismissal of a person as a result of a court-martial trial, and it is thereafter established that such person was insane at the time of the commission of the offense, he shall not be denied benefits under this act.

Section 175: Forbids payment of pension under subtitle A of title I, and under title II on account of death inflicted as a lawful punishment for crime or military offense, except when inflicted by the enemy.

Section 176: Provides that the discharge of a person because of having concealed the fact that he was a minor shall not be a bar to benefits under this act if his service was otherwise honorable.

Section 177: Provides that in determining the period of active service under parts IV, V, and VI of this title it shall not be required that the 90-day period of service be completed prior to the cessation of hostilities, but the person must have entered the service prior to the cessation of hostilities and have served continuously thereafter for 90 days, and in the case of a person whose service commenced before but extended into a period of hostilities, such person must have served 90 days continuously after the commencement of such hostilities.

Part VIII: Widows' marriage qualifications

Section 181: Provides that to be entitled under this act as widow of a Civil War veteran it must be shown that applicant was lawfully married to the veteran prior to June 27, 1915, that the marriage subsisted until the veterans' death and, if the marriage took place after March 2, 1899, that they lived together continuously from the date of marriage to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

Section 182: Provides that to be entitled under this act as widow of an Indian campaign veteran it must be shown that the applicant was lawfully married to the veteran prior to March 4, 1917, that the marriage subsisted until the veteran's death and, if the marriage took place after March 2, 1899, that they lived together continuously from the date of the marriage to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

Section 183: (a) Provides that to be entitled under this act as a widow of a Spanish War veteran it must be shown that the applicant was lawfully married to the veteran prior to September 1, 1922, that the marriage subsisted until the veteran's death and, unless she was his wife during his service in said war, that they lived together continuously from the date of the enactment of this act to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

(b) Provides that to be entitled under this act as widow of a Philippine Insurrection or China Relief Expedition veteran it must be shown that the applicant was lawfully married to the veteran prior to September 1, 1922, that such marriage subsisted until the veteran's death, and if the marriage took place after March 2, 1899, unless prior to or during the service of the veteran, that they lived together continuously from the date of marriage to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

Section 184: Provides that to be entitled under this act as widow of a World War veteran it must be shown that the applicant was lawfully married to the veteran prior to July 3, 1931, that the marriage subsisted until the date of the veteran's death and, unless she was his wife during his service in said war, that they lived together continuously from the date of enactment of this act to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

TITLE II: PENSION FOR DISABILITY DUE TO PEACE-TIME SERVICE

Section 201: (a) Grants pension of from $7 to $62 per month for disability incurred in line of duty in time of peace.

(b) (1) Grants $10 per month for the loss or loss of use of 1 hand, 1 foot, or 1 eye in addition to the rates specified in subsection (a).

(2) Grants $15 per month for the loss or loss of use of a leg at or above the knee or an arm at or above the elbow in addition to the rates specified in subsection (a).

(3) Grants $90 per month for the loss or loss of use of both hands or both feet or 1 hand and 1 foot or helplessness requiring the regular aid and attendance of another person, in lieu of the rates specified in subsection (a).

(4) Grants $100 per month for the loss or loss of use of both hands and 1 foot or both feet and 1 hand or blindness of both eyes, in lieu of the rates prescribed in subsection (a).

(5) Grants $125 per month for loss of or loss of use of 1 hand or 1 foot in addition to blindness of both eyes, in lieu of rates specified in subsection (a).

(6) Grants $150 per month for the loss or loss of use of both hands or both feet or 1 hand and 1 foot in addition to blindness of both eyes, or loss or loss of use of both hands and both feet, in lieu of the rates specified in subsection (a).

Section 202: (a) Provides that the widow of any person as described in section 201 (a) who dies of a disability incurred or disease contracted or aggravated by service and line of duty shall be paid pension at the following rates per month, with $7 per month additional for each child of such person: If aged less than 50 years, $25; if aged 50 years, $30; and if aged 65 years, $35.

(b) Provides that in the event there is no widow entitled and there is a child or children, such child or children shall be paid pension at the following rates per month: One child, $20, with $7 additional for each additional child, the total amount to be equally divided.

(c) Provides that in the event there is neither widow or child, grant of $15 per month may be made for 1 dependent parent or $25 per month for 2, equally divided.

Section 203: (a) Provides that after 6 months' service prior soundness shall be presumed except as to defects noted at enlistment or evidences or medical finding that the disability existed prior to enlistment.

(b) Provides that any increased disability from a preexisting disease or injury shall be considered to have been aggravated by service unless there is a specific finding that the increase in disability was due to the natural progress of the disease.

(c) Provides that for the purpose of this title cadets while in the Military Academy and midshipmen while in the United States Naval Academy shall be deemed to be in the active military or naval service.

Section 204: Provides that to be entitled under this act as widow of a peace-time veteran it must be shown that the applicant was lawfully married to the veteran prior to or during the period of service in which he incurred his fatal disability, that such marriage subsisted until the date of the veteran's death, or that she was lawfully married to and lived and cohabited with him continuously the last 5 years of his life, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

TITLE VIII: DOMICILIARY CARE, HOSPITALIZATION, MEDICAL TREATMENT, ORTHOPEDIC APPLIANCES, BURIAL ALLOWANCES

Part I: Domiciliary and hospital care

Section 301: Provides for hospital and domiciliary care and medical treatment to veterans in following order of preference:

(1) To honorably discharged veterans of any war, Indian campaign or military expedition or military occupation when in need of treatment for disability incurred in service and line of duty—includes service aggravation of a preexisting disability.

(2) Peace-time veterans suffering from service-connected or aggravated disabilities when in need of treatment for such disabilities.

(3) War-time veterans who served 90 days or more and are suffering from permanent disabilities or tuberculous or neuropsychiatric ailments and have no adequate means of support.

(4) Peace-time veterans who are suffering from permanent disabilities or tuberculous or neuropsychiatric ailments and have no adequate means of support.

(5) Veterans of any war, Indian campaign, military expedition or military occupation who were not dishonorably discharged and who are in need of hospitalization or domiciliary care and unable to defray the expense thereof—including transportation—within the limits of departmental facilities; the oath of the applicant to be accepted to show inability to defray such expense.

(6) Retired officers and enlisted men of the United States Army, Navy, Marine Corps, or Coast Guard, who served in any war, campaign, or expedition who are in need of hospitalization.

Section 302: No clothing to be furnished persons admitted to departmental facilities, except (a) where necessary to protect health or sanitation; (b) where special clothing is necessary by the wearing of prosthetic appliances.

Section 303. Traveling expenses to be paid only when veteran has been ordered to report to departmental facility.

Section 304. No domiciliary, medical, or hospital care for any person residing outside the continental limits of the United States, its Territories, and possessions.

Section 305. Authorizes the Secretary to issue necessary regulations relative to benefits under this part.

Section 306. Provides for reimbursement to beneficiaries in hospitals or departmental facilities for loss by fire of personal effects destroyed by fire while stored in designated locations. Application to be filed within 1 year.

Part II: Medical care and supplies, orthopedic appliances

Section 321: Provides for furnishing medical, surgical, and dental services, and orthopedic appliances and the manner in which orthopedic appliances may be obtained; and further provides that not oftener than once in 3 years, if he so elects, the person may receive in lieu of such limb or apparatus the money value thereof at the following rates: For an artificial leg, $125; for an artificial arm, $100; for an artificial foot, $100; and for apparatus for resection, $100.

Part III: Burial allowance

Section 331: Provides for the furnishing of a flag to drape casket of deceased veteran of any war whose service was honorably terminated.

Section 332: Provides for the allowance of $100 for funeral expense of the veteran of any war if net assets at the time of death do not exceed $1,000.

Section 333: Provides for the allowance of $100 for the burial and transportation of the body of a veteran who dies in a Bureau facility.

Section 334: Relates to claims for accrued pension to reimburse the person who bore the expense of the funeral of a veteran.

Part IV: Injury or aggravation of injury during hospitalization

Section 341: Grants pension for injury or aggravation of injury while undergoing hospitalization, training, medical or surgical treatment or medical examination in lieu of benefits under act of September 7, 1916. Application to be filed within 2 years.

TITLE IV: CONDITIONS AND LIMITATIONS ON PAYMENT OF PENSION

Part I: Income, employment, and residence

Section 401: (a) Prohibits payments of pension based on non-service-connected disabilities if the beneficiary is single and has an income of $1,000 per annum, or if married or supports dependents and has an income of $2,500 per annum.

(b) Describes "dependent" as used in this section as a child, father, mother, brother, or sister who is dependent for his or her main support upon the pensioner.

Section 402: Prohibits payment of pension to any person who for a period in excess of 6 months resides outside the territorial jurisdiction of the United States at a rate of more than 50 percent of that to which he would otherwise be entitled unless he continues to be a citizen of the United States.

Part II: Apportionment of pension

Section 421: Provides that in a case of a veteran receiving pension, who for a period of 3 months shall desert his wife, she being a woman of good moral character and in necessitous circumstances, or his minor or helpless child or children, the benefits, not to exceed that payable for total disability shall be apportioned as follows:

(1) Wife but no child, 70 percent to veteran and 30 percent to wife.

(2) Wife and one child, 60 percent to veteran and 40 percent to wife, or if the child is not in her care and custody, 20 percent to the wife and 20 percent to the child.

(3) Wife and two children, 55 percent to the veteran and 45 percent to the wife, or if one or more of the children are not in her care and custody, 20 percent to the wife and 25 percent for the children, equally divided.

(4) Wife and three or more children, 50 percent to the veteran and 50 percent to the wife, or if one or more of the children are not in her care and custody, 20 percent for the wife and 30 percent for the children, equally divided.

(5) No wife, one child, 80 percent to veteran and 20 percent to child.

(6) No wife, two children, 70 percent to veteran and 30 percent to children, equally divided.

(7) No wife, three or more children, 65 percent to veteran and 35 percent to children, equally divided.

Section 422: (a) Provides that in a case of a veteran receiving pension in excess of $12 per month and is being maintained in an institution under the supervision of the United States or any political subdivision thereof, whether the residence therein is voluntary or involuntary, his pension shall not exceed 25 percent of that to which he would otherwise be entitled, in no case more than 25 percent of what he would be entitled were he totally disabled, and in no case is he to be reduced below $12 per month.

(b) Provides that in such case he has a lawful wife (she being a woman of good moral character), a child or children, or a dependent father or mother, the difference, not to exceed rate payable to such dependents were the veteran dead, be

paid as follows (except as provided in sections 423 and 424 of this part):

(1) If there is a wife and no child, or wife and one or more children all in her care and custody, 100 percent to the wife.

(2) If there is a wife and one child not in her care and custody, 70 percent to the wife and 30 percent to the child.

(3) If there is a wife and two children, one or both of whom are not in the care and custody of the wife, 60 percent for the wife and 40 percent for the children, equally divided.

(4) If there is a wife and three or more children, one or more of whom are not in the care and custody of the wife, 50 percent for the wife and 50 percent for the children, equally divided.

(5) If there be no wife but one child, 100 percent to the child.

(6) If there be no wife but two or more children, 100 percent to the children, equally divided.

(7) If there be no wife or child, but a dependent father or mother, 100 percent to such person, or, if there be both a dependent father and a dependent mother, 100 percent equally divided.

Section 423: Provides that if it be shown that the wife has abandoned her children by the veteran or that she is an unsuitable person to have care and custody of them apportionment shall be made to them the same as if there were no lawful wife, or if apportionment has been made to her this section to take effect from the date of last payment to her.

Section 424: Provides that no apportionment shall be made for any child that has been adopted by another person.

Section 425: Provides that the application of section 421 or 422 results in undue hardship upon the veteran or any of his dependents and relief from such hardship can be afforded without undue hardship to the other dependents, the Secretary may fix the amount to be apportioned under said sections.

Part III: Payments to minors and incompetents

Section 431: Authorizes the Secretary to make payment to guardian in case of a minor or other person who has been declared to be incompetent or to other person legally vested with the care of the beneficiary, to refuse payment to any guardian not properly discharging his duties, or, in case no guardian has been appointed, to determine who is otherwise legally vested with the care of the beneficiary or his estate.

Section 432: Authorizes the Secretary, in case of any guardian not faithfully executing the duties of his trust, to make presentation of the matter to the court which appointed such guardian, and to suspend payments to any guardian who neglects or refuses, after reasonable notice, to render an account to the Secretary from time to time showing manner of disbursements of moneys received.

Section 433: (a) Authorizes the Secretary to incur necessary expenses incident to the investigation or removal of any guardian of a beneficiary.

(b) Authorizes the Attorney General to incur necessary court costs incident to having incompetent veterans committed to departmental hospitals for treatment or domiciliary purposes.

(c) Authorizes the Attorney General to incur necessary expenses for the appointment of guardians for incompetent or minor beneficiaries where to charge the estate of such incompetent or minor would unduly deplete such estate.

Section 434: (a) Provides that money withheld and not paid prior to the death of the beneficiary can be paid after death only as provided in section 451 of this act.

(b) Any funds in the hands of the guardian, derived from pension, at the time of death of the beneficiary shall escheat to the United States.

Section 435: Provides that special examinations be made not less than once every 6 months in order to secure strict enforcement of the provisions of this act relative to payment of benefits for incompetents, except where the beneficiary is being maintained in a Bureau facility.

Part IV: Commencement, discontinuance, suspension, and recommencement of pension payments

Section 441: (a) Provides that the date of commencement of pension, unless otherwise expressly provided, shall be the date of filing a valid application in the department. Award of pension in a veteran's case not effective prior to discharge from the service or in a dependent's case if executed prior to the death of the veteran.

(b) Provides that the date of commencement of increase of pension on account of increased disability shall be the date of the examining surgeon's certificate showing such increased disability, and the date of commencement of increase on account of age shall be the date on which the beneficiary attains the beneficial age.

Section 442: (a) Provides that reduction or discontinuance of a veteran's pension shall be effective the first day of the month next following the month in which the approval is made, except as otherwise provided.

(b) Provides that discontinuance on account of death shall be the date of death in all cases.

(c) Provides that discontinuance of pension because of remarriage of a widow shall be the date of her remarriage.

(d) Provides that the discontinuance or reduction of pension because of a child reaching the age of 18 years, or being married or recovering from helplessness shall be effective the date next preceding the 18th birthday, the date of marriage, or the date of the surgeon's certificate of such recovery, as the case may be.

(e) Provides that where fraud is shown by or with the knowledge of the applicant the date of discontinuance shall be effective as of the effective date of the award.

(f) Provides that discontinuance of pension because of receipt of active-service or retirement pay shall be effective as of the date next preceding the date of commencement of such pay.

(g) Provides that discontinuance of pension upon proof of existence of a person presumed to be dead under section 554 (b) of this act shall be effective as of the date of determination in the Department of such fact.

(h) Provides that in the case of a mother receiving pension with a child, dies or remarries, the date of commencement of pension for the child shall be the date next succeeding the date of death or remarriage.

(i) Provides that when the rate, commencement, and continuance of pension allowed by special act are fixed by such act, they shall not be subject to variance by this act, but when not thus fixed the rate and continuance shall be subject to variance in accordance with the provisions of this act, and its commencement shall date from the passage of the special act; and in case it be shown that fraud was perpetrated in obtaining such special act, the Secretary shall suspend payment until the propriety of repealing the same can be considered by Congress.

Section 443: (a) Provides that pension payable to a widow (including a remarried widow) shall terminate on her death or remarriage, except as otherwise provided in this section.

(b) Provides that pension of a widow based on service in the War with Spain (including China Relief Expedition and Philippine Insurrection) or the World War when barred or terminated by reason of remarriage it shall not thereafter be commenced or recommenced.

(c) Provides that the open and notorious adulterous cohabitation of a widow or remarried widow of a veteran shall bar her title to pension as such, or, if a pensioner, to terminate her pension from the beginning of such cohabitation, and pension to such widow or remarried widow shall not commence or recommence until after a satisfactory showing of exemplary moral conduct for 5 years prior to the filing of a claim for restoration of rights.

(d) Provides that the remarried widow of a Civil War or Indian campaign veteran (except one eligible only under sec. 143 (a) (4) of this act) shall be entitled to pension under this act, regardless of the number of times she has remarried since the death of the veteran, without proving his death due to his service, if it be shown that each sub-

sequent marriage has been dissolved by the death of the husband or by divorce on any ground except adultery on the part of the wife.

Section 444: Provides that in the event a veteran is survived by a widow entitled to pension, and a child or children by such widow, and it is shown that she has abandoned such child or children or that she is an unsuitable person to have their care and custody, no pension shall be payable to such widow until such child or children are no longer eligible for pension under this act, and the pension shall be payable to such child or children in the same manner and from the same date as if no widow survived, except, that if pension has been paid to the widow, the pension for the child or children shall commence with the day after the period covered by the last payment to the widow.

Section 445: (a) Provides that pension to a dependent father or mother shall continue during dependency or until death or remarriage, whether the dependency arises prior to or subsequent to the death of the veteran; and in the case of conflicting claims between a natural parent and a parent by adoption, the pension shall be payable to the natural parent unless it be shown that such natural parent abandoned the veteran during infancy or was declared by a court of competent jurisdiction an unsuitable person to have the care and custody of the veteran during his infancy. Remarriage of father to mother not a bar under this act.

(b) Provides that pension to or for a child shall continue only until the day before the child's eighteenth birthday, the date of marirage, recovery, or death.

Part V: Payment, receipt, and recapture of pension; issuance, delivery, and cancelation of pension checks

Section 451: (a) Provides for payment of pension accrued during lifetime to be paid upon death as follows:

(1) First, to his widow; second, if there is no widow, to his child or children.

(2) In case of a widow, to her children.

(3) In case of an apportionee, to the veteran.

(b) Provides that in the event that no person is entitled to the accrued pension by reason of relationship as set forth in subsection (a) no part of it shall be paid except so much as may be necessary to reimburse the person who bore the expenses of the last sickness and funeral of the beneficiary. Claim, therefore, must be filed within 1 year after the death of the beneficiary and completed within 6 months after call for evidence by the department.

Section 452: Provides that in a case wherein the veteran having no dependent is insane and is being maintained in an institution by the United States, and his estate derived from pension or other allowance or allowances by the United States exceeds $1,500, such allowance shall be discontinued until his estate is reduced to $500.

Section 453: (a) Provides that in the event more than one person is drawing pension and one of them dies or remarries, the pension for the remaining shall be the same as if they had been the sole original beneficiaries.

(b) Provides that not more than one pension shall be paid to any individual covering the same period; that in case an individual is entitled to more than one pension payment shall be made of the one granting the greater benefit. Allowances under section 4756 and 4757 of the Revised Statutes to be considered to be pensions.

(c) Prohibits allowance and payment of pension under this act to any officer, noncommissioned officer, or enlisted man in the Army, Navy, Marine Corps, or Coast Guard, either on the active or retired list.

(d) Prohibits a person receiving a pension under a special act from receiving a pension in addition thereto under this act, unless the special act expressly states that the pension granted thereby is in addition to any other pension to which such person is entitled under this act or any other act.

(e) Prohibits the recovery of overpayments to any person who, in the judgment of the secretary, was without fault, and where, in his judgment, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience, and absolves disbursing officers from liability where recovery is waived under this section.

(f) Prohibits the withholding of pension payable under this act from any beneficiary who is in arrears.

(g) Fixes minimum rate of pension for disability at $7, and for death at $12 per month.

(h) Exempts benefits payable under this act from taxation, attachment, seizure, or levy by or under any process whatsoever, but provides that it shall be subject to any claim the United States may have, except as provided in subsection (e) of this section.

Section 454: (a) Provides that payment of pension be made monthly on the last day of each month, by check, without separate voucher or receipt, except as provided in section 435 of this act, except in any case in which the secretary may consider a voucher necessary for the protection of the United States; such checks to be transmitted by mail to the last known address of the payee; prohibits postal employees from delivering any such mail if the addressee has died or removed, or, in the case of a widow believed by the postal employee to have remarried. In any such case the postmaster is required to return such mail with a statement of the reasons for such return, and provides that checks thus returned because of death or remarriage shall be canceled, except as provided in subsection (b) of this section.

(b) Provides that the mailing of a check to the last known address shall constitute payment in the event of the death or remarriage of the pensioner on or after the last day of the period covered by such check, which shall not be canceled but shall, in case of death, become an asset of the estate of the deceased, except as provided in section 434 of this act, and in case of remarriage shall be delivered to the pensioner upon satisfactory proof of the date of remarriage.

(c) Provides that checks properly issued to any beneficiary and undelivered for any reason shall be retained in the files of the disbursing officer until such time as delivery may be accomplished, or until 3 years have elapsed after the date of issuance of the first undelivered check, and after that period no check shall be issued except upon a new application, and payments under such application shall commence from the date of filing such application.

TITLE V: ADMINISTRATIVE PROVISIONS

Part I: Administrative powers, functions, and procedure

Section 501: (a) Authorizes and directs the Secretary to provide for medical examinations of applicants, to appoint surgeons or physicians to make such examinations, to pay fees therefor, and in case of examination necessarily made at the home of the applicant such mileage or expense as he deems reasonable.

(b) Authorizes and directs the Secretary, within 1 year, to provide for the adjudication and making of ratings in claims for pension solely in the central office and, so far as practicable, the application of the procedure in use by the Bureau of Pensions, Department of the Interior, prior to July 3, 1930, to such ratings and adjudications.

(c) Authorizes the Secretary, under such regulations as he may prescribe, to make payment for official telephone service and rental in the field wherever incurred in case of official telephones for medical officers and the head officers of any branch office, suboffice, or facility of the Department, where such telephones are installed in private residence, apartment, or quarters.

Section 502: (a) Authorizes the Secretary to delegate authority to render decisions under this act to such person or persons as he may find necessary, and provides that decisions rendered by such person or persons within the limitations of such delegation of authority shall have the same effect as though rendered personally by the Secretary.

(b) Provides that any decision (except as to yearly renewable term insurance or Government life insurance) rendered or approved by the Secretary under the provisions of this act, and the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review, by mandamus or otherwise, any such decision.

Section 503: (a) Authorizes the Secretary and such persons as he shall designate in writing to apply to any United

States court to issue subpena for and compel the attendance of any witness being within the jurisdiction of such court before any officer of the court or any person from the Bureau designated or detailed under subsection (b) of this section, to be examined orally or on written interrogatories, the production of books and papers or other documents within the jurisdiction of the court; and in case of contumacy or refusal to obey such subpena the judge of the court may punish such offense in like manner as any court of the United States may do in case of process of subpena ad testificandum; and that witnesses so required to attend shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(b) Authorizes the Secretary to detail clerks or persons employed in the Department to make special examinations into the merits of claims, whether pending or adjudicated, as he may deem proper; to aid applicants in the preparation of their claims; to investigate any suspected attempt at fraud and to aid in the prosecution of anyone appearing to be guilty of fraud in the preparation or presentation of claims for pension; to grant authority to such detailed persons to administer oaths in connection with their work and to employ stenographers when deemed necessary by the Secretary in important cases, and to pay them such additional compensation as he may deem necessary.

(c) Authorizes the Secretary, upon request, to detail one clerk to each legislative committee of Congress having jurisdiction over legislation relating to pensions or monetary benefits to veterans.

Section 504: (a) Provides that claims for benefits under this act shall be filed with the Department in such form as the Secretary shall approve, and shall be sworn to before an officer authorized by law to administer oaths for general purposes or any person authorized by this act to administer oaths.

(b) Provides that in case an application is not complete at time of original submission the Secretary shall notify the applicant of the evidence necessary to complete the application, and that if such evidence is not received within 1 year of date of request, therefore no pension shall be payable by virtue of such application.

(c) Requires that briefs of determinations containing signed endorsements in ink of determination or adjudications be kept attached to each application and papers relating thereto.

Section 505: (a) Authorizes and directs the Secretary, for the purposes of part I of title I and for the purpose of title II, to adopt and apply a schedule of ratings based, as far as practicable, on the average impairment of earning capacity in civil occupations. The schedule to provide 10 grades of disability and no more upon which payment of pension shall be based, namely, 10 percent, 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, 80 percent, 90 percent, and 100 percent.

(b) Authorizes and directs the Secretary, for the purposes of parts III and V of title I of this act, to apply the schedule adopted under subsection (a) of this section except that he shall employ only the 50-percent and the 100-percent grades thereof, with an additional grade of 75 percent.

Part II: Appeals

Section 521: Provides for the establishment of a Board of Veterans' Appeals to be composed of a chairman, vice chairman, and not to exceed 15 associate members. Also provides for necessary professional, administrative, clerical, and stenographic personnel. Members of the board to be appointed by the Secretary.

Section 522: Provides that all questions on claims involving benefits within the jurisdiction of the Department shall be subject to review on appeal by the board, and when a claim has been disallowed by the board it may not thereafter be reopened and allowed except on new evidence from service department, and no new claim shall be considered except on new and material evidence. The board shall, in its decisions, be bound by the regulations prescribed by the Secretary.

Section 523: Provides that appeals, except in simultaneously contested claims, must be filed within year from the date of mailing notice of the original determination; that such appeals be filed with the head of the activity that entered the denial, who shall, within 90 days, consider and determine whether the action from which the appeal is taken shall be adhered to, and if he shall determine not to recede therefrom he shall, within the 90-day period, forward such appeal, together with the record in the case and a report stating his reasons for the action complained of, to the Secretary, and such appeal shall be entered upon a docket kept for that purpose, and the jurisdiction of the activity involved shall then cease and the matter shall be decided by the board. If no appeal is filed within the period specified the action taken on initial review shall become final, except where subsequent to such disallowance new and material evidence is furnished.

Section 524: (a) Provides that applications for review on appeal shall be made in writing and may be filed by the claimant, his guardian or duly authorized agent and that not more than one agent be recognized at any time in the prosecution of a claim.

(b) Requires that each appeal must show the name and service of the veteran on whose service the claim is based, as well as the number of the claim, the date of the action appealed from, and the benefit sought.

(c) Requires that each appeal shall contain specific assignment of error of law or mistake of fact in the adjudication of the claim, and provides that any appeal insufficient in this respect may be dismissed.

(d) Provides that an appeal shall not be considered unless it is prepared and filed in conformity with this part.

(e) Requires that the board shall maintain a docket, permits formal recorded hearings in exceptional cases only, and requires that cases be considered and decided in regular order according to their places on the docket, unless advanced on motion for earlier consideration by reason of involving interpretation of law of general application or for other sufficient cause shown.

Section 525: (a) Provides that in simultaneously contested claims, where one is allowed and the other rejected, the time for filing an appeal shall be within 60 days—except in case claimant resides in a foreign country or an outlying possession, 6 months—from date of mailing notice of the original action to the claimant to whom the action was adverse. In such cases the Secretary shall promptly notify all parties in interest of the original action taken, expressly calling attention to the fact that an appeal will not be entertained unless filed within the period prescribed in this section, such notices to be mailed to the parties in interest at the last-known address of record, and such mailing shall constitute sufficient evidence of notice.

(b) Directs that upon the filing of an appeal in simultaneously contested claims all parties, other than the appellant, whose interests may be adversely affected by the decision shall be notified of the substance thereof and allowed 30 days—except in case the party resides in a foreign country or an outlying district, 3 months—from the date of mailing such notice within which to file brief or argument in answer thereto before the papers are forwarded to the Board of Appeals; that the mailing of notices to the last-known address of record of the parties whose interest may be adversely affected shall constitute sufficient evidence of notice.

Part III: Records and reports

Section 531: (a) Provides that all files, records, reports, and other papers and documents pertaining to any claim, whether pending or adjudicated, shall be deemed confidential and privileged, and no disclosure thereof shall be made, except as follows:

(1) To a claimant or his duly authorized agent as to matters concerning himself alone when, in the judgment of the Secretary, such disclosure not be injurious to the physical or mental health of the claimant.

(2) When required by processes of a United States court.

(3) When required by any department or agency of the United States Government.

(4) In all proceedings in the nature of an inquest into the mental competency of the claimant.

(5) In any judicial proceedings when in the judgment of the Secretary such disclosure is deemed necessary and proper.

(b) That the amount of pension of any beneficiary shall be made known to any person who applies for such information, and the Secretary, upon determination that the public interest requires it, may, at any time and in any manner, publish any or all information of record pertaining to any or all claims.

(c) The Secretary may authorize an inspection of Department records by duly authorized representatives of recognized organizations upon written authority from the claimant.

Section 532: (a) Provides that any person desiring to obtain a copy of any record, paper, or document in the custody of the Department which may be disclosed under the provisions of section 531 must make written application therefor to the Department, stating specifically—

(1) The particular record, paper, or document a copy of which is desired;

(2) Whether certified or uncertified copy is desired; and

(3) The purpose for which the copy is to be used.

(b) The Secretary is authorized to fix a schedule of fees for copies and certifications of such records.

(c) Certified copies furnished under this part shall be admitted in evidence equally with the originals thereof.

Part IV: Attorneys, agents, and representatives

Section 541: Authorizes the Secretary to recognize representatives of the American Red Cross, the American Legion, the Disabled American Veterans, the Grand Army of the Republic, the United Spanish War Veterans, Veterans of Foreign Wars, and such other organizations as he shall approve, in the presentation of claims. No such representative to be recognized until a certificate has been filed in the Department, under such regulations as the Secretary may prescribe, certifying that no fee or compensation of whatsoever nature shall be charged veterans or the dependents of veterans for service rendered.

Section 542: (a) Authorizes the Secretary to recognize agents and attorneys in the presentation of claims and to prescribe regulations relative thereto. Such regulations may require that such attorneys and agents show that they are of good moral character and in good repute, possessed of the necessary qualifications to render such claimant valuable service and otherwise competent to advise and assist applicants in the presentation of their claims. Forbids the recognition as an attorney or agent of any person who (1) has been an officer or employee of the Bureau within 2 years or when the claim was pending, or (2) is an officer or employee, appointive or elective, of any organization whose representatives are recognized under section 541 of this act, who transacts business relating to any such claim from or at an office, from or at which any such organization carries on its work incident to presenting claims, or who uses the stationery of any such organization in transacting business relating to any such claim. Such regulation to contain a provision requiring the filing in each claim a power of attorney in such manner and form as the Secretary shall prescribe. Forbids the payment of a fee to any person not recognized as an agent or attorney under this section.

(b) Authorizes the Secretary to suspend or exclude from further practice before the Department any agent or attorney, for cause, after hearing.

(c) Authorizes the Secretary to determine and pay fees in pension claims, to prescribe regulations governing the award, the amount and mode of payment of such fees and the deduction thereof from the pension, and provides that where duplicate fee agreements are filed a fee not in excess of $25 may be paid, and if no such agreements are filed the fee shall not exceed $10 and in no case shall a fee be allowed except on the rendition of material service; authorizes the Secretary to prescribe the form of articles of agreement for such fee.

Part V: Definitions and construing provisions

Section 551: (a) The definitions set forth in this part shall be applicable when used in this act, unless the context otherwise requires.

(b) The term "Secretary" means the Secretary of Veterans' Affairs, and the term "Department" means the Department of Veterans' Affairs.

(c) The term "pension" when used in part III of title III and in parts I, II, and III of title IV of this act shall include "emergency officers' retirement pay" and "compensation" and the term "pensioner" shall include any person receiving compensation or emergency officers' retirement pay.

(d) The term "military or naval service" includes the Army, the Navy, the Marine Corps, and the Coast Guard on and after July 2, 1930; and the Naval Reserves, the National Naval Volunteers, the State militia, and the Coast Guard prior to July 2, 1930, while serving pursuant to law with the Army or Navy in time of war or national emergency.

(e) The term "person who served" and the term "veteran" both include—

(1) Any person, whether male or female and whether commissioned, enlisted, enrolled, or drafted, who was finally accepted for active service in the military or naval service of the United States;

(2) Any member of a training camp authorized by law;

(3) Any other person heretofore recognized by statute in force on the date of enactment of this act as having a pensionable status; and

(d) In the case of service in any war (including the Philippine Insurrection, China Relief Expedition, any Indian campaign, and any military expedition or military occupation), any officer, enlisted man, member of the Army Nurse Corps (female), member of the Navy Nurse Corps (female), any woman who served as a contract nurse, and any individual who served overseas as a contract surgeon of the Army.

(f) The term "widow" means a woman who was lawfully married to a veteran, thereafter deceased, and, except for cases provided for in subsection (b) and (d) of section 443, who has not remarried since his death.

(g) In the case of the Civil War or an Indian campaign, the term "remarried widow" means a woman who was lawfully married to a veteran, thereafter deceased, who subsequently remarried and is again a widow by the death or divorce of the subsequent husband or husbands.

(h) The term "mother" or "father" means a natural mother or father of the veteran, or a mother or father of the veteran through legal adoption prior to service of the veteran.

(i) The term "child" means a person never married and under the age of 18 years, or one, regardless of age, who prior to attaining the age of 18 years, becomes or has become permanently incapable of self-support by reason of mental or physical defect, who is a legitimate child, a child legally adopted prior to the service of the veteran, a stepchild, if a member of the father's household, or an illegitimate child, but as to the father only, if acknowledged in writing signed by him, or if he has been judicially ordered or decreed to contribute to such child's support, or has been judicially decreed to be the putative father of such child.

Section 552: (a) Provides that an injury or disease or a preexisting disease or injury will be deemed to have been incurred or aggravated "in line of duty" when the person on whose account benefits are claimed was, at the time the injury or disease was incurred or aggravated, in the active military or naval service, whether on active duty or on authorized leave for a period of time which did not materially interfere with the performance of his regular routine of duty, except where the incurrence or aggravation was due to misconduct on his part, unless at the time of the incurrence or aggravation the person was absent from his organization or other post of duty on a furlough or leave of absence which materially interfered with the performance of regular routine of duty; was confined under sentence of court martial or civil court or was resisting lawful arrest; was relieved from all active performance of duty by command of his superior

officer as a result of intemperate use of drugs or alcoholic liquor, or because of injury or disease due to his misconduct; was acting in disobedience of lawful orders of his superior officer or in violation of the rules and regulations of his organization; or, whether at his post or lawfully absent, if the injury or disease or aggravation was caused by something not involving misconduct but done in pursuing some private business or avocation.

(b) When the incurrence or aggravation of a disease or injury is suffered while on leave, the burden of proof shall be on the claimant to show that it was in line of duty.

Section 553 directs that a disability due to venereal disease shall be held to be not in line of duty, unless it be shown that it was not due to illicit sexual intercourse, and any disability due to an act of omission or commission, wrong in itself, or one opposed to the principles of good morals, or when due to gross negligence, gross carelessness, alcoholism, drug addiction, or self-infliction of wounds shall be held to be not in line of duty.

Section 554: (a) Provides that in any claim for benefits under this act marriage shall be proven to be legal marriage according to the law of the place where the parties resided at the time of marriage or at the time the right to the benefit claimed accrued.

(b) Provides that for the purpose of this act the death of a veteran shall be considered as sufficiently proved if satisfactory evidence is produced establishing the fact of the continued and unexplained absence of such veteran from his home and family for a period of 7 years, during which period no intelligence of his existence shall have been received.

Section 555 provides that the term "departmental facilities" as used in this act shall include the following:

(a) Any facility over which the department has direct and exclusive jurisdiction;

(b) Any other Government facility for which the Secretary may deem necessary to contract.

(c) Any private facility for which the Secretary may deem it necessary and proper to contract in order to provide hospital care in emergency cases; for women veterans of any war; and for veterans of any war in the territories and possessions.

Section 556 requires that the provisions of this act shall be construed without reference to any prior interpretation of any act, any part of an act, or any Executive order which is reenacted in this act, or appears in similar language in this act, expressed or implied in or by any order, regulation, rule, decision, determination, adjudication, or otherwise.

TITLE VI: MISCELLANEOUS

Part I: Penalties

Section 601 provides maximum penalty of $5,000 fine or 2 years' imprisonment, or both, for making a false affidavit, knowingly, in any claim.

Section 602: Provides maximum penalty of $2,000 fine or 1 year imprisonment, or both, where a person has title to pension which is terminated by the happening of a contingency and who continues to accept payments.

Section 603: Provides maximum penalty of $2,000 fine or 1 year imprisonment, or both, for accepting any money, check, or pension, without being entitled to it, and with intent to defraud the United States or any beneficiary of the United States.

Section 604: Provides maximum penalty of $1,000 fine or imprisonment for 1 year, or both, for in any way aiding in the making or presentation of any false statement concerning any claim for benefits under this act, and in addition to all other penalties prescribed forfeits all rights to benefits under this act.

Section 605: Provides a maximum penalty of $1,000 fine or 5 years imprisonment, or both, for forging an endorsement on a pension check or uttering such check knowing that the endorsement is forged or for falsely personating the rightful owner of any such check, obtain all or any part of the amount represented by such check.

Section 606: Provides maximum penalty of $2,000 fine or 5 years imprisonment, or both, in case of anyone in a fiduciary capacity who embezzles benefits paid under the provisions of this act.

Section 607: Provides a maximum penalty of $2,000 fine or 1 year in prison, or both, in case of any person collecting fees for services in presentation of claims under this act, other than may be authorized under section 542 of this act.

Section 608: Provides a maximum fine of $500 or maximum 2 years imprisonment, or both, in case of any person who demands, receives, or retains any compensation for services in securing the introduction or passage of a bill by Congress granting pension or increase of pension.

Part II: Joint congressional committee on veterans' affairs

Section 621: Provides for the establishment of a joint congressional committee to be composed of the chairman and the ranking majority and minority members of the Committees of the House on Invalid Pensions, Pensions, and World War Legislation and of the Committees of the Senate on Finance and Pensions, and of the subcommittees of the House and Senate Committees on Appropriations for the Department of Veterans' Affairs.

Section 622: Fixes the duties of the joint committee, as follows:

(1) To investigate the operation and effects of the Federal system of benefits to veterans and their dependents.

(2) To investigate the administration of the pension laws by the Secretary or any department, establishment, or agency charged with their administration.

(3) To investigate measures and methods for the simplification of pension laws and their administration.

(4) To report from time to time to the committee of the House and Senate having legislative jurisdiction over pensions and other benefits the results of their investigations, together with such recommendations as it may deem advisable.

Section 623: (a) Directs that the joint committee shall meet as soon as practicable and elect a chairman and vice chairman from among its members, and empowers it to appoint and fix the compensation of a clerk and such other clerical, expert, and stenographical assistants as it deems advisable.

(b) Ten members shall constitute a quorum, but not less than four members of each House.

(c) Authorizes the joint committee, or any subcommittee thereof, to hold hearings and sit and act at such places and times, in the District of Columbia or elsewhere, whether or not Congress is in session, to issue subpenas, administer oaths, and require the production of books, papers, and documents, and incur expense of printing and binding.

(d) Subpenas to be issued over the signature of the chairman or vice chairman and served by any person designated by him. Extends the provisions of sections 101, 102, 103, and 104 of the Revised Statutes (U. S. C., title 2, secs. 191, 192, 193, and 194) in case of a subpena.

(e) Provides that members shall not receive compensation, other than as Members of Congress, except that they shall be reimbursed for necessary expenses incurred by them other than expenses incurred by them in connection with meetings held in the District of Columbia during such time as Congress is in session.

(f) Provides for one-half of the expenses from the contingent fund of the Senate and one-half from the contingent fund of the House.

Part III: Emergency officers' retirement pay

Section 631: Provides that any person who, first, served as an officer of the Army, Navy, or Marine Corps of the United States during the World War, other than as officer of the Regular Army, Navy, or Marine Corps during the World War; second, entered active service between April 6, 1917, and November 11, 1918; third, made valid application for retirement under the provisions of the Emergency Officers' Retirement Act of May 24, 1928 (U. S. C., Supp. VII, title 38, ch. 10A); and fourth, prior to the passage of the act entitled "An act to maintain the credit of the United States

Government", approved March 20, 1933, was granted retirement with pay, shall, subject to such regulations as may be prescribed by the Secretary pursuant to this act, be entitled to continue to receive retirement pay at the monthly rate being paid him on March 19, 1933, if the disability for which he has been retired with pay resulted from disease or injury or aggravation of a preexisting disease or injury, incurred in line of duty during such service and is shown to have proper rating prior to March 20, 1933, and if the disease or injury directly resulted from the performance of military or naval duty.

Part IV: Army and Navy medal of honor roll

Section 641: (a) Provides for in the War and Navy Departments a medal of honor roll to be composed of the name of each surviving person who has attained or shall hereafter attain the age of 50 years, who served in the military or naval forces of the United States in any war (including the Philippine Insurrection, China Relief Expedition, any Indian campaign, military expedition or military occupation), who has been awarded a medal of honor by reason of gallantry of intrepidity at the risk of his life above and beyond the call of duty, and who was honorably released from service by muster out, resignation, retirement, or otherwise; fixes the mode of procedure to have named places on said roll and that rank in service shall not be considered in applications hereunder.

(b) Directs that the Secretary of War and the Secretary of the Navy shall, according to the service rendered, furnish each person whose name appears on said roll, a certificate showing the act or acts for which the medal of honor was awarded and a verified copy of each, except where the service was terminated by retirement, to the Secretary of Veterans' Affairs, which shall be his warrant for allowing the extra pension provided in section 124 of this act.

(c) Repeals act of April 27, 1916.

Part V: Insurance

Section 651: Prohibits additional payments of insurance under sections 305 and 309 of the World War Veterans' Act, 1924, as amended, or the third proviso of section 408 of the War Risk Insurance Act, as amended, except those persons actually receiving payments on the date of the enactment of this act, or in those claims where, prior to the date of enactment of this act, it has been determined by the Veterans' Administration that all or parts of the insurance is payable under such sections and the interested person or persons entitled thereto have been informed of such determination, and fixes the order of preference of relatives entitled to unpaid installments of a beneficiary who dies while receiving insurance payments.

Section 652: Prohibits the granting of any United States Government life insurance under the provisions of title III of the World War Veterans' Act, 1924, as amended, after the date of enactment of this act, except pursuant to such provision relating to reinstatement or conversion.

Part VI: Repeals and saving provisions

Section 661: (a) Acts or parts of acts, as amended, are hereby repealed, except such acts or parts of acts as relate to yearly renewable term insurance or Government life insurance, which shall continue in force and effect insofar as they relate to such insurance:

(1) Title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended.

(2) Section 20 of the Independent Offices Appropriation Act, 1934, approved June 16, 1933.

(3) Title III of the Independent Offices Appropriation Act, 1935.

(4) The act entitled "An act to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War", approved June 28, 1934.

(5) The World War Veterans' Act, 1924, as amended.

(6) Sections 470 to 474, both inclusive, 1639, 1656, 1657, and sections 4692 to 4791, both inclusive (except sec. 4751 to 4763, both inclusive), as amended, of the Revised Statutes.

(7) Miscellaneous administrative provisions of the pension laws: Act of July 25, 1882 (U. S. C., title 38, secs. 29, 71, 124); act of March 13, 1896 (U. S. C., title 38, sec. 32); act of July 26, 1892 (U. S. C., title 38, sec. 42); act of May 28, 1908 (U. S. C., title 38, secs. 48, 72, 113, 125); act of August 17, 1912 (U. S. C., title 38, secs. 50, 51, 52, 128); act of December 21, 1893 (U. S. C., title 38, sec. 56); act of June 21, 1879 (U. S. C., title 38, sec. 57); act of July 18, 1894 (U. S. C., title 38, sec. 73); act of March 3, 1879 (U. S. C., title 38, secs. 92, 93); act of June 7, 1888 (U. S. C., title 38, sec. 94); act of March 2, 1895 (U. S. C., title 38, sec. 96); act of March 3, 1905 (U. S. C., title 38, sec. 97); act of July 4, 1884 (U. S. C., title 38, sec. 115); act of March 3, 1891 (U. S. C., title 38, sec. 122); act of March 3, 1875 (U. S. C., title 38, sec. 123).

(8) Indian war pension laws: Act of July 27, 1892 (U. S. C., title 38, sec. —); act of February 3, 1893 (U. S. C., title 38, sec. —); act of June 27, 1902 (U. S. C., title 38, sec. —); act of April 19, 1908 (U. S. C., title 38, sec. —); act of May 30, 1908 (U. S. C., title 38, sec. —); act of February 19, 1913 (U. S. C., title 38, sec. —); act of March 4, 1917 (U. S. C., title 38, sec. —); act of September 1, 1922 (U. S. C., title 38, sec. —); act of May 21, 1926 (U. S. C., title 38, sec. —); act of March 3, 1927 (U. S. C., title 38, sec. —).

(9) Civil War pension laws: Act of June 27, 1890 (U. S. C., title 38, sec. —); act of August 5, 1892 (U. S. C., title 38, sec. —); joint resolution of February 15, 1895 (U. S. C., title 38, sec. —); act of March 2, 1895 (U. S. C., title 38, sec. —); act of March 6, 1896 (U. S. C., title 38, sec. —); act of May 9, 1900 (U. S. C., title 38, sec. —); joint resolution of July 1, 1902 (U. S. C., title 38, sec. —); act of April 24, 1906 (U. S. C., title 38, sec. —); joint resolution of June 28, 1906 (U. S. C., title 38, sec. —); act of February 6, 1907 (U. S. C., title 38, sec. —); act of March 4, 1907 (U. S. C., title 38, sec. —); act of May 11, 1912 (U. S. C., title 38, sec. —); act of June 10, 1918 (U. S. C., title 38, sec. —); act of May 1, 1920 (U. S. C., title 38, sec. —); act of May 23, 1928 (U. S. C., title 38, sec —); act of July 3, 1926 (U. S. C., title 38, sec. —).

(10) Spanish-American War pension laws: Act of July 16, 1918 (U. S. C., title 38, sec. —); act of June 5, 1920 (U. S. C., title 38, sec. —); act of September 1, 1922 (U. S. C., title 38, sec. —); act of May 1, 1926 (U. S. C., title 38, sec. —); act of June 2, 1930 (U. S. C., title 38, sec. —).

(b) Repeals all other acts and parts of acts inconsistent or in conflict with the provisions of this act.

(c) Provides that all offenses committed and all penalties incurred under the acts or parts of acts repealed by this section may be prosecuted and punished in the same manner and with the same effect as if such act or parts of acts had not been repealed, and any person who forfeited rights to benefits under any such acts or parts of acts shall not be entitled to benefits under this act.

Section 662: (a) Ratifies, except for fraud, mistake, or error, adjudications made under laws in force prior to the date of enactment of this act, and the further exception of men who are drawing pension or compensation based on the service of their wives; prohibits increasing or decreasing such rates under the provisions of the laws repealed.

(b) Provides that claims pending at the date of enactment of this act shall be adjudicated under the laws applicable and payments made at the rates provided in such laws; that in the event the claim is not complete the Secretary shall notify the applicant of the evidence necessary to complete the claim—if applicant had not been previously notified—and if such evidence is not received within 1 year from the date of such notice benefits shall not be paid by virtue of such claim; and provides further that benefits awarded under such claims shall not be allowed for any period prior to 1 year preceding the date of enactment of this act, and that all claims filed on or after the enactment of this act shall be adjudicated under the provisions of this act.

(c) Permits any person to relinquish pension, compensation, or emergency officers' retirement pay being paid, or being applied for in a claim pending at the date of enact-

ment of this act under laws in effect prior to such date, and claim and, if eligible, receive pension under the provisions of this act.

Section 663: Provides that this act shall take effect on the 1st day of the calendar month next following the month during which this act is enacted, except in cases otherwise expressly provided for in this act.

Section 664: Provides that this act may be cited as the "Uniform Pensions Act, 1935."

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FARMERS' CONVENTION

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I was very much impressed this morning by the very large attendance of farmers throughout the Nation at Constitution Hall. The thing that impressed me more than anything else about this meeting was that this large group, representing some thirty or thirty-five million of our population, are here not in protest but in approval of the farm-relief laws which have been passed during President Roosevelt's administration and which have favorably affected this group. I could not help but contrast this great group and their approval with various other groups which come to our National Capital in denunciation of the Congress and the things which the Congress has tried to do for the American people.

The A. A. A. and other farm-relief measures which have passed since President Roosevelt's inauguration have not only restored hope and confidence in the breasts of the American farmers but have redounded great benefits to our entire Nation.

The plan of the program has all along been to reestablish purchasing power in the hands of the American farmer and indeed to give him cost of production plus a reasonable profit. Cost of production and a reasonable profit have, directly and indirectly, been assured to the various industries of our country for many years; in fact, the industrial centers and the special interests of our Nation have fared well in the past in the matter of legislation favorably affecting their various groups and blocs, but until President Roosevelt's inauguration the farmer of our Nation was indeed the "forgotten man." Year after year his profits dwindled and his operating costs increased until he was producing at a loss and mortgages were over millions of the farms in our Nation. Without the rescue brought to the farmer through the administration, bankruptcy faced them from Maine to California and from Oregon to Florida.

Although the prices of farm commodities have been increased to the consumer, yet such increase was essential if the farmers were to be able to continue production. The industrial centers of our country, particularly New England, are indeed short-sighted when they make vicious attacks against the cotton-processing tax and other legislation which has meant the very existence of the farmers of the South and West. If these industrial centers should persist in their drive against the farmers of our Nation, and be successful in their efforts, they will "kill the goose that lays the golden eggs" and will find the remainder of their spindles idle and their various other factories entirely out of operation. After all, our Nation is one, indivisible and inseparable. If the livelihood, investment, and industries of 35,000,000 farmers of our Nation are destroyed, chaos will face the entire Nation. That which adversely affects one section of our country, or one class of our Nation, economically and indirectly, affects the entire Nation. When the farmers of our Nation profit and have a purchasing power, the entire country profits and the wheels of industry begin to turn.

During the Roosevelt administration shipments of goods in the 10 States of the Southeast, which are all agricultural States in our Union, increased almost 58 percent. Shipments are said to have increased from 115,649,678 pounds to 182,308,112 pounds. This tonnage originated in the industrial States. It was there manufactured and shipped to the States of the Southeast. This could not have obtained without the increased purchasing power of these States through President Roosevelt's general farm-relief program. The shipment of stoves and heaters alone increased from 6,251,271 to 11,481,799 pounds, which was an increase of 83 percent. Refrigerator shipments increased from 4,629,050 to 11,512,361 pounds, which was an increase of 148 percent. Shipments of matches increased from 3,090,632 to 7,973,280 pounds, and practically all of the manufactured articles which, mind you, are manufactured in our industrial centers of the Midwest and East increased to a great degree. This great purchasing power of the Southeast was made possible largely through the cash income from crops and benefit payments in these States, which increased from $451,637,000 in the year July 1, 1932, through June 30, 1933, to $722,017,000 for the year July 1, 1933, through June 30, 1934. The purchasing power of these States and other farm States has been greatly increased through the Government's refinance program through which millions of dollars have been loaned to liquidate farm indebtedness and to liquidate it at a lower rate of interest.

I congratulate the farmers of our Nation for converging on Washington in approval of the new deal's farm-relief program, and pledge my further best efforts for a full realization of every benefit embraced in the general relief program. Insofar as I know, no other group so representative of America has ever appeared in Washington in demonstration and approval. This patriotic move is convincing that the farmers of our Nation are the very foundation of democracy and our great institutions. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. LUDLOW. Mr. Speaker, reserving the right to object, there will be further general debate today, and can the gentleman not come in under the general debate?

Mr. RICH. I should like to have the time now, if the gentleman please.

Mr. LUDLOW. I shall not object to this request, but I wish to serve notice that we cannot allow anyone else to come in now.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Pennsylvania if he will answer the questions that were propounded to him yesterday and which he refused to answer and did not answer?

Mr. RICH. If the gentleman will get me additional time, I shall certainly answer the gentleman, and show what the A. A. A. is doing to this country.

Mr. TRUAX. Five minutes is enough time for the gentleman to answer the questions.

Mr. RICH. I have another matter that I want to call to the gentleman's attention this morning, and it may be something that is vitally important to him.

Mr. TRUAX. Then I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I read this article in the papers this morning:

HOUSE TYPEWRITERS TAKEN BY MEMBERS, TRIMBLE COMPLAINS

The trouble, says South Trimble, House clerk, is that a lot of the men who write the laws don't know what's in them when it comes to taking off Government typewriters.

Typewriters are furnished to Members of the House for their offices.

Testifying before the House Appropriations Committee, Trimble said:

"The biggest trouble we have with typewriters is due to the fact that Members do not know the law on the subject and send them home. There ought to be some steps taken to stop that. It is against the law to take typewriters out of the House Office Building."

Mr. Speaker, I want to say to you and to the Membership of this House that the public of the United States do not know who these thieves are and they may think it is you or me and I think the time has come when South Trimble, the Clerk of the House, whose duty it is to know where these typewriters are, should tell the people of the country who is stealing these typewriters. He should come in here with a list of the names of the Members of the House who are stealing these typewriters, so that the public may know who they are, and I may say to the Membership of the House that the way it is now we are all incriminated unless South Trimble makes public a list of the men who have stolen these typewriters. I do not care whether they are Republicans or whether they are Democrats, whether they are from the North or whether they are from the South, whether it is the Speaker of the House or whether it is one of the lowliest Members of the House, I think the time is here when public officials, whose responsibility it is to guard and protect the property of this country, should come out flat-footed and give the names of these thieves, whether they be Senators, Representatives, or any Government employee. They are nothing but thieves who are stealing typewriters from the Federal Government and they should be punished.

Mr. MARTIN of Colorado, Mr. LUDLOW, and Mr. BLANTON rose.

Mr. RICH. Mr. Speaker, I cannot yield to all of these gentlemen at once.

Mr. MARTIN of Colorado. I would like to ask the gentleman what is the gender of these typewriters. The gentleman has been talking about typewriters for 5 minutes and we do not know whether they are feminine or neuter typewriters.

Mr. RICH. The gentleman comes from Colorado, and I do not know whether they make typewriters out there or not, but I may say to the gentleman that it is an instrument with so many keys on it alphabetically arranged and is used for the purpose of writing letters. This is the kind of machine I am talking about. I am not talking about the individual who operates the machine, but I may say to the gentleman that if Members of Congress are stealing these machines they ought to be made to bring them back, and they should not incriminate you or incriminate me with such insinuations as I am demanding the names of the thieves, that they may be published in this RECORD.

Mr. LUDLOW. Mr. Speaker, will the gentleman now yield to me?

Mr. RICH. I yield.

Mr. LUDLOW. I think the gentleman is doing a great injustice to Mr. Trimble. Mr. Trimble did not insinuate, and it was not in his mind to insinuate, that any Member of Congress was a thief; but his statement was that just through inadvertence and through a lack of familiarity with the law some Members have taken their typewriters home without any intention whatever of stealing Government property. I think this ought to be said in Mr. Trimble's behalf. He never once thought of insinuating that Members were deliberately stealing typewriters. His testimony is clear that he never had such a thought.

Mr. RICH. If you can read this article and then say that he did not mean that these Members of Congress were thieves, I do not understand the English language. Mr. Trimble knows what the law is and has the power to demand that Members of Congress bring these typewriters back, and I think he ought to do it. He has the power and authority to demand their return. They are property of the Government. Every man and woman in our country has an interest in them. And when a Member of Congress takes a typewriter home and refuses to return it, then it is simply thievery, and Mr. Trimble knows it, you know it, and I know it is thievery. So let us have the names published and take action to punish the offenders.

[Here the gavel fell.]

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 1384) entitled "An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to amend the Farm Credit Act of 1933, and for other purposes", requests a conference with the House on the disagreeing votes of the two houses thereon, and appoints Mr. FLETCHER, Mr. WAGNER, Mr. BARKLEY, Mr. BYRNES, Mr. CAREY, and Mr. COUZENS to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that in my extension of remarks in the RECORD I may include therein a résumé of my bill (H. R. 7375) known as the "uniform pension bill."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE FAVORABLE TAX POSITION OF WISCONSIN

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein several brief tables.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WITHROW. Mr. Speaker, there have been numerous efforts to discredit the Wisconsin system and principles of taxation. Most of this unfounded propaganda would lead us to believe that the principles of taxation which have been and are being used in Wisconsin have resulted in driving industry out of the State.

The fact is that Wisconsin has enjoyed far greater industrial prosperity than have comparable States and that Wisconsin's tax and financial position is much more favorable than that of comparable States.

In order that Members of the House may have these facts available for ready reference and for the information of citizens of Wisconsin, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD several tables which have been prepared by the Wisconsin State Chamber of Commerce of Milwaukee, Wis. This pamphlet is entitled "The Favorable Tax Position of Wisconsin", and is compiled from figures prepared by the United States Census Bureau, the Wisconsin Tax Commission, and the University of Wisconsin.

The matter referred to is as follows:

FROM 1932 UNITED STATES CENSUS BULLETINS

The Bureau of the Census of the Unted States Department of Commerce recently has released the financial statistics of State governments for the fiscal year ending June 30, 1932, and including statistics for the counties, the cities, the villages, the school districts, the towns, and other local units of government for a fiscal year most nearly conforming to that of the State. The figures in the next three tables are taken from these statistics.

TABLE I.—*General property tax levies of 7 States*

State	Estimated population Jan. 1, 1932	Assessed valuation	General property tax levies	Per capita general property tax
Illinois	7,747,000	$7,268,879,901	$391,159,259	$50.49
Indiana [1]	3,270,000	5,073,241,146	138,341,947	42.31
Michigan	4,962,000	8,262,954,179	266,717,413	53.75
Minnesota	2,582,000	2,307,137,311	120,302,305	46.59
New York	12,812,000	20,559,935,648	824,022,593	64.32
Ohio	6,737,000	[2] 13,452,946,926	[2] 302,861,126	44.95
Wisconsin	2,970,000	[2] 5,073,700,514	121,591,679	40.94

[1] 1931. [2] 1930.

TABLE II.—*Public debt of 7 States, including all their civil divisions*

State	Population	Total revenues collected	Interest on debt	Public debt of State and all civil divisions	Per capita debt
Illinois	7,747,000	$558,900,332	$60,216,374	$1,290,544,743	$166.59
Indiana [1]	3,270,000	221,546,561	10,320,137	198,850,191	60.81
Michigan	4,962,000	443,965,421	41,217,663	782,305,782	157.66
Minnesota	2,582,000	216,856,114	16,210,691	285,111,357	110.42
New York	12,812,000	1,388,734,303	145,742,791	3,477,533,971	271.43
Ohio	6,737,000	507,879,703	50,204,942	[1] 874,935,163	[1] 129.87
Wisconsin	2,970,000	256,456,747	[2] 9,190,895	[3 4 5 6] 205,234,223	[7] 69.10

[1] 1931.

[2] The interest paid by Wisconsin on its total indebtedness is less than that paid by the other States. Also, the interest charges on the bonded indebtedness of the State of Wisconsin and all of its political subdivisions take a smaller percentage of the total taxes than they do in any competing State.

[3] The ratio of the bonded debt to the tangible wealth is smaller in Wisconsin than it is in these other States.

[4] Since June 30, 1932, the public indebtedness of Wisconsin has been reduced by an additional $4,737,955.

[5] If a debt is retired in 20 years and pays only 5-percent interest in the meanwhile, it takes 5 percent of the indebtedness each year and 5 percent in interest each year for 20 years to repay it. Wisconsin, therefore, with half the debt of the average State, each year has a 10-percent advantage because of its low public indebtedness.

[6] The default on public indebtedness in Wisconsin is less than 1 percent of the total as compared to 25 percent in some States. With a very few exceptions, its securities sell above par. They are prime trust investments.

[7] The public indebtedness of all of the States and all of their civil divisions for the year ended June 30, 1932, was $17,589,515,000, or an average of $141.27 per capita for the Nation, as against the per capita debt of $69.10 for Wisconsin. The per capita debt of Wisconsin is less than half of the average for the country due to its "pay-as-you-go" policy. The State constitution prohibits State indebtedness. Municipal ndebtedness is limited to 5 percent of assessed valuation.

TABLE III.—*Permanent improvements in 7 States in 1932*

State	1932 population	Total revenues, 1932	Permanent improvements, 1932	Percent of total	Per capita
Illinois	7,747,000	$558,900,332	$156,232,500	28.0	$20.17
Indiana [1]	3,270,000	221,546,561	47,504,719	21.4	14.53
Michigan	4,962,000	443,965,421	75,137,036	16.9	15.14
Minnesota	2,582,000	216,856,114	59,324,218	27.4	22.98
New York	12,812,000	1,388,734,303	432,859,113	31.2	33.78
Ohio	6,737,000	[1] 507,879,703	[2] 118,239,342	23.3	17.55
Wisconsin	2,970,000	256,456,747	73,428,400	28.6	24.72

[1] 1931. [2] 1930.

NOTE.—Three major factors must enter into any basic comparison of the cost of government as between States. They are current revenues, long-term or bonded indebtedness (spent currently), and current permanent improvements or outlays (assets), nonrecurring during the period of time for which a comparison is made. Hence the emphasis on these three major factors in current cost of government, as in tables I, II, and III.

FROM WISCONSIN TAX COMMISSION BULLETINS

TABLE IV.—*Wisconsin taxes reduced since 1930*

[Including State, county, and all other local taxes]

Year	Total taxes	Reduction	Per capita reduction
1930	[1] $184,120,797		
1931	183,683,744	$437,053	$0.14
1932	173,700,069	9,983,675	3.33
1933	157,250,068	16,450,001	5.48
1934	150,917,589	6,332,479	2.12
Total reduction		33,203,208	11.07

[1] The all-time high point in Wisconsin taxes.

TABLE V.—*County and all other local taxes in Wisconsin reduced since 1930*

Year	Total taxes	Reduction	Per capita reduction
1930	[1] $117,957,083		
1931	116,512,555	$1,444,528	$0.48
1932	106,756,277	9,756,278	3.25
1933	94,304,494	[2] 12,451,783	4.15
1934	89,846,820	[2] 4,457,674	1.49
Total reduction		[3] 28,110,263	9.37

[1] The all-time high point in local taxes.

[2] Local taxes have been reduced since June 30, 1932, the date of the United States census, $16,909,457 in 1933 and 1934.

[3] This $28,110,263 reduction in local (real and personal) taxes is the result of a concerted effort in more than 200 of the major political units in the State.

TABLE VI.—*Wisconsin tax revenues classified by source, showing percent of each to total, 1930–34*

Year	General property taxes [1]	Percent to total	Special property taxes [2]	Percent to total	Other special taxes [3]	Percent to total	Inheritance taxes [4]	Percent to total
1930	[5] $122,253,862	66.4	$13,843,224	7.5	$3,769,965	2.1	$2,703,497	1.4
1931	[5] 120,855,119	65.8	14,381,487	7.8	3,406,214	1.9	2,810,216	1.5
1932	106,756,277	61.4	13,924,486	8.0	4,185,931	2.4	3,999,206	2.3
1933	94,304,494	60.0	13,458,938	8.5	3,794,981	2.4	2,618,602	1.7
1934 [5]	[5 6] 90,269,379	59.8	[7] 12,283,312	8.1	[7] 5,735,387	3.8	[7] 1,626,981	1.1

Year	Income taxes [8]	Percent to total	Motor vehicles [9]	Percent to total	Total taxes
1930	$21,447,486	11.7	$20,102,763	10.9	$184,120,797
1931	20,812,439	11.3	21,418,269	11.7	183,683,744
1932	17,259,212	10.0	27,574,957	15.9	173,700,069
1933	18,867,384	12.0	24,205,669	15.4	[10] 157,250,068
1934 [5]	[11] 14,261,665	9.5	[12] 26,740,865	17.7	[10] 150,917,589

[1] "General property taxes" include real and personal property.

[2] "Special property taxes" are assessed by the tax commission and taxes are levied at the average State rate. These special property taxes include taxes paid by railroads, street railways, light, heat and power companies, sleeping car, express, telegraph, conservation and regulation companies.

[3] "Other special taxes" include freight line, grain and coal occupational taxes, telephone, insurance, forest crop, oleomargarine, emergency chain store, malt beverages and liquors and boxing club taxes.

[4] "Inheritance taxes" include inheritance, emergency transfer and emergency gift taxes.

[5] Since 1931 the State general property tax has been abolished. In 1930, $4,296,779 was raised for schools and forestry; in 1931, $4,342,564. In 1934, $975 is included for forestry and $421,584 for aids to schools from the common school fund.

[6] Real estate now pays less than 60 percent of total taxes. This is from 10 to 15 percent below the average of other States and represents a reduction of 24.9 percent from Wisconsin's all-time high of 84.7 percent in 1911. Together with the 10-percent advantage in taxes on low indebtedness, this will account for low future taxes in Wisconsin other conditions remaining equal.

[7] It will be noted that the special property taxes, the other special taxes and the inheritance taxes are about the average.

[8] "Income taxes" include the normal, the bonus surtax, the teacher's retirement surtax, the emergency relief surtax of 1931 and the emergency surtax of 1933, which was collected in 1934.

[9] "Motor vehicles" include the license, gasoline, and ton-mile tax. Wisconsin has no State real-estate tax, no poll tax, no general sales tax, no tax on cigarettes or cosmetics, no tax on intangibles, and no personal-property tax on automobiles.

[10] At the beginning of the depression Wisconsin had a balance in the State Treasury of about $27,000,000. About $25,000,000 of this has been used for relief. The State also has dipped into its unappropriated State highway funds to the extent of about $17,000,000. This $42,000,000 was already available for relief and did not require additional taxes. The above figures on total revenue raised also include $7,485,078 in income taxes for unemployment relief, the total amount raised by the State for this purpose to date.

[11] The low percentage of the total income tax to the total tax collected was 9.5 percent in 1934. The average percent of income tax to the total tax since the first income tax was collected in 1913 has been 8 percent of the total tax.

[12] The motor-vehicle taxes were raised slightly above the average during 1932–34 because an increased motor-vehicle tax was substituted for the personal-property tax on automobiles.

FROM BULLETIN OF THE UNIVERSITY OF WISCONSIN, BUREAU OF BUSINESS AND ECONOMIC RESEARCH, SERIAL NO. 1803, GENERAL SERIES 1587, ON "WISCONSIN INDUSTRY AND THE WISCONSIN TAX SYSTEM"

TABLE VII—*Comparative rating of Wisconsin and competing States in 30 tests of industrial prosperity 1925 to 1930*

	TESTS																															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total	Rank	Rank by Brookmire[1]
New York	2	6	4	3	5	2	1	1	2	7	2	8	8	1	1	1	2	1	1	7	1	8	2	3	1	4	6	5	7	4	106	2	4
Ohio	5	5	7	5	6	4	6	7	3	4	4	2	2	3	4	4	5	4	5	5	5	3	3	6	5	8	4	4	4	8	130	5	6
Indiana	7	7	6	7	3	6	8	8	8	1	5	4	4	6	8	8	1	6	6	1	6	2	6	8	8	6	1	3	1	5	156	7	7
Illinois	3	2	3	2	7	1	4	4	4	6	6	6	6	2	2	6	7	2	2	6	3	6	7	7	6	2	5	2	3	6	128	4	3
Michigan	1	1	1	6	8	3	3	5	5	3	1	7	7	4	5	2	4	3	3	2	2	7	1	2	2	7	8	7	5	2	117	3	2
Wisconsin	6	4	2	1	2	5	2	3	1	2	3	3	3	8	7	7	6	5	4	4	7	1	4	1	4	1	2	1	2	1	102	1	1
Minnesota	8	8	5	8	1	8	7	2	7	8	7	1	1	7	3	5	8	7	7	8	8	4	8	4	7	3	3	8	8	7	176	8	8
United States	4	3	8	4	4	7	5	6	6	5	8	5	5	5	6	3	3	8	8	3	4	5	5	5	3	5	7	6	6	3	155	6	5

[1] Growth in State income from 1925 to 1930, estimated by Brookmire Investors Service.

KEY TO TESTS

1. Relative increase in total population, 1920 to 1930.
2. Relative increase in urban population, 1920 to 1930.
3. Relative increase in population of leading city, 1920 to 1930 (United States arbitrarily rated eighth).
4. Relative increase in per capita income, 1925 to 1930.
5. Relative decline in State income in 1930 from 1929.
6. Per capita income for last 3 years: 1928, 1929, and 1930, averaged.
7. Relative increase in Federal income-tax collections, 1925 to 1930.
8. Relative increase in net income of all corporations, 1923 to 1928.
9. Relative increase in net income of manufacturing corporations, 1923 to 1928.
10. Percent of business concerns failing in last 5 years, 1926 to 1930, inclusive.
11. Number of bank failures in last 5 years, 1926 to 1930, inclusive.
12. Relative increase in per capita wealth, 1922 to 1929.
13. Absolute increase in dollars in per capita wealth, 1922 to 1929.
14. Per capita life insurance in force in 1929.
15. Life insurance sales per capita, 1926 to 1930, inclusive.
16. Per capita savings deposits in all banks, 1930.
17. Relative increase in savings deposits in all banks, 1925 to 1930.
18. Per capita building construction in 5 years, 1926 to 1930, inclusive.
19. Per capita building construction in leading city, 1926 to 1930, inclusive.
20. Relative growth in production of electricity in central power stations, 1925 to 1930.
21. Relative increase in bank debits, 1925 to 1930 (United States rated as average of six States outside of New York).
22. Relative decline in bank debits in 1930 over 1929.
23. Relative increase in gross postal receipts, 1925 to 1930.
24. Relative increase in assets of building-and-loan associations, 1924 to 1929.
25. Relative increase in motor-vehicle registrations, 1925 to 1930.
26. Relative increase in value of manufactured products, 1925 to 1929.
27. Relative increase in value added by manufacture, 1925 to 1929.
28. Relative increase in wages paid in manufacturing, 1925 to 1929.
29. Relative increase in number of wage earners in manufacturing, 1925 to 1929.
30. Relative increase in value of products made in leading industrial city of each State, 1925 to 1929.

NOTE.—Best showing in each test receives 1.

Rarely is it possible to present summarized data for the same relative period of time from three such authentic sources as a United States census, a well-organized and old statistical department of a State tax commission and a comprehensive study of a great university such as has been presented in the foregoing pages on the question of taxation and its relation to industry. It has been a pleasure to compile, publish, and forward this information.

Of course, Wisconsin has its tax problem, as do other States, not so much in the form of the tax load, or its system of taxation, as in the total tax load, or high cost of government. Therefore, the Wisconsin State Chamber of Commerce, upon its organization in 1929, began a study of taxation and laid the foundation for a tax-reduction program which it initiated in 1931, seeking a reduction rather than a shifting in the tax load. The results of this movement, very generally participated in by others, to date, are reflected in tables IV, V, and VI. We have figures similar to those in table VI for all years since 1911. These are from the records of the Wisconsin Tax Commission. For comparative purposes we shall be glad to exchange the Wisconsin figures for similar figures from other States.

WISCONSIN STATE CHAMBER OF COMMERCE,
208 East Wisconsin Avenue, Milwaukee, Wis.

APRIL 1935.

LEGISLATIVE APPROPRIATION BILL, 1936

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8021, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from New York [Mr. O'CONNOR] such time as he may desire.

Mr. O'CONNOR. Mr. Chairman, I think this is the first occasion on which I have read my remarks, but in attempting to answer the speech made yesterday by the distinguished gentleman from New York [Mr. SNELL], minority leader, it seems necessary, by reason of the fact that he used certain figures and tables, I, therefore, feel that it is impossible to talk extemporaneously. However, I would like to have the stenographer take notes, as I may digress from my manuscript at times.

Mr. Chairman, on yesterday the distinguished gentleman from New York [Mr. SNELL], the Republican leader of the House, read for 45 minutes a carefully prepared speech intended to attack some of the policies and performances of the administration. The speech was, in fact, a conglomeration of speeches made in the campaign of last fall. How effective they were at that time is now a matter of history. That, when they are carefully analyzed, they will have no greater effect in the future, I am confident. [Applause.]

Some might call the speech of yesterday the "opening gun of the campaign of 1936." It did come from the highest authority. The minority leader of the House ranks highest as the spokesman of his party. I personally would not call it the "opening gun." To me it was merely the puff of a cap pistol. [Laughter.]

The gentleman from New York started off by intimating that the policies of the new deal were "socialistic." That has always been the cry, that has always been the "bogey man" with which the Old Guard of the "rugged individualists", big business, made rich by a high protective tariff, and chambers of commerce have always attempted to frighten the man in the street and the man behind the plow. During the past 60 years, whenever the Democratic Party or any other group has suggested some measure of progress to benefit the many, rather than the few, we have heard that

wail "socialistic." Of course, it is "socialistic" to the Republicans to prevent our people from starving through no fault of their own. Of course, it is "socialistic" to the Republicans to see that every man willing to work gets a job. Of course, it is "socialistic" to the Old Guard to see to it that the farmer gets a square deal and is not crushed for the benefit of the manufacturer.

The Republican Party for years has been a party concerned only with industrial centers of the North and East and with no sympathy for the South or the West, the farmer or the worker. That is political history. [Applause.]

Of course it is "socialistic" to the "only party fit to rule" to stop the robbery by bankers of the hard-earned savings of our people. That attitude of the Grand Old Party is not new. It is engraved upon its shield. It is the first covenant of its principles.

Sometime ago the gentleman from New York attacked the Agriculture Adjustment Act with as little effect as yesterday he attacked N. R. A., P. W. A., and C. W. A. In passing, he claimed this administration failed to balance the Budget. The gentleman adapts his own theory to suit his own argument. He knows, as the country knows, that for the current expense of Government the Budget has been balanced, despite any statement of his to the contrary. I am likewise sure that he has not forgotten that during the last few years of Mr. Hoover's administration his party rolled up the deficit in current expenses of about $2,000,000,000 a year. Of course, it is true that extraordinary disbursements to assist our people to obtain work are not met each year. No one would expect them to be. They are not current expenses. Much of them are long-time disbursements, and, Mr. Chairman, most of them will be repaid to the Government.

On the theory adopted by the gentleman yesterday, a like criticism would lie against the administrations of Mr. Wilson and Mr. Harding for not balancing the entire Budget during the period of the World War and its aftermath. There are many thinking people in this country who believe the present war against depression, which this administration inherited from the gentleman's party, is more important, more severe, and more devastating to our people and our country's morale than the World War. What would the gentleman do? Would he wait until the revenue comes in, before he would take care of the millions of starving, unemployed people, when the credit of the Government is good, and it can borrow money, which in the last analysis is its own money? No individual, no business, would pursue that course. If an individual or a business had credit, he or it would borrow rather than starve; but you cannot teach this old dog of the "Grand Old Party" any new tricks. The old bromides of "rugged individualism", "pay as you go", and so forth, long ago became obsessions to such leaders of the "Grand Old Party." I do not know where they picked up the word "grand", but I do know the word "old" is appropriate. The Republican Party has not had a new idea in 60 years. [Applause and laughter on Democratic side.]

Now, let us see what the Republican leader, speaking for his party, has to say about the National Industrial Recovery Act, commonly called "N. R. A." He says it "failed completely and miserably." Of course, he and every Republican leader hoped and prayed since it became a law on August 1, 1933, that it would fail, and I challenge him today to name one leading member of his party who has raised one finger to help it succeed, for the benefit of our millions of wage earners. Name one such who ever offered a helpful or constructive suggestion! Like that hermit of Palo Alto, they all have been sulking in their tents, hoping for the worst to happen at the expense of their own Government, that they might serve their own selfish ends by returning to power. That is the undeniable fact, and our people will never forget it.

Let us analyze some of the figures in the gentleman's speech. He admits a remarkable recovery occurred following the inauguration of President Roosevelt in March 1933 and until August 1933. Employment increased. Wages increased and the farmer was benefited. He makes no comparison between that period and those distressful days under Mr. Hoover from October 1929 until March 1933, but he fixes on this point—August 1933—as the criterion upon which he bases his complaint from then on.

But again he makes no comparison between the conditions that have existed since August 1933, and those dark days of 1929 to 1933, when distress and starvation stalked our land, when 13,000,000 people were unemployed, and when, at the end, every bank in the Nation was closed.

However, although in the opinion of those who have analyzed his speech all his comparisons are unfair, let us see how correct are his figures and conclusions as to the N. R. A. His speech is first based on an obvious and glaring defect. He takes August 1, 1933, as his basic date for comparison. He points to the improvement between March and August 1933, as something brought about by "natural forces", which were arrested by N. R. A. This is not only nonsense, but it is deliberately disingenuous and meant to be. Everybody knows that during the spring of 1933 there was an active, speculative boom as a result of attempts to anticipate and discount N. R. A., A. A. A., and our expected monetary policy.

His employment figures show an equal disingenuousness in other respects. He cites Mr. Richberg's report of September 7, 1934, in which, as he alleges, Mr. Richberg stated that 4,000,000 had been employed in private enterprise and 4,000,000 in public works.

He remarks that that should have left only 2,000,000 unemployed, uncared for. As a matter of fact, the relief rolls at that time did show approximately 2,000,000 potential wage earners on relief. The 4,000,000 which he alleges Mr. Richberg claimed for Public Works were in fact those employed by the temporary C. W. A. program, as Mr. Richberg's report clearly states.

The Republican leader does a great deal of juggling with so-called "unemployment figures." He overlooks two vital facts. First, the number of available employables increases by about 400,000 a year as a result of normal growth in population. Second, unemployment figures when taken as of a particular date—and this is how the Republican leader used them—are very misleading, because of seasonal influences. For example, unemployment figures taken during an off-season in such industries as automobiles or textiles would show as unemployed hundreds of thousands of individuals who actually had many months of work during the year.

He charges N. R. A. has been a program of price fixing and production control. As a matter of fact, out of 712 codes and supplements only 6 have minimum-price provisions in effect. Some 58 more have effective prohibitions against selling below cost.

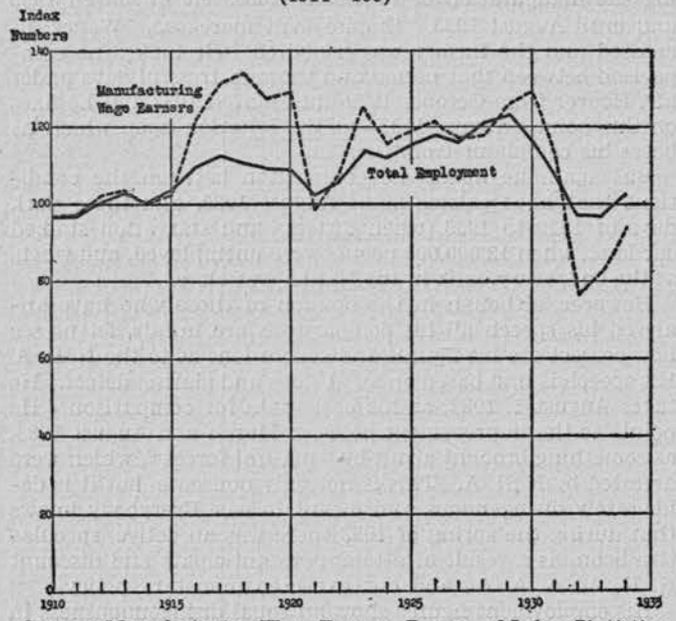
In regard to control of production the gentleman from New York [Mr. SNELL] declares that the N. R. A. has prohibited the installation of new plants and equipment. In point of fact, out of 712 codes and supplements only 10 really have such a provision in effect, but of those 10, 1 is petroleum, a natural resource, and 2 are codes for busses and trucks which are public utilities.

He said that Mr. Clay Williams, former Chairman of the National Industrial Recovery Board said that "if the National Industrial Recovery Act was to be effective it would undoubtedly drive out of existence the small business."

Mr. Williams made no such statement. He did point out to the Senate Finance Committee that the enforcement of decent minimum wages and maximum hours would tend to drive out sweatshops and fly-by-night operators, many of which just happen to be small.

EXHIBIT A

EMPLOYMENT IN THE UNITED STATES, 1910–34
(1914=100)



Source: Manufacturing Wage Earners, Bureau of Labor Statistics, and Recent Economic Changes; total employment computed from Census Bureau data and other sources.

Now, as to employment: Let us take the general improvement from March 1933 to and including March 1935.

In March 1933, from the figures of the Department of Commerce, there were 34,822,000 people employed. In March 1935 there were 38,276,000 people employed, an increase of 3,454,000, or 9.9 percent.

Let us take the increase in total manufacturing employment. In March 1933 there were 4,924,000 employed, being the total wage earners engaged in all manufacturing industries; and in March 1935 there were 6,906,000 people employed, an increase of 1,982,000, or over 40 percent during that period.

Let us go again to manufacturing. The emergency in employment centered in manufacturing. This is shown by the chart herewith, which is marked "Exhibit A."

From the foregoing chart it appears that the index of total employment, in the depths of the depression, was only 2.9 percent below the 1914 level, whereas manufacturing employment was 23½ percent below the 1914 level. As compared with 1929 the total employment index fell 26 points, while the index of manufacturing employment fell over 48 points. The tremendous improvement shown in manufacturing employment, of over 40 percent increase, is therefore particularly significant.

Let us take employment in 60 major industries, between March 1933 and January 1935. In the following table the increases in employment are shown for some 60 major industries.

Employment and pay rolls in selected industries and groups of industries, March 1933 to January 1935

Industry or industry group	March 1933	High since March 1933		December 1934	January 1935
		Amount	Month		
Automobile-manufacturing and automotive parts and equipment manufacturing industries:					
Employment	199,100	462,200	April 1934	357,500	433,500
Pay rolls	$3,290,000	$11,930,000	do	$8,490,000	$10,170,000
Automobile manufacturing industry:					
Employment	(1)	368,600	do	215,700	
Pay rolls	(1)	$9,952,000	do	[2] $4,874,000	
Bituminous-coal industry:					
Employment	310,103	366,068	November 1934	365,609	
Pay rolls	$3,393,531	$6,510,716	March 1934	$6,300,693	
Bolt, nut, and rivet industries:					
Employment	6,840	10,140	May 1934	8,700	9,410
Pay rolls	$85,500	$220,700	do	$174,400	$202,000
Boot and shoe manufacturing industries:					
Employment	186,700	213,000	August 1933	190,200	199,700
Pay rolls	$2,382,000	$3,764,000	March 1934	$2,848,000	$3,242,000
Brass, bronze, and copper products industries:					
Employment	36,100	61,300	May 1934	55,900	56,600
Pay rolls	$515,000	$1,286,000	do	$1,149,000	$1,205,000
Brick, tile and terra cotta industries:					
Employment	22,500	42,200	August 1933	33,400	29,600
Pay rolls	$211,000	$547,000	May 1934	$462,000	$392,000
Can-manufacturing industry:					
Employment	19,620	28,920	September 1934	24,480	23,940
Pay rolls	$344,200	$578,400	do	$478,600	$474,900
Candy manufacturing industry:					
Employment	44,260	62,548	October 1934	59,119	50,923
Pay rolls	$478,000	$899,000	do	$886,000	$721,000
Cane-sugar-refining industry:					
Employment	10,658	13,759	November 1934	12,892	13,157
Pay rolls	$236,200	$268,800	June 1934	$252,300	$247,500
Canning and preserving industries:					
Employment	44,700	248,700	September 1933	78,000	69,700
Pay rolls	$459,000	$2,407,000	do	$902,000	$801,000
Carpet and rug manufacturing industry:					
Employment	16,000	27,900	October 1933	22,500	24,400
Pay rolls	$210,100	$534,800	do	$418,600	$455,500
Cast-iron-pipe industries:					
Employment	58,725	121,050	August 1934	91,250	112,950
Pay rolls	$68,715	$152,191	May 1934	$139,466	$137,430
Chemical-manufacturing industries:					
Employment	48,010	73,950	July 1934	68,720	
Pay rolls	$999,000	$1,646,000	do	$1,540,000	
Cleaning and dyeing trade:					
Employment	38,920	50,222	June 1934	42,820	
Pay rolls	$557,800	$930,100	May 1934	$730,100	
Corsets and brassiere industry:					
Employment	13,908	14,795	April 1934	13,663	13,892
Pay rolls	$157,100	$231,700	do	$210,200	$212,200
Cotton-garment industry, shirts and collars:					
Employment	51,552	65,376	October 1933	52,128	52,070
Pay rolls	$453,215	$820,295	do	$641,585	$626,290
Cotton-goods (textile) industry:					
Employment	307,200	446,600	April 1934	414,700	416,000
Pay rolls	$2,787,000	$5,787,000	do	$5,469,000	$5,525,000
Electrical manufacturing industry, excluding radios:					
Employment	109,600	171,600	June 1934	170,100	171,000
Pay rolls	$1,663,000	$3,533,000	January 1935	$3,518,000	$3,533,000
Electrical manufacturing industry, radio division:					
Employment	20,000	50,600	November 1933	42,200	39,000
Pay rolls	$317,000	$980,000	do	$859,000	$734,000

[1] Not average.

[2] November.

Employment and pay rolls in selected industries and groups of industries, March 1933 to January 1935—Continued

Industry or industry group	March 1933	High since March 1933		December 1934	January 1935
		Amount	Month		
Fabricated metal products industry:					
Cutlery and edge tools:					
Employment	9,000	13,700	April 1934	12,800	12,700
Pay rolls	$107,000	$242,000	do	$235,000	$226,000
Hardware:					
Employment	25,392	43,844	do	25,906	26,522
Pay rolls	$321,552	$856,254	do	$500,598	$507,906
Lighting equipment:					
Employment	9,221	15,775	December 1934	15,775	14,984
Pay rolls	$159,225	$347,979	do	$347,979	$317,292
Stamped and enameled ware:					
Employment	20,850	31,739	May 1934	29,050	29,531
Pay rolls	$289,159	$641,212	do	$606,697	$595,192
Tools, except edge tools:					
Employment	7,053	11,277	April 1934	10,615	10,901
Pay rolls	$95,146	$227,340	May 1934	$219,341	$227,761
Wirework:					
Employment	15,174	24,264	do	22,698	21,726
Pay rolls	$199,200	$510,865	do	$444,880	$426,205
Farm-equipment industry:					
Employment	9,330	19,210	April 1934	18,460	19,710
Pay rolls	$137,000	$382,000	do	$373,000	$398,000
Fertilizer industry:					
Employment	13,700	28,200	do	15,400	17,200
Pay rolls	$133,500	$319,800	do	$182,600	$202,200
Furniture industry:					
Employment	83,400	133,300	October 1933	110,400	103,900
Pay rolls	$987,000	$2,223,000	do	$1,859,000	$1,761,000
Glass industries:					
Employment	40,520	68,540	April 1934	62,460	61,850
Pay rolls	$657,000	$1,325,000	do	$1,180,000	$1,146,000
Hosiery industry:					
Employment	105,000	133,200	do	127,700	----------
Pay rolls	$1,222,000	$2,136,000	March 1934	$2,0.0,000	----------
Hotel industry:					
Employment	217,900	263,000	do	253,100	----------
Pay rolls	$2,659,000	$3,317,000	do	$3,233,000	----------
Iron and steel forging industries:					
Employment	7,400	14,700	do	13,100	----------
Pay rolls	$99,000	$327,000	do	$295,000	----------
Iron and steel industry:					
Employment	229,300	400,600	June 1934	339,200	351,403
Pay rolls (average monthly)	$13,690,000	$42,290,000	May 1934	$29,830,000	$34,350,000
Jewelry industries:					
Employment	12,148	19,980	October 1934	18,674	17,193
Pay rolls	$198,300	$432,294	do	$419,074	$335,788
Knitted-outerwear industry:					
Employment	19,850	31,820	May 1934	26,770	----------
Pay rolls	$240,300	$491,000	October 1933	$354,100	----------
Laundry trade:					
Employment	170,200	187,000	July 1934	175,800	----------
Pay rolls	$2,289,000	$2,768,000	June 1934	$2,566,000	----------
Leather industry:					
Employment	37,000	51,800	March 1934	50,500	51,200
Pay rolls	$653,000	$1,129,000	January 1935	$1,103,000	$1,129,000
Locomotive industry:					
Employment	1,800	5,600	August 1934	5,300	4,400
Pay rolls	$25,600	$109,700	do	$102,800	$81,700
Lumber and timber products industry:					
Employment	167,300	286,000	May 1934	251,700	246,200
Pay rolls	$1,611,000	$4,010,000	do	$3,408,000	$3,246,000
Machine-tool and forging-machinery industry:					
Employment	9,300	22,470	January 1935	22,190	22,470
Pay rolls	$148,000	$505,000	May 1935	$480,000	$494,000
Manufacturing pharmaceutical and biological industry:					
Employment	13,590	15,250	October 1934	14,670	14,440
Pay rolls	$270,600	$323,900	do	$309,800	$316,200
Men's clothing industry:					
Employment	111,700	132,600	September 1933	116,900	124,100
Pay rolls	$1,511,000	$2,486,000	March 1934	$1,984,000	$2,150,311
Millinery industry:					
Employment	25,130	25,570	April 1933	16,300	18,200
Pay rolls	$345,000	$553,600	March 1934	$289,100	$354,000
Paint, varnish, and lacquer manufacturing industry:					
Employment	19,420	28,890	May 1934	26,760	26,520
Pay rolls	$351,800	$629,600	do	$558,900	$568,700
Paper and pulp industries:					
Employment	94,500	128,300	December 1934	128,300	127,500
Pay rolls	$1,564,000	$2,489,000	December 1934, January 1935.	$2,489,000	$2,489,000
Paper box and container manufacturing industries:					
Employment	38,863	52,120	October 1933	50,357	47,341
Pay rolls	$545,237	$882,409	December 1934	$882,409	$799,183
Plumbing-fixtures industry:					
Employment	13,780	20,080	September 1933	15,630	17,950
Pay rolls	$209,600	$342,100	do	$317,900	$321,500
Portland-cement industry:					
Employment	12,510	22,890	June 1934	16,120	14,410
Pay rolls	$195,000	$488,000	do	$296,000	$260,000
Pottery industries:					
Employment	19,859	28,013	May 1934	26,404	26,143
Pay rolls	$261,630	$460,836	do	$459,000	$430,542
Printing and publishing industries:					
Employment	205,800	234,900	December 1934	234,900	----------
Pay rolls	$5,380,000	$6,860,000	do	$6,860,000	----------
Railway-car-building industry:					
Employment	12,760	29,770	June 1934	18,770	18,890
Pay rolls	$255,000	$691,000	do	$410,000	$412,000
Rayon and synthetic-yarn industry:					
Employment	37,540	52,950	January 1935	51,700	52,950
Pay rolls	$597,400	$1,025,500	do	$1,004,800	$1,025,500
Retail trade (labor data for general merchandise group and failures):					
Employment	585,000	1,054,000	December 1934	1,054,000	771,000
Pay rolls	$8,410,000	$15,400,000	do	$15,400,000	$11,830,000

Employment and pay rolls in selected industries and groups of industries, March 1933 to January 1935—Continued

Industry or industry group	March 1933	High since March 1933		December 1934	January 1935
		Amount	Month		
Rubber-manufacturing industry:					
Employment	43,500	66,800	October 1933	55,200	56,800
Pay rolls	$583,000	$1,130,000	do	$1,010,000	$1,075,000
Rubber-tire-manufacturing industry:					
Employment	41,760	68,280	May 1934	59,370	61,700
Pay rolls	$631,000	$1,733,000	April 1934	$1,537,000	$1,593,000
Shipbuilding and boatbuilding industries:					
Employment	26,800	42,900	June 1934	38,300	37,900
Pay rolls	$540,000	$1,020,000	do	$936,000	$931,000
Silk-textile industries:					
Employment	89,400	126,900	February 1935	113,200	119,800
Pay rolls	$973,000	$1,936,000	do	$1,807,000	$1,904,000
Soap and glycerine industries:					
Employment	13,200	18,100	January 1935	16,100	18,100
Pay rolls	$252,500	$357,500	October 1934	$342,800	$342,500
Steam and hot water heating apparatus industries:					
Employment	17,040	27,180	September 1933	22,070	21,750
Pay rolls	$248,000	$485,000	August 1933	$455,000	$449,000
Stove and range industries:					
Employment	21,560	41,540	May 1934	37,430	35,230
Pay rolls	$317,000	$840,000	October 1934	$714,000	$648,000
Textile machinery manufacturing industry:					
Employment	13,830	23,480	September 1933	18,670	19,160
Pay rolls	$207,400	$489,700	October 1933	$382,700	$391,500
Tobacco-manufacturing industries:					
Employment	73,767	91,344	November 1933	85,670	78,196
Pay rolls	$743,150	$1,139,200	October 1933	$1,110,275	$923,375
Underwear and allied products industries:					
Employment	30,710	41,000	July 1933	32,290	
Pay rolls	$309,600	$537,700	April 1934	$425,600	
Wheat-flour-milling industry:					
Employment	21,300	27,570	October 1934	26,460	26,111
Pay rolls	$389,000	$555,800	September 1934	$515,300	$516,600
Women's clothing manufacturing industries:					
Employment	141,600	168,800	April 1934	142,500	149,800
Pay rolls	$1,972,000	$3,559,000	March 1934	$2,550,000	$2,885,000
Wool-textile industry:					
Employment	91,000	162,500	August 1933	140,100	150,200
Pay rolls	$1,099,000	$2,627,000	do	$2,358,000	$2,589,000

The foregoing figures, when challenged, were confirmed by the chief economist of the Bureau of Labor Statistics in testimony before the Senate Finance Committee. In the course of his testimony the chief economist pointed out that Mr. Richberg's figures had been adjusted to the census, and were therefore superior to a number of other statistical reports not so adjusted.

Let us now take up some unemployment statistics about which the gentleman from New York had so much to say yesterday.

Comparisons of unemployment statistics with employment statistics are generally confusing.

In considering unemployment statistics, account must be taken of the fact that as a result of the normal population growth the number of available employables increases by about 400,000 a year. Thus the number of employables increased by some 800,000 from March 1933 to January 1935. Furthermore, seasonal influences make unemployment figures very misleading. The real test of success of N. R. A. is the number of men actually put back to work and not unemployment guesses derived by juggling with population statistics and seasonal highs and lows in employment.

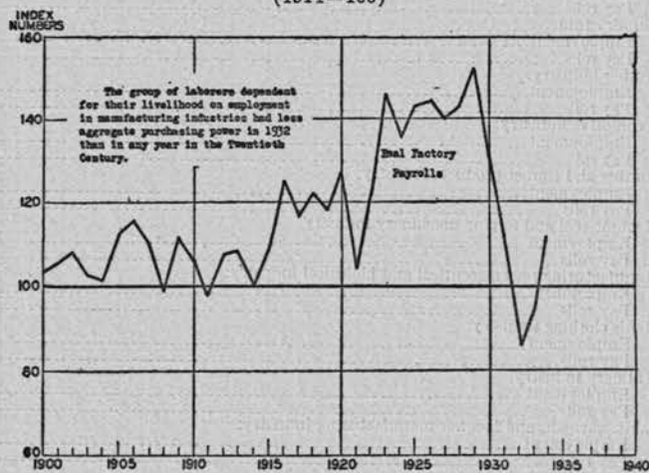
As I recall, the gentleman from New York stated that while there was some increase in wages, he said it was more than absorbed in the increased cost of living. False conclusions frequently have been drawn from comparisons between trends in pay rolls and trends in the wholesale-price index. The real test of improvement in the lot of the workingman is to be found in comparing trends in pay rolls with trends in the cost of living. On the basis of such a comparison the improvement in real wages since March 1933 is striking. Between March 1933 and March 1935 total real monthly pay rolls—after adjustments to increases in cost of living—rose $91,180,000, a gain of over 50 percent. In the same period monthly real factory pay rolls increased by $68,800,000, a gain of over 62 percent. Here, again, you will note that the emergency centered in manufacturing. In the depths of the depression real factory pay rolls had dropped almost 15 percent lower than at any time since 1900.

In other words, the group of laborers dependent for their livelihood on employment in manufacturing industries had less aggregate purchasing power in 1932 than at any other time in the twentieth century. This is brought out vividly in the chart printed as exhibit B.

EXHIBIT B

REAL FACTORY PAY ROLLS, 1900–1934

(1914=100)



Source: 1900–1927, Census Bureau; 1928–34, computed from Bureau of Labor Statistics data.

Let us take up the increase in pay rolls for some 60 major industries. The above exhibit is likewise significant in connection with pay rolls in some 60 major industries. In the following chart, exhibit C, there is shown a dramatic record of improvement in hourly and weekly pay rolls.

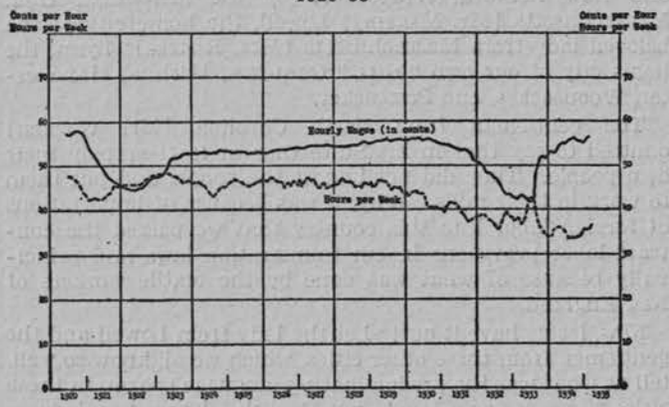
From the beginning of the depression down to March 1933 hourly wages and the length of the average working week had both declined steadily; there was a progressive shortening in the average working week. That was due to the declining rate of operations. Since N. R. A. the length of the working week had continued to decline despite the rapid increase in production, but hourly wages have steadily risen.

As a result the average weekly wage in manufacturing industries has remained about the same although the length of the average work week has been markedly reduced. Furthermore, this average weekly wage is paid to some 1,982,000 more manufacturing employees.

The gentleman from New York talked about "business activity." Let us take the New York Analyst index of business activity. According to it, business activity fell from a high of 110 in 1929 to a low of 52 in 1932. In March 1933 it was 58. In March 1935 the index had risen to 86.1.

EXHIBIT C

HOURLY WAGES AND WEEKLY HOURS IN MANUFACTURING INDUSTRIES, 1920–35

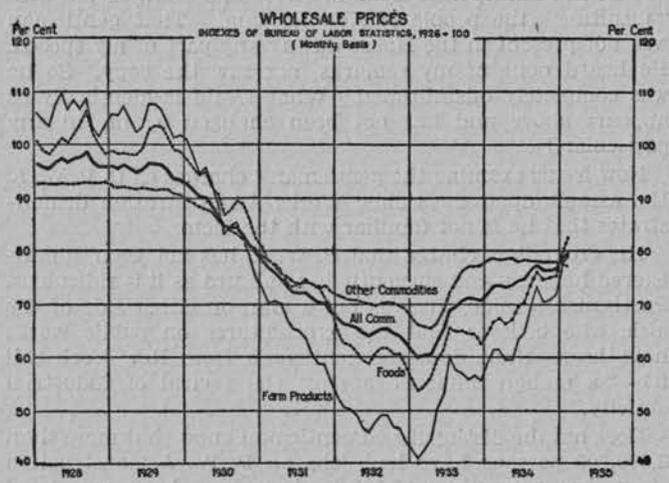


Source: Bureau of Labor Statistics and National Industrial Conference Board.

Much was said about price adjustments. Responsible and informed opinion recognizes that the really significant facts about prices are the relationships between different prices, and, of course, the relationship between price and pay roll. The improvement in real wages I have already discussed.

The following chart, exhibit D, shows how the balance has been restored among the different prices.

EXHIBIT D



In February 1933 the index of wholesale prices for all commodities was at a low of 59.8 (1926=100). In the same month, farm prices had reached a low of 40.9. The price index of industrial commodities, which are the commodities subject to N. R. A. (described in chart as "Other commodities"), had dropped to 66. (The low in industrial prices was reached in April—65.3.)

In February 1935 the index for all commodities had increased to 79.5, farm products to 79.1, and industrial products to 77.4. In other words, the price of farm products rose more than twice as much as industrial products, thus bringing the two groups of commodities back into balance. It is particularly important to note that industrial prices leveled off in the fall of 1933 (when the codes began to take effect) and have remained level since then. As a result, industrial prices which were well above the average in February 1933 were below the average in February 1935. In other words, in relation to the price of all commodities, industrial goods in February 1935 were cheaper than at any time since February 1933.

SMALL ENTERPRISES

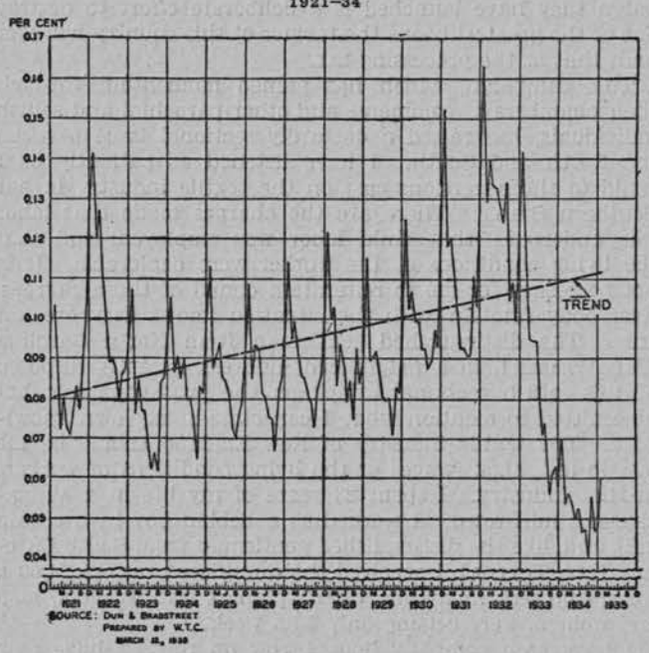
The record of N. R. A. in regard to small enterprises is clear except to those who prefer loud noise and confusion to facts.

First. The 40 years since the beginning of the antitrust laws have witnessed the most intensive increase in concentration of wealth that the Nation has ever seen. In the year 1909 there was 1 manufacturer to every 332 persons in the country. In 1929 there was 1 manufacturer to every 914 persons. Thus concentration of control had trebled during this interval. This was caused in large measures by the practices of destructive price cutting, unfair discrimination, and loss leaders which the N. R. A. has been effective in preventing. During the depression this trend was intensified. In 1929, 200 large corporations owned 49.2 percent of all corporate wealth. Two years later, in 1931, 200 corporations owned 55 percent of all corporate wealth.

Second. Now consider the trends since N. R. A. This is best brought out by the record of insolvencies. The chart marked "Exhibit E", based on Dun & Bradstreet reports, shows that the trend in insolvencies was steadily upward from 1920 to 1933. That is, the percentage of commercial failures to the total number of concerns in business increased steadily, on the average, during that period. The movement was highly irregular—each boom period was marked by a low in the insolvency rate and each slack period marked by a peak in the insolvency rate. From 1933 on, however, the basic trend is reversed. The rate of insolvencies had declined steadily since then. At the end of 1934 the rate of insolvencies was actually markedly lower than the rate during the 1929 boom.

EXHIBIT E

PERCENT OF COMMERCIAL FAILURES TO TOTAL CONCERNS IN BUSINESS, 1921–34



Dun & Bradstreet figures likewise show that the decline in insolvencies has been to the benefit of all classes of enterprises, but that the decline has been somewhat more marked for small enterprises than for large. (See exhibit E.)

These figures constitute a sufficient answer to Congressman SNELL's charge that—

> This major policy of the new deal has operated to the economic death of hundreds of small business and industrial concerns, bankrupted their owners, and driven their employees onto the streets.

However, to complete the picture, I desire to supplement these figures by expressions from small business men. On April 13, W. A. Hollingsworth appeared before the Senate Finance Committee as the unchallenged representative of

some 750,000 small retailers who handled tobacco products. In sworn testimony he stated:

The code of the retail tobacco trade was conceived by the little man, initiated by the little man, operated for the little man, and is administered and managed by the little man.

He added:

The N. R. A. is rehabilitating thousands of small merchants—and if its protecting arms are lifted and the lean and hungry wolves of ruthless price cutting are turned loose upon them again, what slaughter will take place.

On the same day, John A. Good appeared as the representative of 58,000 retail druggists. In sworn testimony he stated:

If the N. R. A. is going to be done away with and let big business have it, we had better look forward to a formula somewhere in the tax plan so that the taxes can be paid by them, because the little business man cannot go out and earn any profits.

He likewise stated:

I think if you repealed the N. R. A. and took away all of the protection, you would see an orgy of cutthroat competition that will put lots of the small drug stores out of business.

So much for the N. R. A.

The gentleman from New York in his complaint about conditions under the N. R. A. referred principally to the textile industry. Of course, he was referring to that part of the industry in the East and chiefly in New England. We have heard much of that complaint recently from representatives of that section; for instance, the gentlewoman from Massachusetts [Mrs. ROGERS] and the gentleman from the same State [Mr. MARTIN]. That particular industry in that section has obviously launched a deliberate campaign to accomplish two results; first, a high protective tariff, of which they were always the chief beneficiaries under Republican administrations; and, second, and more important, this campaign they have launched is a deliberate effort to destroy one of the greatest boons the farmer of this country has ever had; that is, the processing tax.

This campaign, which has gained momentum through their chambers of commerce and other parochial and selfish individuals, has raised a dastardly sectional issue between the North and South. I have listened as patiently as I could to the aspersions cast on the textile industry in our Southern States. There are the charges made that labor was underpaid, that child labor was employed, and that the living conditions of the worker were deplorable. It is not necessary for me to reiterate a denial of those charges. Everybody familiar with the situation knows they are not true. The distinguished gentleman from North Carolina [Mr. WARREN], in a magnificent address, recently disposed of this selfish sectional attack on the processing tax, but he omitted to mention what I can state of my own knowledge. The textile industry of New England should be the last to talk about wages or the living conditions of workers in that industry. I spent 23 years of my life in a Massachusetts mill town. I worked as a bobbin boy in a cotton mill, and, like the distinguished gentleman from South Carolina [Mr. TAYLOR], I received the munificent sum of $1.50 a week, and this at a time when spinners and weavers, men and women, were getting only $6 a week.

I have seen company houses, row on row. I have seen company stores; I have handled the company pay tokens. I have seen whole rows of workers living in those company houses thrown in the street with all of their belongings because of some labor dispute. It does not lie in the mouths of the mill operators of New England or the steel operators of Pennsylvania or the mine operators of Pennsylvania, the chief beneficiaries of a high protective tariff, supported for 50 years by a high protective tariff, to make such charges about conditions in the South. Nor could such a complaint come with good grace from the gentleman from New York, who spoke yesterday. It is not over 20 years ago that, under Democratic leadership in the Legislature of New York, the canners were forced to abolish in that country the same conditions that are now charged to the South and which do not exist. In your canneries in upstate New York you were employing children and you were employing women in childbirth for 20 hours a day and paying them starvation wages.

It was due to the leadership of a great Democrat that this condition was abolished not so long ago. This great Democrat was Alfred E. Smith. [Applause.]

I often think of those mill towns in Massachusetts and New England, which I knew so well—Taunton, Fall River, and New Bedford, represented by the gentleman from Massachusetts [Mr. MARTIN]; Lowell, the home city of the beloved lady from Massachusetts [Mrs. ROGERS]; Lynn, the home city of our own "BILL" CONNERY; Nashua, Manchester, Woonsocket, and Pawtucket.

The gentleman from North Carolina [Mr. WARREN] omitted to say that in his State they at least employ their own people. They did not import the people and put them to work in their mills. Why, it was because of importations of foreign labor into this country that we passed the contract-labor provisions in our immigration laws and principally because of what was done by the textile workers of New England.

Now, let us have it out! Let the lady from Lowell and the gentlemen from these other cities, which we all know so well, tell us what was the predominating language spoken in these cities 25 years ago. It was not English. Those people were fine, decent, religious, law-abiding, ambitious people, a credit to their communities, many of them rising to high place and becoming mayors and governors of some of those States, but their forefathers had been brought into New England by the textile magnates because of the low wages they could offer them and the long hours they could work them. So enough of that sectional talk!

[Since making the foregoing remarks, it has been brought to my attention that the gentleman from Massachusetts [Mr. TREADWAY] has spoken from the floor and charged me with "insulting", the people of New England. That gentleman was not present in the House during any part of my speech. He heard none of my remarks, nor saw the copy. So he was completely misinformed. What I said is identically as appears above and has not been changed by me in any particular.]

Now let us examine the gentleman's charges as to P. W. A. His assault upon the Public Works Administration demonstrates that he is not familiar with the facts.

His groundless charge that P. W. A. has not been administered honestly and efficiently is as absurd as it is ridiculous. Partisanship aside, there is not a man on either side of the aisle who believes that the expenditures on public works have been—what does the gentleman from New York call it?—"a malign influence against the revival of industrial activity."

Does not the distinguished gentleman know that more than 2,000,000 persons have had jobs on P. W. A. construction sites, that more than 17,000 projects have been completed or are under construction and that more than 110,000,000 man-weeks of employment have been provided? Does this record sound like "a malign influence against the revival of industrial activity?"

The simple fact is that the public-works program not only checked the precipitous plunge of construction activities in the United States during the past 4 years, but reversed that trend. These are not figures furnished by P. W. A. I quote from a recent issue of Engineering News Record, a recognized technical publication. The Engineering News Record said:

Estimates place the total of all construction in 1934 at $3,104,000,000, a 27-percent increase over the previous year's volume. * * * Public works alone are responsible for this gain.

Federal construction in 1934, including both contract and force account operations, was the greatest in the peace-time history of the country, exceeded only by the tremendous war volume of 1918 * * *.

State and municipal construction is estimated at $1,800,000,000, a 52-percent gain over 1933. P. W. A. financing was responsible for most of this, though revival of the municipal bond market reached unexpected proportions and led to construction issues at some $385,000,000 * * *.

Commenting on the 1935 outlook, the Engineering News Record said:

* * * All indications point to a maintained rate of increase. Public Works will provide the greatest share, though there are encouraging signs of a slow revival of private construction.

Does this sound as though P. W. A. has been a "malign influence against the revival of industrial activity"?

P. W. A. continued to provide the greater part of building construction employment in the country for the first quarter of 1935. The F. W. Dodge Corporation, nationally recognized reporting agency, reported that publicly financed construction contracts awarded in 1934 in 37 States east of the Rocky Mountains showed an increase of 43 percent over 1933.

Is there any "malign influence against industrial activity" here?

Certainly not, and the gentleman from New York knows it.

He goes on to say that "P. W. A. in reality has constituted the greatest existing obstacle to industrial recovery." He says that it has invaded practically every field of private enterprise as competitor to legitimate and honestly conducted industry and business.

Stuff and nonsense! In all my years in this House I do not believe I have ever heard such a wild and ridiculous statement.

Now, ordinarily the gentleman from New York is careful in what he says. Usually he checks his facts. I do not believe that he would deliberately mislead this House. And yet he comes in here and solemnly declares that P. W. A. has been an obstacle to recovery.

The absurdity of such a statement is apparent to all of you. Everybody, including the gentleman from New York, must know that business and industry generally have shared with labor and benefited from the expenditure of P. W. A. funds.

The country is dotted with P. W. A. projects. Many thousands of contracts have been awarded. Steel has been bought. Lumber has been bought. Cement, iron, brick, lead, copper, wire, paint—virtually every construction material that is produced in this country has been and is being used in this gigantic construction program. Mines, quarries, mills, and factories have been kept going by orders for P. W. A. projects. And yet the distinguished minority leader says P. W. A. has been an obstacle to recovery.

In his final desperate thrust, the gentleman from New York says that P. W. A. has been influenced by political motives, that it has allocated funds from a political standpoint.

If the gentleman knows what he is talking about, why was it that $5,000,000, not including C. C. C. or road money, was allotted for projects in the gentleman's own Thirty-first Congressional District of New York?

Does the gentleman subscribe to his own theory that these allocations to relieve unemployment in his own district smell of the pork barrel?

Does the gentleman say that the more than a score of projects in Essex, Clinton, Franklin, and St. Lawrence Counties are a "malign influence blocking recovery"?

Is it the desire of the gentleman from New York that P. W. A. and the new Works Relief Administration get out of his district and keep out?

Did the gentleman "play politics" with the President or with Secretary Ickes when his district received more than $5,000,000 in loans and grants from the public-works fund?

Some of the projects in the gentleman's district already have been completed, but if he does not like the "smell of the pork barrel" in his own district why does he not say so?

I do not believe that it is the policy of the Public Works Administration to force projects on a community against its will.

P. W. A. from the beginning adopted a very wise public policy in making public by announcement every allotment made.

Now the gentleman professes here that he has no use for P. W. A. and its "malign influence." Let us see how the gentleman's district has fared.

Federal projects

Lake Placid, post office	$78,650
Plattsburg, barracks	11,068
Malone, post office	138,172
Canton, post office	69,750
Canton, weather station	1,097
Massena, post office	60,500
Ogdensburg, dredging harbor	183,700

Mind you, there are four post offices in this list. But this is not all. Here are the non-Federal allotments that have been made for the ungrateful minority leader:

Ausable Forks, schools, loan and grant	$234,000
Pottersville, school, loan and grant	130,000
Keene, school, loan and grant	180,000
Lake Placid, school, loan and grant	300,000
Schroon, school, loan and grant	289,800
Plattsburg, water mains, grant	6,000
Rouses Point, streets, loan and grant	32,000
Plattsburg, waterworks, grant	42,000
Malone, sewage-disposal plant, grant	10,000
Saranac Lake, waterworks, loan and grant	16,000
Tupper Lake, high school, loan and grant	300,000
Canton, sanitary sewer, loan and grant	50,000
Ogdensburg, bridge, loan and grant	2,800,000

The truth is, and everybody knows it, P. W. A. has been and is free of politics. Political considerations have never dictated the allotments, swayed the decisions, or influenced appointments in P. W. A. And for the minority leader at this late date to arouse himself to an irresponsible political frenzy that causes him to make such a wild charge is almost beyond belief. I assure the gentleman that were it not for the important place that he occupies in this House I would not have answered him. As for P. W. A., the people know the facts, and the gentleman's political sound-off does not fool anybody.

So much for the P. W. A.

The gentleman had something to say about C. W. A., and, as I gathered from his speech, he made two points: First, he said there were 5,000,000 more on the relief rolls today than in July 1933. He deliberately picked July 1933, just as he picked August 1, 1933, to talk about N. R. A.; but if he had taken the comparable date, if he had taken the real date of March 1933, when we took office, compared with March 1935, then the truth, the undeniable truth, would be found to be that not one single, solitary person more was on the relief rolls in this March than in March 1933.

He said something about "graft" in the C. W. A. That charge has been all exploded. There was a grand total of 750 charges in the entire conduct of C. W. A. When they were boiled down, there were 240 charges founded, of which 163 did not involve any criminal conduct. Seventy-seven cases involving possible criminal violation were turned over to the United States attorneys for possible criminal prosecution. Seventeen of these resulted in conviction. A hundred and twelve of the 751 cases referred to are still under investigation or are pending in court.

When it was considered that the sum of $939,000,000 was spent throughout the country under the C. W. A. program, and that there were more than 70,000 persons engaged in administering the millions of transactions in spending those funds, the number of complaints and charges are surprisingly small. That disposes of those rumors as to C. W. A.

Mr. Chairman, it would take too much of my time and too much of the time of this Committee to refer to the miscellaneous charges bulked together in the speech made yesterday by the gentleman from New York [Mr. SNELL]. Nothing this administration has ever done could possibly be acceptable to him or his colleagues. Anything progressive or in the interest of any considerable group of our people is so contrary to the principles of the Grand Old Party that they are "deplorable." He took a certain pride in some bureaus or organizations now functioning which were initiated in the last Republican administration. I think he referred to the R. F. C. and the home-loan bank. But in talking about the R. F. C. under Mr. Hoover, which loaned

money only to banks and insurance companies and railroads and mortgage companies, he was not talking about the R. F. C. of ours today, which is lending money to small business men, which is rehabilitating small business and industries.

That is quite different from the R. F. C. of Mr. Hoover, which was chiefly concerned in making loans to the Messrs. Dawes and the Pennsylvania Railroad. [Applause.]

The Federal land bank: Does the gentleman point with pride to that, and does he want to compare it with our Home Owners' Loan Corporation, which has already saved 850,000 homes to the home owners of our Nation?

Mr. Chairman, it is the same "Grand Old Party" of "Rugged individualism!" It has been many years since we have been treated to one of those delightful talks by the gentleman from New York [Mr. CROWTHER] about "bread lines" and "soup kitchens" during the Democratic administrations.

We have missed those delightful speeches. We used to enjoy them very much, and we have been awaiting another talk like that, so we might make a comparison between the bread lines and soup kitchens of 1893 and 1929–33. Rugged individualism! Look at those long lines and you will see to what state "rugged individualism" brought our people. That selfish policy founded on the theory of every man for himself is responsible for the millions of ragged individuals we today have to take care of. [Applause.]

The Republican theory that every man must by his own effort alone work out his own salvation has resulted in millions without any salvation, but down to the depths of starvation. It has been our duty to meet this distressful situation which we inherited after 4 years of neglect. We believe we have done our best. What we have accomplished, history will record. [Applause.]

The CHAIRMAN. The gentleman from New York [Mr. O'CONNOR] has used 50 minutes.

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. DARROW].

Mr. DARROW. Mr. Chairman, it is my desire to bring to the attention of the House, if I may, and particularly to the attention of my good friend the distinguished Chairman of the Rules Committee [Mr. O'CONNOR], a concrete illustration of the serious effect that the N. R. A. and the new-deal policies are having upon some of our industries in their efforts to compete with foreign competition.

Mr. Chairman, American industry is being seriously threatened by foreign competition, not only by foreign trade agreements and what under present conditions are ridiculously low tariff rates, but in addition the increased costs of production imposed on our manufacturers by strict compliance in operating under the provisions and regulations governing the National Recovery Act.

If there has been any feature of the N. R. A. which has had practically universal approval, it has been what is generally designated as "fair-trade practice", which, if enforced, is the strongest defense against what is commonly known as "chiseling." So far as industry is concerned, this without doubt was one of the main purposes of the N. R. A. It would, therefore, seem it should be the purpose of the National Recovery Administration to give prompt attention to complaints filed by our industries in the manner required, so that no unnecessary delay may be entailed and that prompt relief might be accorded when their complaints have been established.

In this connection I wish to present, as an example, the situation in which one of our industries in Philadelphia, manufacturers of optical goods and goggles, faces by reason of increasing importation of goggles from Japan while they are awaiting action on a complaint filed with the Imports Division of the National Recovery Administration.

I am informed that since the National Recovery Act has been in force over 35 American industries have filed complaints with the Imports Division of the National Recovery Administration, under paragraph 3 (e) of the act, against the sudden increase of imports from abroad, chiefly from Japan. Among these is the sun-goggles industry, whose complaint was filed in September 1933, and after an investigation by the Imports Division of the National Recovery Administration the President directed a public hearing to be held in this case by the United States Tariff Commission. At this hearing, which was held on July 18, 1934, it developed that in 1932 sun goggles were imported from Japan totaling 349 dozen; and in 1933 this increased to a total of 97,888 dozen. Subsequent data reveal that importations of sun goggles from Japan again increased in 1934 to 224,098 dozen.

From a total of less than 1 percent of domestic production prior to the National Recovery Act, importations of sun goggles from Japan have now surpassed 24 percent of the total American production of this commodity, whereas in some months, notably October 1934, the importations from Japan were in excess of the entire production of all American factories combined for that month.

These importations of sun goggles from Japan are being sold at prices which are considerably lower than the costs for similar styles of the American manufacturers working under their N. R. A. code, and either the importations must be radically curtailed or additional heavy unemployment will ensue in this industry. At the present time domestic manufacturers should be at the peak of their production for the current goggle season. Instead, they are compelled to reduce the hours of labor and to dismiss workmen from their jobs. It is manifestly unfair to expect the American manufacturer to continue to pay code wages when the market is being flooded by Japanese merchandise produced with child labor earning several cents per day, and adult labor paid at the rate of a few cents per hour.

American styles and display cards are expertly copied by the Japanese at prices which spell ruin to the American manufacturer. I have here a sample goggle marketed by our Philadelphia firm on a display card, and another goggle marketed by the Japanese mounted on a similar card. At a quick glance it would appear both goggles are identical. So far as style and appearance of the goggles are concerned they would, without close examination, appear to be the same. However, the most manifest unfair practice is the fact that the display cards are identical in form, in printed type, in placement of printed matter and color—the Japanese have made an exact copy of this American manufacturer's card, with one minor exception—the name of the article—and even this is printed in the same style. The card also contains a cut of a woman wearing the goggle, which is an exact reproduction from the American card, even to its sharpest lines.

That is what I claim is manifestly intended to deceive the American public by making them think they are buying American-made articles. The only difference is, in very small type at the very bottom of the card, where the statement appears "Made in Japan."

Mr. TREADWAY. Will the gentleman yield?

Mr. DARROW. I yield.

Mr. TREADWAY. In connection with the exhibit which the gentleman is showing of the imitation, is it not a correct statement to say that the glasses and the entire outfit were manufactured first in this country and there was sufficient time elapsed to allow a copy to reach Japan?

Mr. DARROW. They were manufactured, and these cards were made in this country and then taken to Japan and copied exactly.

Mr. TREADWAY. I thought it might be well to have the RECORD show that at this point.

Mr. DARROW. I thank the gentleman for his suggestion.

This unfair Japanese competition is, of course, at prices which spell ruin to the American manufacturer; and although it has been 20 months since the complaint was filed by this industry, no relief has been granted to correct the demoralizing effects of these skyrocketing importations and the undermining of the domestic price structure.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. DARROW. I yield.

Mr. FITZPATRICK. Will the gentleman state what is the difference in prices?

Mr. DARROW. I will give that in just a moment.

A curtailment of the imports from Japan of this commodity to the monthly average in effect prior to the introduction of the N. R. A. code seems to offer one solution to this problem; and if this is promptly consummated, the result will be a restoration of confidence and reemployment in this industry, as well as added employment to an ever-widening circle of suppliers of raw material to these manufacturers.

This, of course, is only one of the many American industries which are threatened by Japanese competition in particular. If the life of these industries is to be spared, action must be taken promptly by the administration in Washington, on whose mercy they are wholly dependent. They have a right to expect the Government's cooperation and protection, especially since they have fully met the requirements of the Government in their operation under the N. R. A.

Now, as to the cost of these goods, there are quite a good many different styles, of course, and it would take considerable time to go into the detail of that, but in the exhibits that have been shown here, the Japanese selling price in this country is $9 per gross. The American cost of manufacturing that same grade is $9.36 per gross. Comparison of other grades of sun goggles which are in competition with each other are where the Japanese selling price is $8.40 per gross the American cost is $8.86 per gross; $10.20 per gross against $17.80 per gross; $10.20 per gross against $17.20 per gross; and $18 per gross against $28.75 per gross.

The Japanese selling prices include import duties and transportation charges and are those charged the syndicate stores through whom the bulk of these imports are sold. The American costs include labor, material, and factory overhead, and do not include selling or advertising expenses or salesmen's commissions. They are the actual cost of production at the factory.

Mr. REED of New York. Will the gentleman yield?

Mr. DARROW. I yield.

Mr. REED of New York. I listened rather attentively to the gentleman's statement. Did the gentleman describe the difference in wages between this country and Japan?

Mr. DARROW. Only in a general way.

Mr. REED of New York. Would the gentleman object if I gave him the comparative wages, just briefly?

Mr. DARROW. I would be very glad to have the gentleman put that in the RECORD at this place.

Mr. REED of New York. Industrial wages in Japan, according to figures collected in December 1934, were as follows:

Rayon operatives receive 17 cents a day, and women cotton spinners 20 cents. In hosiery mills men get 37 cents and women 18 cents; lathe turners get 58 cents a day; molders and founders, 57 cents; carpenters, 51 cents; stonemasons, 60 cents; bricklayers, 61 cents; and day laborers, 31 cents. The Japanese male spinner gets 3½ cents an hour for a 10-hour day, and a woman spinner gets about 2 cents an hour.

Mr. DARROW. I thank the gentleman from New York [Mr. REED].

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DARROW] has expired.

Mr. POWERS. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, before beginning the remarks I wish to make at this time, I want to refer to the last explanation that I have heard of the reason for the textile depression. It is perfectly astonishing to hear a gentleman of the intelligence of the gentleman from New York [Mr. O'CONNOR] rise on this floor and say that the textile depression in New England is the result of the employment of cheap labor in that region and lack of interest in behalf of American citizens—that people up there do not speak our language.

I would like to have the gentleman from New York look over the statutes of the State of Massachusetts and other New England States and compare them with any statutes regarding the health and well-being of employees in mills and textile institutions.

We in New England have pioneered in health laws. We have pioneered in hours of labor. Our health and labor laws cover women in employment, night work in mills, and every detail having to do with health, sanitary conditions, and inspection of factories.

As for the type of men and women employed in these establishments, I say they are typical of the right type of American citizens. So I resent the intimation that the citizens employed in the textile establishments in Massachusetts and New England are not of our very best type of citizens; and I resent the insinuation that the manner in which they are cared for under our laws is not the very best type of care. To give that as an explanation for the textile depression is the limit of Democratic demagoguery; and, as I said, I resent it.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. MARTIN of Massachusetts. Does not my colleague agree with me when I say that we of New England are not apologizing for the people who came to New England 40 or 50 years ago?

Mr. TREADWAY. We are not apologizing for them or for those who came either before or since.

Mr. MARTIN of Massachusetts. They are good, honest, thrifty people and have helped build up our country.

Mr. TREADWAY. The gentleman is absolutely correct. For my good friend the gentleman from New York [Mr. O'CONNOR] to make a statement such as he did, that the depression was due to the type of citizen, forsooth, that we were encouraging to be employed in our factories and our mills, is the last word in logic from a leading Democrat, for he knows one of the major factors in the depression is the flood of cheap foreign importations, not the goods made here or the people employed in their manufacture.

Now, Mr. Chairman, I desire to revert to the few remarks I wish to make at this time. I do not expect to say a new thing. I am going to make a few quotations and a few comparisons. I want to call the attention of the Members to promises and to compare those promises with performances. So it will be necessary for me to make some very definite quotations, but they will be authoritative and of a type that I think will bear the careful inspection of the Members of the House.

My first quotation is from the Democratic platform of 1932. I quote:

> We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

That was part of the platform which the then candidate, the nominee of that convention, flew to Chicago to accept. Governor Roosevelt in his speech of acceptance on July 2, having kept the convention in session several days, I believe, in order to make the speech, said:

> The platform which you have adopted is clear. I accept it 100 percent.

There is no effort, therefore, to squirm from this clear covenant with the people in the platform.

In looking over the platform, however, we do not find any suggestion in it that Congress would be called upon to surrender virtually all its powers to the Executive. Immediately the Democratic Party came into power we were asked to delegate the congressional power to the President of the United States to do with as he saw fit. Why, if this was a clear-cut covenant with the people on which he was running for President, did not that platform call attention to the fact and give the people some chance to say whether or not they favored that sort of delegation of congressional authority to him? There was no clear statement along this line. Nor do we find that the policies of this country were to be dictated by a professorial "brain trust" not responsible to the people.

It would have been the part of clear out-and-out frankness with the people to have told them that when elected to office he expected to throw out everybody who had had any experience in the departments and install second-grade college professors and establish a "brain trust" such as is running the country today. We do not find any reference to that in the platform. Nor do we find any reference to the fact that business was not going to be given a fair show.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield, although I know the gentleman will make some caustic remark.

Mr. McFARLANE. I would like for the gentleman to give us an idea of who he thinks should have administered the Government, the Wall Streeters? Their rule of 50 years has wrecked the country.

Mr. TREADWAY. I shall be very glad to answer the gentleman. In the first place, I would not have started with Wall Street. I would have started with a much more experienced type of man to fill the position than the men who have been selected.

Mr. McFARLANE. The overwhelming majority of the people in the United States do not agree with the gentleman's line of thought.

Mr. TREADWAY. Yes, yes; that is true; I admit that an overwhelming majority of the people did vote for Mr. Roosevelt for President; but you did not give them a frank statement of what you were going to do or what you wanted to do in case you were elected. I will also state that "the overwhelming majority" to which the gentleman refers was obtained by promises and not performances. It has dwindled tremendously.

Mr. PIERCE. What happened in 1934? Did the people endorse him then?

Mr. TREADWAY. Yes.

Mr. PIERCE. Did they accept him?

Mr. TREADWAY. Yes. The Democrats have been very extravagant with the people's money in order to get that endorsement. [Applause.] That is the reason they received the endorsement, and that is what you are going to try to do next year, now that you have $4,880,000,000 to spend freely and as you see fit. Anybody can put their hand into the dough bag and get the money. That is what you are going to try to do next year. We know the game perfectly well. There is not any question about what you did then and there is no question but what you are going to do it again, but if the people are wise they are not going to fall for it.

Mr. McFARLANE. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Texas.

Mr. McFARLANE. What would the gentleman have us do? Let us have the gentleman's program.

Mr. TREADWAY. I will give the gentleman the program. Do not get too excited or too anxious and do not get ahead of my talk. The gentleman is really anticipating what I am coming to.

Mr. McFARLANE. Is that so?

Mr. TREADWAY. Yes.

Mr. McFARLANE. I was hoping the gentleman would get there before nightfall.

Mr. TREADWAY. I will get there before my time is up if I am not interrupted too much.

Mr. HOEPPEL. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from California.

Mr. HOEPPEL. Does the gentleman know that we are giving the people a new deal because in my district, for instance, I have a Republican postmaster who has resigned and who is clamoring to be relieved, yet Mr. Farley keeps in office the Republican postmaster when there are several Democrats to take the job.

Mr. TREADWAY. That is the difficulty. There are so many willing Democrats that Mr. Farley will make enemies if he picks any one of them. I know lots of instances of that kind. I know of dozens of post offices occupied by Republican postmasters because the Democrats do not dare to make a selection of one Democrat when there are dozens of them that want the job.

Mr. EKWALL. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Oregon.

Mr. EKWALL. Is it not true they do not want to relieve the Republican undoubtedly on account of his efficiency?

Mr. TREADWAY. Well, the Democrats are not looking so much for efficiency, as far as I can observe. They do not expect to have any efficiency in office. Of course, if the gentleman is correct, it is an exception to the regular Democratic rule.

Mr. Chairman, the people were entitled to know just what was in the Democratic platform in plain words. Where was there any information that every business in this country was going to be put under strait-jacket regulations supervised by departmental clerks in the city of Washington? Who ever thought or dreamed, when they were voting the Democratic ticket in 1932, that every industry in the country today would be asked to submit to a code system?

Why, objections to the code and the effort to get some practical suggestions properly made up filled the Washington hotels for months, and I believe are still doing so. This was in an effort to get a practical way in which business could be carried on. I do not see any reference of that kind in the Democratic platform, which was the promise of the Democratic Party to the people, and on which they were elected in 1932.

What suggestion is there in that platform that the rights of States should be usurped and that Washington would undertake to control the legislation of States and dictate to the States what they must do in order to get the benefits of this grab bag of public money? I do not see any reference of that kind in the Democratic platform that that is what they intended to do.

We do not see any reference to the fact that this administration intended such tremendous economic and social reforms, both words misnomers, because there is no economy about them. That is as certain as gospel. There is no economy in these reforms, nor are the social reforms of any consequence whatever. We find no reference whatsoever to them in the Democratic platform.

In other words, the platform is one of omission of what they were actually going to do, rather than actual promises to the people as to what they would do.

Mr. ARNOLD. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is complaining about the condition in reference to codes. Is the gentleman now speaking for the 90 percent of the business men in various activities who have voluntarily worked out these codes, or for the 10 percent of chiselers who have made business ethics impossible throughout this country?

Mr. TREADWAY. I may say to the gentleman from Illinois that the question, to my mind, is so ridiculous I am surprised the gentleman would ask it.

Mr. ARNOLD. Well, let us have the answer.

Mr. TREADWAY. I think it is ridiculous from this viewpoint: The gentleman from Illinois intimates that 90 percent of the business people have voluntarily submitted themselves to the code system. Notice the word "voluntarily." Find me a business man who voluntarily came to Washington to help write a code governing his method of doing business. He just does not exist. Of course, it is not voluntary. It is forced on them by your administration.

The gentleman mentions 90 percent. I will accept the gentleman's figure. I do not know as to the number actually operating under the code today, but I have a great many of them in my district, and wherever there is a small industry employing a few people, say in a local community, you will not find one of those but what will say that every code that is written is an oppression of the worst character against carrying on their business.

Mr. ARNOLD. Is the gentleman speaking now with particular reference to the local automobile dealers throughout the country?

Mr. TREADWAY. No; I am not.

Mr. ARNOLD. I thought not.

Mr. TREADWAY. I am not referring to automobile dealers. I am referring to my own experience in corresponding with my own constituents, who certainly are very much upset at the code regulations. Further, may I say that today you are aware that the Government is being besieged to change the codes and make them practical so that the business people may live and exist under them. There is no question about that fact.

Mr. HEALEY. Will the gentleman yield?

Mr. TREADWAY. I yield to my colleague from Massachusetts.

Mr. HEALEY. At the outset of the gentleman's remarks he referred to the splendid social and labor regulatory laws that are in effect in the gentleman's State.

Mr. TREADWAY. Yes; and in your State; our mutual State.

Mr. HEALEY. I believe the gentleman will admit that for some 20 years now there has been a migration of the textile industry from the gentleman's State, and from my State, to States having less stringent regulatory laws?

Mr. TREADWAY. Certainly.

Mr. HEALEY. Because the capital invested in the textile mills was in search of a cheaper labor market. Now, will not the gentleman admit that the Democratic administration accomplished something when it set up a code of regulation establishing a minimum wage in the textile industry and also eliminating child labor in that industry?

Mr. TREADWAY. I agree with the gentleman and I may say further that efforts to secure those very results have been made for years and years by Republicans as well as Democrats. The gentleman is aware of that, of course. We have tried to get a constitutional amendment that would accomplish this very purpose in respect to doing away with child labor everywhere and equalizing the wage scale in the various sections of our country. No doubt we are in hearty accord upon these subjects and I agree with the gentleman and do not hesitate to admit the facts about child labor and a minimum-wage scale. I am not saying that the minimum-wage scale is correct as it is now adjusted, but the child-labor proposition, under the code system, is most excellent. If there are good things I shall not hesitate to praise them just as much as I shall criticize the bad things.

Mr. WOODRUFF and Mr. HEALEY rose.

Mr. TREADWAY. I am afraid I shall have to arrange with the gentleman in control of the time to get further time, because I have hardly gotten started upon what I expected to say and half of my time is already gone.

I yield now to the gentleman from Michigan.

Mr. WOODRUFF. The gentleman's colleague from Massachusetts has called attention to the fact that as time has gone on the textile manufacturers in Massachusetts have found it increasingly difficult to compete with the textile manufacturers of other sections of the country, and I take it he means the South.

Mr. TREADWAY. Undoubtedly.

Mr. WOODRUFF. The gentleman is certainly familiar with the minimum wage scales under the code. He must be aware of the fact that the textile manufacturer of the South has a lower minimum wage scale than the textile manufacturer in Massachusetts?

Mr. TREADWAY. There is a differential there and let me further call the gentleman's attention to the fact, which he so well knows, that while the minimum may be protective, I am not finding fault with domestic competition; my fault is to be found with foreign competition, very largely.

Mr. WOODRUFF. That is my principal objection, I will say to my friend from Massachusetts.

Mr. TREADWAY. Of course, I know the gentleman's views, but I will say that there evidently is not a sufficient differential in certain sections of the country between the minimum wage and the maximum wage to take care of the additional cost in northern textile mills.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; this is the last is it not?

Mr. HEALEY. Yes; this is the last. The gentleman, I think, will admit that the minimum wage established by the N. R. A. code in the southern section of the country represented an increase of 100 percent, so therefore the minimum wage paid in the textile industry in that section before the N. R. A. codes were adopted was about $6.50 per week, and this was raised by the N. R. A. code to $13 a week as the minimum wage; I think the gentleman is willing to admit that this was a long step in the right direction and constitutes a definite accomplishment of this administration.

Mr. TREADWAY. That the Republican administration started. You cannot put any reform through overnight, and do not take credit to yourselves that you did it, either.

Mr. WOODRUFF. What I was about to say was this. We will agree with the gentleman's colleague from Massachuetts that it was a step in the right direction, but it was a mincing step, it was a hesitating step, and inasmuch as they were trying to correct this situation, why did they not take a full vigorous step and establish the minimum wage of the South in exactly the same amount as they established it in the North?

Mr. TREADWAY. That is a question the gentleman would have to ask them to answer, not me.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. ARNOLD. At the rate the gentleman's party was going toward the abolishment of child labor, how soon does the gentleman think they would have accomplished that purpose, and is it not much better that the purpose was accomplished when it was?

Mr. TREADWAY. Oh, in answer to the first question of my colleague from Massachusetts, I admitted there were good features in the code system, including these features you are speaking of, but you have mixed so many rotten things with it that your average is mighty low.

Mr. ARNOLD. May I ask this further question? If it had not been for the codes establishing a minimum wage in the textile industry, would not your industries of New England been drawn to the South under the old-wage schedules?

Mr. TREADWAY. Gracious me, it could not have gone down any worse than it has been doing with your codes. Our mills never were running on as short time as they are today. So, do not take too much credit for your code or we may come back on you with respect to your minimum wage.

Mr. ARNOLD. The fact that wages in the South have been doubled has relieved you to that extent.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to my colleague from New York.

Mr. REED of New York. There has been a lot of noise made about the restriction of child labor under the code. As a matter of fact, there are child-labor laws on the statute books of every State of the Union, and they were there before the code was put into operation, with the exception of two States, Georgia and Mississippi.

Mr. TREADWAY. The gentleman is correct and I think I practically touched on that very matter in the opening of my remarks in criticizing the remarks of the gentleman from New York [Mr. O'CONNOR].

Mr. McFARLANE and Mr. LORD rose.

Mr. TREADWAY. I have done pretty well by the gentleman from Texas, and I think perhaps I should let some of my other colleagues have a chance, and I yield to the gentleman from New York.

Mr. LORD. Mr. Chairman, I was interested in the discussion of child labor. The Congress submitted to the people some years ago for the States to vote upon a child-labor amendment to the Constitution and yet in this House,

as well as in the Senate, we are employing boys of some 12 years of age. I wonder why we are not under the N. R. A. here.

Mr. TREADWAY. The patronage here is preferable to the N. R. A. system. Now let me proceed to call attention to platform promises against performance. It is understood I am quoting each time from the Democratic platform.

We advocate an immediate and drastic reduction of governmental expenditures.

That is a clear-cut statement in the platform in plain English. They say the people are entitled to know. What are the performances? The Democratic Party has increased the actual expenditures in the fiscal year of 1933 from $5,000,000,000 to $7,000,000,000 in 1934.

Budget estimate of expenditures for 1935 is $8,500,000,000, and same amount for 1936.

These figures do not include the billions of contingent liabilities that have been incurred, such as the guaranty of farm-loan bonds, two billions; guaranty of home-loan bonds, two billions; authority to H. O. L. C. to issue one and a half billions of bonds; insurance of mortgages under Housing Act, two billions; and so forth.

The gentleman from New York told us that we had been balancing the Budget. That looks very much like it when we have increased expenditures by three and one-half billion dollars. Still the platform said that they advocated immediate reduction in Government expenditures.

Here is another extract:

We advocate the elimination of extravagance.

That is a wonderfully attractive plank to go to the voters. President Roosevelt, in one of his campaign speeches, accused the last Republican administration of being the greatest spending administration in peace time in all history.

Well, it might have been in all our history up to that time but certainly it was a piker when we look at the expenditures and the extravagance of the present administration. The figures I have quoted show that the expenditures of the Democratic administration are 40 to 60 percent greater than the last Republican administration, and now this doubtful distinction of being the greatest spending administration in all history has come back and is resting on the Democratic doorstep today. [Laughter and applause].

Here is another plank:

We advocate the immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus.

Why, that was one of the clear cut words in the contract that people are entitled to know about. They advocate the abolition of useless commissions and offices, consolidating departments and bureaus.

What is the performance? The creation of fifty-odd alphabetical bureaus. There were hardly enough letters in the alphabet to combine into these various bureaus. Increases in the number of civil employees from 563,000 in February 1933 to 685,000 in March 1935. Most of these 122,000 additional employees are patronage employees, put on by the Democratic Party, and still this wonderful platform calls for the abolishment of useless commissions and the consolidating of departments and bureaus.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. BULWINKLE. Would the gentleman mind telling the Committee which of these alphabetical commissions which he talks about he would abolish?

Mr. TREADWAY. It would take me a much longer time to do that than my friend would yield me.

Mr. BULWINKLE. But the gentleman stated it was wasted, and I am asking the gentleman to tell to the House which ones of them he would abolish.

Mr. TREADWAY. Practically all of them, I would say to the gentleman, and the Republican Party will see that they are abolished when we get back into power next year.

Mr. BULWINKLE. All right, the gentleman will abolish all of them.

Mr. TREADWAY. I said practically all of them. I am not saying there is not some good in some of them. You cannot have so much chaff without having a little bit of wheat. You would have to find something worth while with all of these different things that you have combined here. There must be something good somewhere.

Mr. BULWINKLE. Cannot the gentleman say which ones he would abolish and which ones he would not?

Mr. TREADWAY. I have said I would abolish practically all of them, so that there would be 122,000 less Democratic officeholders. The only really worth-while one is the R. F. C., established under President Hoover.

Mr. BULWINKLE. Has the gentleman thought sufficiently which ones he would abolish?

Mr. TREADWAY. I do not have to think. I have no chance of abolishing them for nearly 2 years. Two years from now we will answer the gentle man's question seriatim.

Mr. BULWINKLE. But I am asking the gentleman now.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. POWERS. Mr. Chairman, I yield 15 more minutes to the gentleman from Massachusetts.

Mr. TREADWAY. Balancing the Budget is my next topic. The Democratic platform read as follows, and I am quoting from that:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate Executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

Then Mr. Roosevelt, in one of his campaign speeches said:

It is my pledge that rigid governmental economy shall be forced by a stern and unrelenting administration policy of living within our income.

Delightful! The performance is as follows: A deficit for the fiscal year 1934 of $3,630,000,000; an estimated deficit for 1935 of $4,297,000,000, and an estimated deficit for 1936 of $4,000,000,000.

Mr. Chairman, if $4,000,000,000 of deficit is living within a fixed income, what would be a real deficit? But that is what they promised, and the other is what they have actually performed.

I quote now from high Democratic authority, a speech made in the Senate on March 19, in reference to the $4,880,000,000 works bill. Senator GLASS, a former Secretary of the Treasury, said:

I still maintain the view that the appropriation contained in the joint resolution would bring us too near the point of impairment of the public credit. I have said already that an impairment of the credit of the United States to the point of 10 percent would so impair the credit of the banks as to render 90 percent of them practically insolvent.

There is the viewpoint of a former Secretary of the Treasury as to what this deficit is doing to the general credit of the country. Let us see what the currency plank of the Democratic platform is:

We advocate a sound currency to be preserved at all hazards.

And still one of the President's first official acts was to take the country off the gold standard. Later he repudiated the gold clause in United States bonds and currency. He repudiated the just debt of the United States Government as well as private individuals and corporations, in not living up to the terms under which those bonds were written. It is no wonder that people are scared. Later he reduced the gold content of the dollar to 59 cents and he has the power to reduce it still further.

Last night I was quite amused at the defense of that change of values by the distinguished Secretary of the Treasury, Mr. Morgenthau. For a mess of nonsense and useless statement I recommend that address over the radio made by the distinguished Secretary of the Treasury. I hope some of our Democratic colleagues will see to it that it is put into the RECORD, because it is a choice bit of literature.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I regret that I have been interrupted so much that I cannot yield more.

Mr. RANKIN. I merely wanted to ask unanimous consent to insert the speech in the RECORD.

Mr. TREADWAY. I think it would be fine to do that. I am sure that the Republican side would greatly appreciate having that very amazing address in the RECORD.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to extend my remarks by inserting the speech of the Secretary of the Treasury made last night over the radio.

Mr. MILLARD. Mr. Chairman, I make the point of order that that is a request that must be made in the House and not in the Committee of the Whole.

The CHAIRMAN. The point of order is sustained.

Mr. TREADWAY. I want to quote the Democratic platform on unemployment and old-age insurance:

We advocate unemployment and old-age insurance under State laws.

Bear that in mind. That is the only reference to unemployment and old-age insurance in the Democratic platform. The social-security bill sets up a strictly Federal system of compulsory old-age annuities, and imposes pay-roll taxes on employers and employees to pay the costs, a new kind of taxation on a tax-burdened country, probably unconstitutional, and evidently it is admitted so by the Democratic administration because they do not bring the bill up in the Senate.

The unemployment-insurance provisions of the bill not only coerce the States into enacting unemployment-compensation laws, but at the same time impose Federal standards. So the performance on that issue is absolutely contrary to the terms of the Democratic platform.

Here is another extract from the platform:

We favor effective control of crop surpluses, so that our farmers may have the full benefit of the domestic market.

Was that not fine and splendid? What did they do? Here is the performance: Farm crops have been destroyed to such an extent that we are now importing many agricultural products. Tariffs have been reduced on a number of farm products and other reductions are contemplated under pending reciprocal trade agreements, the purpose and effect of which is to give foreign producers a larger share of domestic markets. But the promise made in the platform was to control surplus stocks so as to keep the domestic market for the agricultural products of this country.

Taxes: In the first campaign speech on July 30, 1932, Mr. Roosevelt said:

Our party sees clearly that not only must Government income meet prospective expenditures but this income must be obtained on the principle of ability to pay. This is a declaration in favor of graduated inheritance and profits taxes and against taxes on food and clothing, whose burden is actually shifted to the consumer.

Here is the performance: The Democratic Party has imposed burdensome processing taxes on the necessaries of life, falling most heavily on those least able to pay. That could be elaborated on in a speech as long as the time of the House would be in session today. It is a self-evident truth that the kind of taxes that have been levied have been against the people least able to pay, and on the very necessities of life, food, and clothing.

Now, the platform advocates stronger and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices and the revision thereof for the better protection of labor and the small producer and distributor.

The actual performance is suspension of the antitrust laws under the N. R. A., the creation of monopolies, and the oppression of all kinds of small business. Compare the promises in the platform with the performances after securing office.

Now, here is an interesting plank:

We condemn the improper and excessive use of money in political activities.

I want to repeat that. That is extremely interesting to me—

We condemn the improper and excessive use of money in political activities.

No doubt that was very enticing to many voters when they read that Democratic platform and realized that it was a covenant with the people that they condemn the use of money in political activities. What is the performance? The Federal Treasury has become the campaign chest with which to entrench the Democratic Party in power at least as long as the money lasts. The taxpayers' money is put into the chest and passed out under Democratic auspices, in spite of the fact that in their party platform they condemn the excessive use of money in politics.

Mr. HOEPPEL. Will the gentleman yield?

Mr. TREADWAY. No. I am sorry I cannot. I only have a short time remaining.

Mr. HOEPPEL. I would like to give the gentleman some information.

Mr. TREADWAY. We have plenty without any additional from the gentleman. This will answer one inquiry that was made of me a few moments ago, and I want to be sure to get it in, realizing that there are others entitled to the floor. This answers the inquiry of the gentleman from Texas [Mr. MCFARLANE]. Now they want to know what I think we ought to do, and I think the Republicans would do most of it if given the power. Of course, we are continually asked. Criticism was made of the brilliant speech made by the minority leader yesterday that he offered no constructive program. That is no criticism. It is praise.

Why should we offer a constructive program when we have but 1 vote out of every 4 in this House? If the people will see to it that a good, active minority comes into Congress, no matter which party is in power, then there will be constructive work by the minority. Today we are handicapped, and people are getting mighty sorry that we are, too. Every mail brings letters, editorials, and comments on how they wish there could be a change made.

Let me give you one little illustration: I received a letter a day or two ago from a distinguished constituent who had made an offer for quite a large contract for interlining for coats used to make us look square-shouldered.

The price was very satisfactory to the customer, but the customer wrote back that on account of the chance to get the price of interlining reduced coming from foreign countries under the reciprocal-tariff arrangements, he could not accept the offer. What better illustration do you want than that? Do you think the hands in that mill would be very happy to know that they lost that order on account of this great effort to have a reciprocal tariff in order to bring imports from foreign countries to compete with our own home labor?

My idea of a constructive program would be to live up to most of the items in the Democratic platform I have just read: (a) Reduction of governmental expenditures; (b) elimination of extravagance; (c) maintenance of the Nation's credit by balancing the Budget—both of them; (d) stabilize the dollar and insist on a sound currency; (e) enforce the antitrust laws; and (f) eliminate Government competition with private business.

If the Democratic Party, now two and a half years in power, had carried out some of those promises to the American people made in the platform adopted in Chicago in 1932 there would not have been this howl that is going up all over the country today against the Democratic administration.

Now, let me offer a few additional proposals: (a) Repeal the reciprocal tariff law. That is the first constructive suggestion I would offer if the Republican Party were in power; (b) repeal the processing taxes; (c) abolish tax-exempt securities; (d) concentrate on recovery and leave a lot of this foolish reform legislation for the future. Let us recover before we reform; (e)—and there is no bigger offer to the constructive program of the future than this (e) on my program—leave business alone; let business, private enterprise, have a chance to breathe and live and have life

injected into our various communities; (f) restore to the three branches of the Government the authority vested in them by the Constitution.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. In just a moment. For the life of me, I cannot see how any self-respecting, 100-percent, trained industrial business man can agree with the gentleman from Illinois when he says that business voluntarily has accepted these regulations coming to them from the "brain trusters" in Washington. That is not the kind of business people we have in Massachusetts; I do not think he has them out in Illinois either. Our people are trained business people and they want to attend to their business, to make an honest living, and to furnish employment for American citizens. That is what we want in this country today, less "brain trusters" and more private business.

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. My time has expired.

Mr. BULWINKLE. I will get the gentleman 2 additional minutes if he wants them.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, my distinguished friend and colleague the gentleman from New York [Mr. O'CONNOR] in his speech today referred to me and to the district which I represent, and I think that unconsciously he misquoted me. He intimated that I had said in a speech the other day that in the South now at the present time there are conditions of child labor and low wages. I did not say that in my speech the other day. I said that a few years ago they had child labor in the South, long hours of labor and very bad wage conditions.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Gladly.

Mr. BULWINKLE. I wish to say to the gentleman, representing as I do a southern State, that there has been no child labor in North Carolina for many years, and that the cotton-mill men of my county proposed a compulsory school law in order that the children of North Carolina might go to school instead of to work.

Mr. CONNERY. I am glad to hear my friend from North Carolina say that. There have been southern States, as he knows, of course, in which they did have child labor and extremely low wages; and organized labor had a very difficult time attempting to organize those southern States in the interests of shorter hours and decent wages.

The gentleman from New York spoke about the N. R. A. I think the gentleman made a very effective comparison of conditions since the inception of N. R. A. with conditions before that time. Before we had the N. R. A. the mill situation in New England and wage conditions in particular were very bad. While we had no child labor, we did have low wages and the speed-up and the stretch-out system in our mills, the same as they have now in the South; and today, although wages are a little better in the North, we have the speed-up and the stretch-out systems in both the North and the South. N. R. A. put the textile industry upon a 40-hour week, and that gave us in New England a break which we had never had in years, because previously the southern mills had longer hours, sometimes up to 60 and 70 hours a week, as against our 48-hour law in Massachusetts.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COLDEN. What does the gentleman mean by the speed-up and the stretch-out systems?

Mr. CONNERY. The stretch-out system works this way: Where a man formerly was supposed to tend one to three looms in a mill they suddenly put him in charge of six looms, which in many cases is ruinous to health.

The speed-up system is the system whereby the general operations of the plant move at a faster pace, the machines are speeded up. That is practiced not only in the textile industry but generally in the automobile industry and in almost all other industries. It was brought out in testimony before our committee that although wages in certain industries were raised from $4.50 up to $5 a day, which is one of the highest wages paid in industry, they speeded up the machines the men were using so that they did almost twice as much work as formerly. Then the manufacturers spread the word over the country that they had granted their employees great increases in wages, but were very silent as to the speed-up system they had installed.

I am for N. R. A. I am for it because it did away with child labor. It did away with so-called "yellow-dog contracts" whereby a man would have to promise in writing that in consideration of getting his job he would not strike during the time he was employed in the factory and that for a year after his employment in the factory ceased he would not come near the factory if there was a strike to picket or attempt to hinder that factory in any way. The contract also contained a promise that he would do practically everything he was told to do by his boss without regard for any of his rights as a citizen. In other words, it was slavery. The N. R. A. did away with child labor and the yellow-dog contract. Then it put the power of the United States Government behind labor in its right to organize, recognizing that labor had the right to organize.

Then in section 7 (a) of the N. R. A. the right of labor to bargain collectively through representatives of their own choosing was endorsed. Those four things alone in the N. R. A. would justify its existence and have been the greatest boon to labor that we ever had in perhaps 150 years of the existence of the United States. There are other phases of N. R. A. with which I entirely disagree, but those four points to which I have referred are epoch making.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. MARCANTONIO. In referring to section 7 (a), of course, the gentleman does not believe that section 7 (a) is being enforced now?

Mr. CONNERY. No.

Mr. MARCANTONIO. Nor has it been given the meaning which the Congress gave it when enacting it into law?

Mr. CONNERY. No. Over in the Senate there was offered an amendment which would permit company unions, when the N. R. A. matter was up for action over there. Senator WAGNER, of New York, and Senator WHEELER, of Montana, made speeches against the amendment, and in their speeches they made it very clear that the Senate intended section 7 (a) should outlaw company unions. That amendment was defeated. Then the bill became law. An Executive order was issued making it very plain what section 7 (a) stood for. The next day a statement was given out to the newspapers in direct contradiction to the Executive order. This statement was given out by Mr. Richberg, and that statement is responsible for all the unrest that we have in labor today and for the strikes. I know that, because we have had all of this testimony before our committee.

And while we are on that subject, may I pause at this point to say that the gentleman from New York [Mr. MARCANTONIO] is a very valuable member of the Committee on Labor. May I also say that the Wagner labor-relations bill and its companion, the Connery bill, which we reported a few days ago, put teeth in section 7 (a). In other words, that is what the whole bill is about. It puts teeth into section 7 (a) and gives the National Labor Relations Board the power really to enforce section 7 (a). That is what the Wagner-Connery bill calls for.

Mr. KENNEY. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New Jersey.

Mr. KENNEY. Have the hearings on the Wagner-Connery bill been printed yet?

Mr. CONNERY. The hearings will go to the Printer tomorrow. They are being prepared now. I may say also that the Secretary of Labor came before our committee, and Mr. Francis Biddle, Chairman of the National Labor Rela-

tions Board, and testified in favor of the Wagner-Connery bill.

Mr. McCORMACK. Will the gentleman yield?

Mr. CONNERY. I yield to my good friend from Massachusetts.

Mr. McCORMACK. The gentleman earlier in his speech referred to some other parts of the speech. Will the gentleman advise what part of the speech he has reference to?

Mr. CONNERY. The gentleman from New York [Mr. O'CONNOR] mentioned the foreign element having been brought into the United States and into New England to work in our mills. I thought he spoke in a rather disparaging manner in that regard and as if immigrants to the United States, who came to this great land of the free and the home of the brave, had no right to go to New England and had no right to work in the textile industry. I want to say that in the city of Lawrence we have 43 nationalities represented. Those people and their sons and daughters are some of the finest American citizens that you can find any place in the United States of America. [Applause.] I do not think the gentleman from New York had any right to refer to those people in the disparaging tone he used.

Mr. Chairman, this is not a partisan matter, and it is not a North and South matter, as the gentleman from New York tried to make out. The gentleman from North Carolina [Mr. BULWINKLE] and Members from the other Southern States know what is going to happen to their textile industry down there. They will close unless a very serious situation is remedied. It is not a question of the mill owners. If the mills do not run, the workers do not work. If the workers do not work, their wives and children do not eat or they have to go on welfare; and I am just as much interested in the workers and the wives and children of the workers in North Carolina, Georgia, Alabama, or Mississippi, or Tennessee as I am in the workers in Massachusetts. It may be said that this is just talking to please my colleagues from the South, but I think anyone who has been before the Committee on Labor will bear me out in the statement that I and every member of that committee are interested in all of the people of the United States and not in the people of any particular section of the country.

I agree with some of the things which the gentleman from New York [Mr. O'CONNOR] said about the textile industry.

[Here the gavel fell.]

Mr. LUDLOW. I yield the gentleman 5 additional minutes.

Mr. CONNERY. I agree that the textile industry under the Republican tariff got protection and is now getting protection. I agree that Mr. Andrew Mellon's aluminum concern got protection under the tariff and should not have gotten it. I think there are other big interests getting tariff protection which should have no tariff protection whatsoever, do not need protection, but under the system in which we have legislated here in reference to our tariff problems there was no chance to vote on separate items. To protect your own district you had to vote for the whole bill or vote against the whole bill. So we have evils in the tariff and we have good in the tariff.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. CONNERY. I yield to my colleague from Massachusetts.

Mr. MARTIN of Massachusetts. May I inquire if the gentleman agrees with the thought expressed by the gentleman from New York that we are overprotected at the present time?

Mr. CONNERY. Not on textiles; no. Not on shoes; no. We had 6,000,000 pairs of shoes come into the United States before the tariff bill was passed. We have stopped that at least.

Mr. MARTIN of Massachusetts. The gentleman rather implied that we were overprotected at the present time. He certainly does not agree with that.

Mr. CONNERY. I do not agree with it so far as textiles are concerned, but there are other things like the Aluminum Trust and others which should not have any protection at all. We know there are evils as well as good points in the tariff.

Mr. MICHENER. In other words, the gentleman is not overprotected on anything produced in the gentleman's district?

Mr. CONNERY. Shoes and textiles are all that we are protected on and I just stated that we had 6,000,000 pairs of shoes come in from Czechoslovakia underselling us on the American market. This was at a time when 3,000 shoe workers in Lynn were walking the streets. So we were not overprotected there. As to textiles, you can see what the mills in my district are up against at the present time with Japanese imports taking away their market.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to ask the gentleman, who is Chairman of the Labor Committee, if he feels that we are over-protected on any commodity which has heretofore been primarily produced in this country and which is now absorbing the United States market by being shipped into this country from other parts of the world? Are any of those commodities over-protected?

Mr. CONNERY. I think some of them are. But may I say, under our laws we exclude Asiatics, not because of their color but because of their cheap-labor conditions, and then we allow them to send into our country the products of their cheap labor, unlimited hours of work, and almost incredibly low wages, to compete with and undersell our own products in our own markets, and actually encourage them to trade with us under the plea that we must protect our export trade. American workers should not lose their bread and butter to stimulate imaginary foreign trade. If the gentleman will get a copy of my bill (H. R. 6993) which is now pending before the Ways and Means Committee, the gentleman will find this bill provides that wherever the total landed costs of any commodity or article coming into the United States are less than the cost of the production of a similar article or commodity produced in the United States, that article shall be barred from the United States. [Applause.]

Mr. CRAWFORD. That will answer my question provided——

Mr. CONNERY. That covers your Japanese situation, your farm situation, and everything else.

Mr. CRAWFORD. That answers my question provided you include in the cost of production a reasonable, living standard for the man who works in this country, whether on the farm or in the factory.

Mr. CONNERY. That is understood, of course. We are trying to protect the wages of the workers of the United States as well as the interest of the farmers. They are bringing in wheat from the Argentine and from Brazil now. Other foreign farm products are being brought in and therefore the idea of protecting the farmer is going out the window. I look forward in the very near future to see the farm Representatives of this House stand up here and ask for the passage of a bill like the Connery bill which will protect the farmers and the workers of this country against foreign importations.

Now, in regard to textiles, the Democratic Members of New England in the House here after a conference with Secretary Hull and Secretary Roper asked the President to appoint a Cabinet committee to look into this question and discuss this matter of the importations of Japan, the A. A. A., and the textile situation in general, to find a solution for the problem. The President appointed a Cabinet committee consisting of Secretary Hull, Secretary Roper, Secretary Perkins, and Secretary Wallace. They have been holding hearings on the matter, and it is not a question of the North or the South. Representatives from the southern mills and representatives of southern workers have been before this committee, as well as representatives of northern mills and workers, and when the committee makes its report to the President I am hopeful we will get an adjustment of this matter which will be fair and equitable to North, South, East, and West. But I resented today the remarks of the gentleman from New York [Mr. O'CONNOR] in reference to

the "foreigners", as he called them, who have come to New England.

Also, the gentleman from New York did not mention the fact that when he worked in a mill at the wages he spoke of—$1.50 a week, I think he said—and then my friend from South Carolina [Mr. TAYLOR] the other day said he got 5 cents a day when he worked in a mill in South Carolina—the gentleman from New York [Mr. O'CONNOR] did not mention the fact that the people of Massachusetts long ago revolted against these conditions and put a 48-hour law on the books and provided minimum wages in Massachusetts, and in your N. R. A. you have a follow-up of this theory in order to protect all the workers of the country.

Now, I hope this Cabinet board, which has been appointed by the President, in its report will take care of this matter. Otherwise, we are going to lose eventually the great majority of our textile factories in the entire country.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Massachusetts 2 additional minutes.

Mr. CONNERY. We are going to lose a great industry in the United States, and lose it to whom? If we lost our factories in New England to Alabama or any other Southern State, at least some Americans would be getting work; but when we are going to lose these textile mills to Japan, Germany, or England, and have our American workers walk the streets because of this sort of policy, then I say it is time for us to wake up and take care of America.

Now, I may go too far in the minds of some of you when I say that I am for America first, last, and always, and let the rest of the world take care of itself. [Applause.] I am in favor of buying American goods. I am in favor of an adjustment which will mean decent wages for the industrial workers of America. I am in favor of a decent price for farm products, but until the farmers and the workers in Congress and outside of Congress get together and through their organizations throughout the country work out their problems in harmony you will have the farmer getting nothing for his products and you will have the worker ground down to an impossible, nonliving wage. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Chairman, a little while ago my good friend from New York, who was born in my district and whose folks are splendid constituents of mine, made reference to my activities in behalf of the textile industry. I think when his speech was delivered it was the voice of the gentleman from New York, but it was the reflection of sentiments of some of the administration officials rather than his own.

The gentleman is living in the past when he talks about labor conditions of a good many years ago. We are concerned with present conditions. That is the trouble with some of the Democratic leaders at the present time. They are living too much in the past; they do not understand the sentiment of the American people at the present time. The people today do not care what happened 4 or 5 years ago. They are chiefly interested in what the Democratic Party is doing at the present time to put the people back to work. That is the real issue, and no smoke screen can conceal the issue.

The American people do not intend to countenance any system which means that for all time they must live on a dole. They demand work at real wages, a living wage, and a saving wage. We who come from New England, who are fighting to save our industries and keep men at work, are performing a real service. Mention has been made of some of the early immigrants of my section.

I am glad of the honor to defend the splendid people who make up my congressional district in Massachusetts. They came from every part of the world; they came from England, they came from Ireland, they came from Canada, from Portugal and Italy—all came to the country with the determination to live honestly and contribute to the upbuilding of the country of their adoption.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman.

Mr. O'CONNOR. Did not the expert weavers of the world come from Manchester, England?

Mr. MARTIN of Massachusetts. Yes; and they became valuable members of this Nation and contributed to the development of the industry in New England.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. DUNN of Pennsylvania. Does not the gentleman think that all this propaganda about foreigners is bunk, that they are responsible for many crimes and labor disturbances, and that if we shall provide unemployment insurance and old-age pensions a lot of this disturbance would not exist?

Mr. O'CONNOR. The gentleman from Massachusetts did not hear what I said.

Mr. MARTIN of Massachusetts. Oh, yes; I did.

Mr. O'CONNOR. I am not talking about the gentleman from Massachusetts who is speaking; I am talking about the gentleman from Massachusetts [Mr. TREADWAY]. He came on the floor and someone told him something that I said. What I said was that these people that were imported from Canada to work in our mills were the finest, most decent, religious, ambitious, law-abing citizens we ever had.

Mr. MARTIN of Massachusetts. When did the gentleman say that?

Mr. O'CONNOR. I will not change a word in my speech. I said that these mills in New England imported labor to the detriment——

Mr. MARTIN of Massachusetts. In what way?

Mr. O'CONNOR. They imported them; and they were prosecuted for violation of the contract-labor laws.

Mr. MARTIN of Massachusetts. Mr. Chairman, I believe there is a studied effort on the part of officials of this administration to discredit New England. Certainly they plainly tell us where we stand. I am going to recite three different instances, all presenting evidence which tells us in the language of the boy on the street where we are probably going to "get off." The other day a distinguished member of the President's Cabinet, Mr. Wallace, went up to Maine and delivered an address that will always be remembered by everyone who lives in New England. The gentleman from North Carolina [Mr. WARREN] shortly afterward rose here with a carefully prepared address, and he continued along the same line as Mr. Wallace. I am told, and I say this from hearsay, though I think on fairly good authority, that the President of the United States thought so well of Mr. WARREN's speech, mainly an attack on New England, that he sent a letter which conveyed his congratulations. Now comes the gentleman from New York. He rises here and delivers an address which unquestionably was prepared, and it is along the same line.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes. I do not want to do anybody an injustice.

Mr. O'CONNOR. There was nothing in my speech that was not prepared between last night and this morning after I got a copy of the speech of the gentleman from New York [Mr. SNELL], except for some figures furnished to me by some of the departments. Every word in the speech was my own, except those figures.

Mr. MARTIN of Massachusetts. It is unfortunate that the gentleman's remarks seem to be of the same tenor of the others, and also, if I recall, he went out of his way to praise the speech of the gentleman from North Carolina [Mr. WARREN].

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. No; I will not.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Not now. Why should not New England come here and express what is for her own welfare? Why should not we from New England protest against the processing tax which is a 50-percent tax on one industry? We know the industry cannot live weighted down with this unfair tax, and we would fail in our obligations to our own constituents if we did not rise and fight to give them a chance to live.

Mr. ARNOLD rose.

Mr. MARTIN of Massachusetts. The gentleman will pardon me, but I cannot yield. In the other speeches made this afternoon no one yielded, and I think I have been more liberal than anyone else.

Mr. ARNOLD. I am sure the gentleman has not yielded to me.

Mr. MARTIN of Massachusetts. I yield to the gentleman from Illinois.

Mr. ARNOLD. Does the gentleman believe that New England should be the chief beneficiary of the tariff and then object to giving a corresponding benefit by the processing tax to the agricultural sections of the country? Does the gentleman demand special favor for New England?

Mr. MARTIN of Massachusetts. We of New England do not ask special favors from anyone. We are willing to stand on our own feet and compete with the rest of the country. We say you should not single out any one industry, and when I talk about the textile industry I am talking about the South as well as the North. We say that you should not impose a burden on one industry it cannot stand and, generally, I believe is unconstitutional. If it ever goes to the high court, I believe you will find you cannot assess one industry for the benefit of another group. No; we do not want any advantage, but we have the right to say this great American market should be protected. We have a right to demand industries paying an American wage shall have an opportunity to live. This administration is preventing the American worker from living when it permits all these Japanese imports to pour in here. These imports take jobs away from the American people. I am for protecting the industries in New England, and I want also to protect the industries of Pennsylvania, the Carolinas, the sugar men of the West, and all others. I would give protection to all American industries wherever located. We of New England have a right to ask that any system of Government regulation of business should so regulate it that all sections of the country are on a parity. What is wrong about that? Why should not a man in New England who is competing for the home market expect an opportunity on an equal footing with competitors in the South? Is there anything wrong about that? Only yesterday a gentleman from Illinois came to see me and he told the same story of the New England business man, that he could not compete with the lower wage scales in the South.

Let me give you a few figures:

The Government study, made in August 1934, shows the average loom fixer in the North, for a full 40-hour week, earns $25.92, while in the South the average pay is $20.28. Female weavers in the North, according to the Government report, average $17.40 for a full 40-hour week, while the southern women weavers average $15.28.

Male weavers in the North average $17.68, and in the South $16.04. Picker tenders in the North average $16.28 as compared to $12.52 for the same workers in the southern mills. Slubber tenders in the North get $19.52 per week, while in the South the average wage is $14.96. Speeder tenders in the North receive $16.08 for female operators as compared with $14.12 in the South. Male speeder tenders in the northern bills average $18.16, while in the South they get $14.72.

Women spinners in the northern mills average $15.12, against $12.84 in the South. Warper tenders in the North get $15.96, while in the South the average wage is $13.32. Doffers in the North average $17.28 per week, while in the South they earn $13.96. Oilers average $14.48 in the northern mills and $12.60 in the southern plants.

Truckers, watchmen, and laborers averaged from 25 to 30 percent more in the northern mills than in the South.

In brief, it is estimated the difference in wages paid in the North amounts to $40,000,000 more annually than corresponding wages in the southern mills. This is $40,000,000 which southern manufacturers take out of the pay of their employees with which it is possible to shade prices below the price at which the northern competitor can sell. In the spirit of fair competition this situation should not be permitted to exist with the sanction of those who form the codes. This is an unfair advantage. Someone says it has been so in the past. That is true; but we have entered a new era. We have entered an era where the Government is regulating business, and when the Government regulates business it should not discriminate against any section of the country. All sections should stand on a parity.

Mr. CONNERY. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CONNERY. The gentleman from Illinois [Mr. ARNOLD] asked if we wanted special favors in New England. Under the tariff both the southern mills and the northern mills got the same rate of duty, did they not?

Mr. MARTIN of Massachusetts. Yes.

Mr. CONNERY. But during that time, until we had the N. R. A., we had a 48-hour law in Massachusetts and higher wages, and we were competing with them unequally, and now all we are asking is a square deal.

Mr. MARTIN of Massachusetts. Yes.

Mr. DINGELL. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DINGELL. Is it not true that these advantages, so far as the South is concerned, were even greater prior to the N. R. A. than they are now?

Mr. MARTIN of Massachusetts. I would not hesitate to say I believe that is true, but that is not the question. The question is that now, for the first time, the Government is regulating business. It is regulating hours; it is regulating wages. When the Government attempts to supervise industry certainly it is just and fair that we should all be on an equality. I say to you, whether you are Democrats or Republicans, whether you come from the North or the South, ultimately water reaches its level. Either the southern wage scales must go up or the northern wage scales will go down. That is inevitable. I, for one, want to see the scales of the workingman, whether he be from the North or the South, raised, because I believe that higher wages will mean increased purchasing power and greater benefits to all the American people. It contributes to a better civilization.

Mr. McFARLANE. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. McFARLANE. Would the gentleman have us enact or write a different code for his section and a different code for the South?

Mr. MARTIN of Massachusetts. If the gentleman had listened carefully to what I said, he would not make that inquiry. I said I wanted all to be on a parity; the same code in New England, the same code requirements in Alabama.

Mr. McFARLANE. Well, are we not on a parity now?

Mr. MARTIN of Massachusetts. No. We have a code, but there are differentials in the code. That is what I am protesting against.

Mr. RABAUT. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RABAUT. The gentleman knows that the N. R. A. has brought about some good.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MARTIN] has expired.

Mr. POWERS. Mr. Chairman, I yield the gentleman from Massachusetts 2 additional minutes.

Mr. RABAUT. For instance, in the cotton-stocking industry, they were getting a salary of something like $5. On the minimum wage it brought the cost of stockings to twice their former price. Certainly that increase in money went to labor.

Mr. MARTIN of Massachusetts. The gentleman does not regret that, does he?

Mr. RABAUT. No. I am for it.

Mr. MARTIN of Massachusetts. Would the gentleman not go a step farther and go higher?

Mr. RABAUT. Yes.

Mr. MARTIN of Massachusetts. That is all I want the gentleman to do. Now, we in New England might well question the insidious move to create support for the A. A. A. legislation with several thousands of farmers treking to Washington, farmers who are supposed to be in distress and need help from the Government; spending money on a trip to urge legislation that they seek. I do not believe that is fair to the American people who pay the bill. These farmers should keep the money and spend it for their own welfare and the welfare of their families at home, rather than pay railroad fare and food bills away.

Mr. ARNOLD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ARNOLD. I am wondering if I understood the gentleman correctly. The gentleman said it was not fair for the American farmer to come down here to look after his own interest.

Mr. MARTIN of Massachusetts. No, I did not. He has a right to come here, but I do not think anyone who is receiving relief money from the Government should spend that money to come to Washington to influence legislation. I would not approve a man on F. E. R. A. paying his carfare and the price of a Pullman ticket to come to Washington, when that money was given by the Government for him and his family to live.

Mr. ARNOLD. Does not the gentleman think that the American farmer is entitled to a corresponding tariff, through the processing tax, to that of the manufacturing industries of this country?

Mr. MARTIN of Massachusetts. I want to help the American farmer. I have said, with regard to the processing tax, I did not desire to take any relief from the farmer. I am willing he should have relief. I was willing to let the President of the United States take it, through the power he has, out of the relief fund. I have said that on the floor of the House. I believe he could remedy an injustice if he did so.

Mr. ARNOLD. I understood the gentleman was opposing the processing tax and trying to have it repealed.

Mr. MARTIN of Massachusetts. I am opposed to the processing tax as it now stands and with the burden falling as it does on a staggering industry.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MARTIN] has again expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from California, a member of the committee, Mr. DOCKWEILER.

Mr. DOCKWEILER. Mr. Chairman, I shall avoid speaking upon any controversial question. I shall confine my remarks entirely to a phase of the bill that we are considering, the subject matter of our Congressional Library.

Every Member of Congress, while he is privileged to be here by virtue of the votes of his constituency, has many other privileges that he does not perhaps fully appreciate. One of those privileges is that he has at his command at all times, the conveniences and facilities of one of the great libraries of the world.

In 1800 the first law was passed by Congress appropriating the rather modest sum of $5,000 to commence the Congressional Library. In subsequent years that appropriation was increased. The first bill entitled that library, "The Library of the Clerk of the House." Two years thereafter it was entitled "The Congressional Library." We all know that since that time, during the last 135 years, the Congressional Library has grown to be something that we Americans are quite justly proud of.

It might be well for us to know what our Congressional Library does. Oftentimes, like myself, Members neglect to read the testimony of what our agents who are conducting the business of our legislative establishment are doing, and we take an appropriation bill more or less for granted. This year we are appropriating $115,000 for the purchase of new books, new periodicals, and new manuscripts for the Congressional Library. Thirty thousand dollars of this sum, of course, is spent for continuations of periodicals that were previously subscribed for and, consequently, in the full sense of the word these are not new purchases, but the balance of this sum is taken by the Librarian and devoted, as best he can, to the purchase from time to time of private libraries that are thrown upon the market.

The one division of the Congressional Library in which I am more particularly interested than any other is the law division. It was only a few years ago that the Congress directed any attention to purchasing books for the law division. We find law books here in connection with our legislative establishment; the Supreme Court has a little law library between the Senate and the House; we have off the House Chamber a little library where law books are to be found, but the major portion of our law library is in a certain wing over in the Congressional Library. It took the appearance and the testimony of several Supreme Court justices who appeared several years ago before the committee to direct attention to this need. At that time the first appropriation was made—$50,000. The appropriation has been continued up to the present time and is continued in the pending bill.

Because of the reputation of the Congressional Library, and the fact that the American people, particularly the American school children, know its worth and view it as a great institution, people have left as gifts to the Congressional Library their very fine collections. On page 148 of the committee hearing is a snatch of testimony I should like to read. Dr. Putnam there states:

> Of course, the most notable gift in recent years was the bequest of Mrs. John Boyd Thatcher, which included nearly a thousand fifteenth-century books, autographs, and some other material. The appraisal of that for purposes of inventory reached between three and four hundred thousand dollars. I suppose that is the most important single gift of material, but we are receiving numerous gifts in the course of each year.

From the past record and the history of the Congressional Library it is quite likely that as the years go on and as our civilization becomes more entrenched and our Republic becomes more intensified in its cultural activities, the Congressional Library will loom up as the great central depository of all sorts of the best manuscripts, books, and works in America.

Our Congressional Library undertakes some very odd functions that we might not think of. One of those functions is the purchase of books for the adult blind. There are two types of books used by the adult blind. Two-thirds of the books are printed in the Braille system, which we all understand to be a method of embossed printing of dots, which are read by the touch of the fingers; but there is another kind of book being collected by the Library for the use of the blind, called "talking books." These are becoming more popular than the Braille. A talking book consists essentially of a phonograph record of a substantial novel or a work of good quality. A master record is made, of which duplicates are sent throughout the United States and deposited in 22 libraries in the most populous centers, so blind people may fill their recreational moments by hearing these records of current books of good quality. The machine used by the blind person to transcribe this book record costs approximately $42 and is a combination phonograph and radio. Because of the work of the Congressional Library on this single phase of helping the blind, small charitable societies have been formed in many parts of the country through which money has been raised to purchase these machines for use in institutions for the blind. If you want to do a good work in this country, one that is unusual and not often heard of, I would suggest that in your communities you develop charitable societies along the lines indicated for the purchase of some of these transcribing machines for the use of the blind. The value of this system lies in the fact that more than one person at a time can enjoy the recitation of a good novel or a good scientific work. Many people sitting within range of the sound of the transcribing machine can enjoy the latest fine works of literature.

The Congressional Library, among its other activities, includes what is called a "legislative reference service." The legislatures of most of the States of the country meet every 2 years. At the conclusion of these sessions many laws have been passed, distinct laws in each State. The legislative reference service of the Library of Congress collects the laws passed in the 48 States of the Union and publishes them according to certain headnotes and indexes so that we Members of Congress, or the members of the public entitled thereto and interested in the subject, can write to the Congressional Library and secure or borrow that volume. Under one headnote or title is to be found every piece of legislation touching the subject that has been passed by any one of the 48 legislatures of this Republic.

Another very important service rendered by the Congressional Library is in connection with the Union Catalog. Testimony touching this subject matter appears at page 143 of the committee hearings. Several years ago John D. Rockefeller, Jr., gave the Congressional Library $50,000 per year for 5 years in order that this fine work could be commenced.

What is this Union Catalog? You may live in North Dakota and in your reading you might discover some very fine work referred to that you cannot procure in your own library. In fact, you do not know just where it does exist. You write the Congressional Library. You will be informed that the certain work may be found in the library, say, in Cincinnati, or it might be found in a library in San Francisco, or in the regular library at the University of California. This is called the "Union Catalog." It has today as many as 8,000,000 titles and has indexed 14,000,000 locations. The clearing house for this information is here in Washington at the Congressional Library. You cannot get the same information by writing to a library that is cooperating in the making of this Union Catalog. They cannot furnish you the information. They contribute their list of titles to the main office or clearing house, the Congressional Library, hence you must write the Congressional Library, and you will find where the book may be located and procured if you are interested in so doing.

This is a service primarily to the legislative establishment. The history of legislation shows that the Congressional Library is our institution primarily. It is there for the service of Congressman and Senators. Then the law part may be used by the Supreme Court, and the other establishments of the Government are entitled to use it, the public coming in fourth. Of course, there is no discrimination, because at all times a single book is not always wanted, so the public can be served as well as the legislative establishment. But it is there primarily for us to use.

Mr. McFARLANE. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from Texas.

Mr. McFARLANE. I have listened to the splendid address of the gentleman, and I would like to know if the gentleman has given thought to the advisability of furnishing, say, 50 or more sets of United States Code Annotated Statutes to the Library as a circulating medium, whereby we, as legislators, can find the law and have it available as and when we want it in our office? We are legislating here without having the law before us. Does not the gentleman believe this would be advisable?

Mr. DOCKWEILER. I received a communication from a Member on that subject, and while it might be advisable, it would be quite expensive at this time, in view of the comparatively small amount we give our Librarian to purchase books. I may say that I think it would be a very nice thing to have, but it is expensive.

Mr. McFARLANE. We are daily passing on legislation of the most technical sort; yet we do not have available to us the law or the annotated statutes themselves as and when we want them for our convenience in looking carefully into the law as it exists and in determining what it ought to be. There would be little expense involved as these volumes are available for about $1 each. I think it would be a great help to us if we had available the annotated statutes so that we could go carefully into these matters daily, which is our duty.

Mr. DOCKWEILER. Of course, the gentleman understands he may call up a clerk in the office of the Congressional Library and a page will bring the book over to him immediately.

Mr. McFARLANE. I may say to the gentleman that I have tried that, but the volumes have not been available. They have a very limited supply over there. I have had it frequently happen that someone else has the book.

Mr. HARLAN. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from Ohio.

Mr. HARLAN. The gentleman from Texas mentioned the annotated statutes and the letter I got concerned Rose's notes. To what does the gentleman refer?

Mr. McFARLANE. Both. I have in mind now the annotated statutes. The gentleman from West Virginia [Mr. RAMSAY], as I understand it, has a bill pending before the Library Committee at this time covering Rose's notes as well as the statutes.

Mr. HARLAN. There is a set of those over in the library of the old House Office Building.

Mr. McFARLANE. There is only one set over there and they are not available to the different Members who may be studying at night, or at other times when the library is not open or available to us.

Mr. DOCKWEILER. I am glad the gentleman from Texas brought up the particular item because it emphasizes again the fact that every Member of Congress must always remember that the Library is for his service and not for the public. It is primarily for the service of the legislative establishment and was created by law to serve the legislators in the preparation of the law of the land. If you find that somebody else is using the books who has not the primary right, then you may demand that those books be made available in your office in helping you to prepare the law of the land.

Mr. KENNEY. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from New Jersey.

Mr. KENNEY. We have a new archives building now and presumably there will be a research bureau there. I was wondering if the gentleman has considered whether the services of the Library of Congress will be lessened or the Archives Building will be something in addition to the service rendered by the Congressional Library?

Mr. DOCKWEILER. We had very little testimony touching that subject, particularly as to whether or not the original Constitution and Declaration of Independence should be transferred. There was a little more discussion on the subject of what would be the duty of the Archivist, but I think it will be supplemental to the Congressional Library, because primarily the Congressional Library is our agency; whereas we intend that the Archivist and his functions will be in the nature of a national public agency. I again repeat that, under the law, the Congressional Library has the right to expect to receive trust funds for the purchase of certain types of books and under that trust fund, now called the "Library of Congress trust fund", there has accumulated by trust gifts from time to time a total amount of about $700,000.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DOCKWEILER. Of course, many of these gifts in trust are for special purposes, but I mention this item so that the country may know that there is this legally constituted trust fund to which they can leave their moneys if they so desire for the furthering of the cultural purpose of having some of the great manuscripts and fine books accumulated here in Washington.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. HARLAN. I would like to know if the gentleman has considered the advisability of using the fund that Justice Holmes left the United States, so that, instead of having it simply melt away in the General Treasury, we might use the fund to establish such a library over there, dedicated to Justice Holmes, as he would very greatly appreciate himself,

if living, in respect of legal research or something of that kind?

Mr. DOCKWEILER. I may say to the gentleman from Ohio there was incidental discussion of that matter and I have seen the form of a bill that has been prepared by one of our colleagues which will direct that this particular sum of money be devoted to a special use, say, in law library work in the law library of Congress. Either such a bill has been introduced or I have seen it in preparation. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, it is pretty hard at this juncture to state who are the forgotten men, whether they are the unemployed, amounting to 11,500,000, or whether they are the 125,000,000 consumers, or whether they are the men and women hitherto engaged in the textile industry who have lost their jobs and have been put out on the streets to join the army of the unemployed.

If I were to suggest an answer I would say that the forgotten men are those who are unemployed through the direct action of the new-deal policies such as the textile workers and those engaged formerly in the cotton industry. I rose today to speak because the Philippine people, according to the press, have decided to adopt the commonwealth plan of autonomy for 10 years by an overwhelming vote before assuming complete independence.

It may interest some of you southerners to know that the Philippines have been our greatest single export market for cotton goods—by far our single, largest market, and that 2 years ago we did 75 percent of all the importation of cotton goods into the Philippines and that after 2 years of this new deal international socialism and international free trade and long-distance visionary methods of the State Department, Japan is doing 75 percent and we are doing less than 25 percent, a complete reversal of textile trade with the Philippines.

Now, the Philippines are not a foreign country. The Philippines are still under the control of the United States. We buy $85,000,000 worth of goods from the Philippines. We buy about 90 percent of all they produce, and we only sell them about $18,000,000 worth of goods as compared with the $85,000,000 we buy from them.

The Filipinos are intelligent. They naturally want to preserve this trade. They want the good will of the United States and of the American people, and they have considered themselves up to now as part of the United States. So the Philippine Congress offered to protect the American textile trade and cotton-goods imports into the Philippines by protective duties so that we would hold this market which we have had for many years, and what happened? Inconceivable as it may sound, they made the offer to protect our own industry, the second largest industry in the United States, employing 450,000 American wage earners, and the State Department, through the Secretary of State, turned thumbs down on the offer of the Philippine Congress to protect our own industry and our own textile export trade with the Philippines. I do not know that you can use strong enough language. It comes nearer being a treasonable act to American wage earners and to American industry than anything I have known of in the 15 years I have been in Congress, and I defy anybody to show a single act of any administration that compares with it in any way at all—but this is the situation and those are the facts.

As I came into the House this morning the gentleman from Florida [Mr. GREEN] got up and congratulated the farmers for coming up to Washington to seek certain extensions of benefits received from the Government. I wonder if he represented the tomato farmers of Florida. I wonder if he represented the early spring vegetable producers of Florida who are up in arms at the competition with Cuba. What he referred to, very largely, I assume, is the fact that a lot of cotton farmers and cotton producers have come up to Washington in order to continue the 12-cent cotton benefits.

Now, let me tell you this. Lenin, who was the leader of the Russian Communists, and a trained observer of human frailties, said that the capitalists will commit suicide for a temporary profit, and this is exactly what the farmers are doing. The cotton farmers of the Southland are willing to commit suicide for temporary profit. As long as they can get 12-cent cotton they do not care about the future. They do not care about the loss of the cotton-export markets of the world, the real wealth of the South, and they do not care whether the South is ruined or not in the future provided the temporary benefits continue at the expense of the consumers and the taxpayers.

It is unmistakable; it spells ruin to the entire South. The reduction of 25 percent in cotton production obviously increases unemployment and adds thousands to the relief rolls in the South—those that pick cotton or are engaged in ginning, compressing, transporting, or shipping cotton.

Cotton was king. Up to now cotton has always been king in the South to such an extent that the South did not ever believe that there could be any war between the North and the South because other nations would intervene on account of their necessity for cotton. They thought they controlled the world. Today, what do you see? You see you have lost 50 percent of the world cotton markets under the new deal, under these visionary theorists, international socialists, and free-trade crystal-gazers.

What are they doing? The Southland is following these impracticable pied pipers—the Wallaces, the Tugwells, and Ezekiels—in a dance of death, to its financial and economic destruction.

Of course, you people from the South do not dare to say a word. You are afraid of the cotton farmers; you are afraid because they are making a temporary profit; you are afraid to tell them the truth, to tell them that they are facing ruin within 20 months.

The South is a good part of the United States, and when you destroy its welfare you affect the entire country.

Nothing can stop it unless you Jeffersonian Democrats get on your feet and tell some of these visionary theorists, these international socialists, that you have had enough of this new-deal dance of death. It is time that the South spoke for itself, and it ought not to be necessary for me, a northerner, to get on the floor and tell the people of the South what they are facing and what is going to happen.

Why, as you continue subsidizing 12-cent cotton we have lost 50 percent of the world cotton markets while foreign countries, such as Brazil, India, Egypt, China, and Soviet Russia, have produced 3,000,000 more bales and taken the market away from us in the past 2 years, and you are going to lose the entire world market for cotton within the next 2 years.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. ARNOLD. Can the gentleman tell us how much this country has lost in foreign trade by reason of the retaliatory tariff walls which were caused by the high-tariff policy in this country?

Mr. FISH. The gentleman knows that I am not going to discuss the tariff situation with him today. I began by discussing the tariff situation in the Philippine Islands, and I told the gentleman and the rest of the Members of Congress that we lost the Philippine market because the State Department refused to permit the Filipinos to give us protection when they offered it.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield? I want to challenge that statement the gentleman has made.

Mr. FISH. I cannot yield any further.

Mr. McFARLANE. Will the gentleman yield for a question? I want to correct your statement.

The CHAIRMAN. The gentleman declines to yield.

Mr. FISH. The gentleman from Texas seems to dispute my statement about the loss of Philippine textile trade. Here are the figures: In March 1932 the United States sold 5,677 packages of cotton textiles to the Philippine Islands and Japan 1,027. In March 1933 we sold 12,499 packages and Japan 1,225. In March 1934 the United States sold only 1,880 packages, whereas Japan sold 5,800, and in March of

this year the United States sold in cotton textile packages to the Philippines 1,340 as against Japan's 8,000. It is more than 75 percent. It is a vanishing market, and it will vanish completely in the near future.

The entire trade will vanish within 6 months unless the Philippine Congress, which meets in July, gives us the duties they offered to give us and which were refused by the State Department. Unless they give us those duties in July we will not have any textile business left with the Philippine Islands. There is no answer to that. Those are the facts, undeniable, unpleasant, and very obstinate. I rose to present them today, because the Filipinos have adopted a new form of government. They are still ready to act in July, but they will not act, of course, if our Government puts thumbs down and turns over this trade to the Japanese labor at 20 cents a day as compared with our free labor. That is what has happened. Our labor in the textile industry has been sacrificed on the altar of free trade and the visionary long-distance policies of the Secretary of State. There is no more estimable gentleman in the world than Mr. Cordell Hull, but he is a free trader and an internationalist. His long-distance visionary free-trade policy will go into effect in 5 years, when all the textile mills, North and South, are shut down and Japanese labor has taken over our markets. That is what we are facing, and it is no wonder that the gentleman from Massachusetts and some gentlemen from North Carolina and other States are worried. That is the issue before the Congress at the present time. Are we going to permit the State Department to say to the Philippines, you cannot protect American goods. Are we going to remain silent? Is it not time for you people who represent the textile industry, to say to the Philippines, we buy practically all of your goods and we are entitled to some protection for our own second largest industry? That is what it comes down to. Yet when anybody gets on the floor of this House on the minority side and stands up for the textile industry or says anything about the cotton industry there are always those who doubt the figures. Is there anybody on the Democratic side, is there anybody representing a cotton State who does not know that we have lost 50 percent of our export trade in cotton? Is there any one who does not know why we have lost it? If there is I would like to have that gentleman answer me.

Mr. McFARLANE. I will answer the gentleman. If we have lost any export trade in cotton, it is because of the Hoover tariff policy and the Republican Party policy generally of building up a tariff wall that forced us to lose the market. That is responsible for any loss of cotton market for us, and the gentleman knows it. Any losses suffered were because of the policy which his party has pursued.

Mr. FISH. And that is what the gentleman has to say, is it? That is his complete answer? It is very far from complete. We had the cotton market of the world 2 years ago, and we have had the cotton market of the world for many years, and have always had it under Republican administrations, but we are exporting less today than at any time since the Civil War. Yet here is a man from a cotton State that gives a ridiculous answer of that kind. That is not an answer. It is only a puerile attempt to answer a serious charge, to say that it was because of the Hoover administration or protective tariff some years ago. The cotton market has been lost in the last 2 years, and you will lose it all if you continue the unsound and unworkable new-deal policies. But that is the kind of an answer we get from a cotton man from a cotton State, which State will be more completely ruined than any other by the total loss of the cotton export trade.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Does the gentleman think the cotton farmers are getting too much for their cotton at the present time?

Mr. FISH. I am not opposed to the farmers getting everything they can get out of this administration or any other, but I say this. When you put the cost of cotton so high that you lose the world market for our greatest surplus exportable crop, you are ruining the farmer eventually and the entire South, because we cannot continue to pour out of the Treasury $250,000,000 a year to these farmers to reduce the cotton crop. We have spent $500,000,000 for reduction of the cotton crop and to buy 12-cent options. The gentleman knows this country has not enough money to continue any such policy, and for temporary profit we are losing the world market. The cotton bounty cannot be continued more than a year and by that time the world markets will be lost and difficult to regain.

Mr. BOILEAU. Would the gentleman advocate a reduction in the price of cotton temporarily?

Mr. FISH. What I advocate is that we should take over the surplus cotton and sell it for what we can get; not destroy the cotton or 25 percent of it or any amount of it; but sell it in the world's market and get what we can out of it and give it back to the farmers. We should try to preserve the world markets; not destroy them for our exportable surplus.

Mr. WOODRUFF. Will the gentleman yield?

Mr. FISH. I yield.

Mr. WOODRUFF. As a matter of fact, when we reduced our production of cotton in this country, with a view to reducing our sales abroad, did we not, by that very act, say to all cotton-producing countries of the world, "Here is our foreign market. Take it"?

Mr. FISH. Of course. The whole policy has been for the benefit of the foreign producer in order to get our markets and they have gotten our foreign markets. Our farmers have got a temporary benefit out of the Treasury of the United States and mortgaged their future or, worse, destroyed their own permanent interests.

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. SIROVICH. Will the gentleman yield?

Mr. LUDLOW. I yield the gentleman from New York 1 additional minute, Mr. Chairman.

Mr. FISH. I yield to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. What I want to ask my distinguished colleague is this: 7 years ago and 9 years ago I heard this very same argument that the gentleman is making on the floor now, for the benefit of the cotton growers of our country. Two bills were passed, called the "McNary-Haugen bill", with the principle of debenture and equalization. I voted for those bills and they passed both the House and the Senate, but two Republican Presidents vetoed those bills.

Mr. FISH. I think the gentleman was right. I think we have got to go back to the McNary-Haugen bill or bounty plan for export, but certainly that is not what you have done. This administration has destroyed the world markets for our cotton and wheat exportable surplus.

Mr. SIROVICH. But a Republican President destroyed that by vetoing those bills.

Mr. FISH. That does not excuse the new-deal administration for losing the markets that we still had.

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has again expired.

Mr. LUDLOW. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I would like to state to the gentleman from New York, in view of the fact that he seems to favor an export debenture plan, that in a bill which the Committee on Agriculture will recommend to the House probably next week, known as "amendments to the Agricultural Adjustment Act", there is a provision which I recommend to the gentleman's earnest consideration.

Mr. FISH. I am for that kind of a provision.

Mr. BOILEAU. That will encourage exports by taking 30 percent of the money that we collect from tariff duties on other commodities and placing that in such a way as to benefit agriculture by encouraging exports of surplus agricultural commodities.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. LUDLOW. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SNYDER], ranking member of the subcommittee.

Mr. SNYDER. Mr. Chairman, I shall use 10 minutes of my time now and reserve the remaining 20 minutes for the closing debate on this bill Thursday or Friday.

I took some time to check up in the RECORD last Sunday to see what portion of the time spent on the floor by Members in speaking was devoted to constructive addresses and what portion was devoted to fault-finding addresses, without offering any constructive policies. I find that the average is about 29 to 1. About every 29 minutes is devoted to fault finding, without any constructive policy, out of every 30 minutes.

We have listened to quite a bit of that in the last speech especially.

I do not intend to take up any time today to discuss the legislative appropriation committee bill, except on one feature, and that is the Botanic Gardens. I think I will talk about flowers, trees, and beautiful gardens for 10 minutes, in order to take the minds of those who are here away from millions and millions.

Someone well said:

> The riches of a commonwealth
> Are free strong mind and hearts of health;
> They are more to her than gold or grain,
> The cunning hand and cultured brain.

However, we cannot help but think of Shakespeare and his Shylock day after day when we are talking of money and millions, millions and money. Mr. Chairman, there is more to be thought of than millions at this particular time. I am thinking of the heritage we are going to hand down to our children and our children's children. I am thinking of those things which go to bring about environment that will be a rich heritage to those who follow us.

To me, the Nation's Capital, and this 126 acres that belongs to the Capital, should be the most beautiful spot in the world. I want to commend the Republican side for their foresight. It was a Republican administration that brought about the building of the Botanic Gardens, and now we want to cooperate with them and they with us in bringing about a situation that in the space of 10 or 15 years will make the United States Capital the most outstanding and most beautiful spot in the world.

I would like to ask how many of you have ever been in the Botanic Garden? I asked one Member who had been here for 2 years, and he said he had never been near the Botanic Garden. I asked the same Member if he had ever been in the Congressional Library. He said he had never been inside the Congressional Library.

The Botanic Gardens, recently completed, are rapidly taking on an interior as well as an exterior that is commendable and commensurate with the rest of the environments up and down Constitution Avenue and here on Capitol Hill. With the completion of the Mall, First Street, and Maryland Avenue we have access to the Botanic Garden from all sides.

I do not know if you are familiar with Poplar Point or know where it is, but it is a tract of 12 acres that was purchased some years ago under the Republican administration—a good buy, by the way. The purpose is to utilize this tract of land to raise enough trees and shrubbery to transplant on Government property instead of having to pay out thousands and thousands of dollars each year to bring trees and shrubbery in from the outside. This is rapidly taking shape, and we have to give the Architect of the Capitol, Mr. Lynn, and his force a great deal of credit. Our thanks, too, are due Mr. Bardsee, the botanist, for bringing about these improved floral displays.

Just recently on a Sunday afternoon 5,200 people visited the Botanic Garden to see the floral display of azaleas. Congressmen now are putting on their list of things to be seen by their constituents the Botanic Gardens. When your constituents come here and want to know what they can see in a short time, by all means include the Botanic Gardens as well as the Library of Congress.

What a desolate place Capitol Hill would be were all the trees and shrubbery to be taken away. It would be as bad as the Midwest section and north Texas that has recently been devastated by the dust storms. What a beautiful sight right now this May as one approaches the Capitol and through the beautiful trees sees the dome of the Capitol reaching heavenward. Nature here has given us a setting that Washington intended should be perpetuated on down through the years. The beauty can be preserved through the years and be made more beautiful each year, my friends, simply by taking care of what Nature has given us.

In closing I ask the cooperation and support of every Member of Congress to bring about conditions that will make the Botanic Garden and the Capitol Grounds the most beautiful setting of any capitol in the world.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. DUNN of Pennsylvania. The gentleman spoke of Congressmen who had not seen the Botanic Garden. I would like to say that I have been there four times since I have been a Member of the House. It is the most beautiful place I have seen in my 27 years of blindness.

I would like to ask the gentleman if he knows how I can get back my plants from the Botanic Garden? In other words, we used to be able to beautify our offices with plants and flowers. I was successful one year in obtaining some plants for my office, but this year I am unable to get them.

Mr. SNYDER. I will have to answer the gentleman by suggesting that he consult with the Architect of the Capitol, Mr. Lynn. I am sure Mr. Lynn can answer the gentleman.

Mr. DUNN of Pennsylvania. Can the gentleman tell me what I can do to persuade him to give me back my plants?

Mr. ZIONCHECK. Mr. Chairman, if the gentleman from Pennsylvania will yield, I think the Committee on the Library has charge of that. A resolution was passed 2 years ago preventing any Member of Congress from receiving any plants or shrubs from the Botanic Garden. The Appropriations Committee has no jurisdiction whatsoever over legislative matters.

Mr. DUNN of Pennsylvania. But I am trying to find out how I can get back my plants.

Mr. ZIONCHECK. The gentleman will have to consult the gentleman from Illinois [Mr. KELLER], Chairman of the Library Committee.

Mr. DUNN of Pennsylvania. Then, I will see the gentleman from Illinois. I thank the gentleman.

Mr. SNYDER. Mr. Chairman, I yield back the balance of my time.

Mr. POWERS. Mr. Chairman, I yield 1 hour to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent to extend and amend my remarks, and also to add at the end of my remarks a letter to the State Department written by Matthew Woll, vice president of the American Federation of Labor, and also vice president of the Civic League.

The CHAIRMAN (Mr. WEST). Is there objection to the request of the gentleman from Massachusetts?

Mr. ZIONCHECK. Mr. Chairman, I am constrained to object to the insertion of a letter from Matthew Woll to the Secretary of the Treasury, the Secretary of State, or any other secretary.

Mr. TINKHAM. Mr. Chairman, on November 16, 1933, the United States of America recognized the Union of Soviet Socialist Republics. This recognition was a conditional recognition based upon several specific and exact pledges made in writing on behalf of the Union of Soviet Socialist Republics by its People's Commissar for Foreign Affairs, Maxim Litvinoff. These pledges were accepted complacently at face value by the international socialists now in control of the Government of the United States. All of these pledges have been wholly repudiated.

The pledges purported to protect the United States from further communistic activities, and to guarantee against a

continuance of the Communist organized effort to overthrow the Government of the United States and to substitute for the American form of government, a representative democracy with guaranties of the rights to property, the Soviet form of government known as the "dictatorship of the proletariat."

The repudiation of these pledges not only threatens the public safety of the United States, but is subversive of her social, economic, and political institutions, and destructive of her very existence.

Because of the repudiation of the pledges made on behalf of the Union of Soviet Socialist Republics, on January 3, 1935, I introduced a resolution in the House of Representatives proposing that the Congress recommend the severance of diplomatic relations with Soviet Russia. I then officially requested the Chairman of the Committee on Foreign Affairs to set a date for a hearing on the resolution. At the end of several weeks a hearing was set for Tuesday, March 26. Competent witnesses came to Washington from various parts of the country to support my proposal with much indisputable documentary evidence. On the very morning of the date set for the hearing, after the witnesses were assembled at the Capitol prepared to present their evidence to the committee, the committee refused to hold the hearing or to accept the evidence unless I should agree not to refer on the floor of the House to any evidence that might be presented to the committee, even such evidence as was already in my possession.

The committee was plainly hostile to the resolution and obviously opposed to its favorable consideration. I therefore declined to subscribe to the apparent intention of the committee to suppress all evidence of the repudiation of the pledges upon which United States recognition was conditioned, to put it under seal, and to refuse to let the American people know the truth. The resolution was in the public interest. It involved the public safety of the United States. The people of the United States were entitled to know the facts.

Among the pledges given on November 16, 1933, by Maxim Litvinoff on behalf of the Union of Soviet Socialist Republics to obtain United States recognition were the following:

> To refrain and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States, its territories, or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim the violation of the territorial integrity of the United States, its territories, or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories, or possessions.
>
> And—
>
> Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group of or representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories, or possessions.

Actual and indisputable evidence of the repudiation of these pledges was first laid before the State Department by Mr. Matthew Woll, acting president of the National Civic Federation and vice president of the American Federation of Labor, in a letter dated February 7, 1934, supplemented by a written memorandum accompanied by supporting documents. Further evidence of the repudiation of the Litvinoff pledges was submitted to the House Committee Investigating Un-American Activities at its hearing in New York on July 12, 1934, and at its hearing in Washington on December 17, 1934. The committee received and now has in its possession original and undisputed documents which show beyond reasonable doubt that there is in this country an organized movement seeking to prepare itself to seize and to destroy this Government by the use of force and to substitute for it the Soviet form of government known as the "dictatorship of the proletariat"; and that this movement is directed and controlled by the Communist International, a political organization which has been, and still is, located in Moscow within the territory of the Union of Soviet Socialist Republics and controlled by the Soviet Union.

In a report which the Committee Investigating Un-American Activities made to the House of Representatives on February 15, 1935, there appears the following:

> In December 1934 it (the House Committee Investigating Un-American Activities) held a series of public hearings at Washington, D. C., at which representatives from various organizations and agencies that have recently been investigating communism presented statements of their findings accompanied by one or more recommendations.
>
> The Communist Party of the United States is not a national political party concerned primarily and legitimately with conditions in this country. Neither does it operate on American principles for the maintenance and improvement of the form of government established by the organic law of the land.
>
> The nature and extent of organized Communist activity in the United States have been established by testimony and the objectives of such activities clearly defined. Both from documentary evidence submitted to the committee and from the frank admission of Communist leaders (cf. Browder and Ford, New York hearing, July 12, 1934) these objectives include:
>
> 1. The overthrow by force and violence of the republican form of government guaranteed by article IV, section 4, of the Federal Constitution.
>
> 2. The substitution of a Soviet form of government, based on class domination to be achieved by abolition of elected representatives, both to the legislative and executive branches, as provided by article I, by the several sections of article II of the same Constitution, and by the fourteenth amendment.
>
> 3. The confiscation of private property by governmental decree, without the due process of law and compensation guaranteed by the fifth amendment.
>
> 4. Restriction of the rights of religious freedom, of speech, and of the press as guaranteed by the first amendment.
>
> These specific purposes by Communist admission are to be achieved not by peaceful exercise of the ballot under constitutional right, but by revolutionary upheavals, by fomenting class hatred, by incitement to class warfare, and by other illegal, as well as by legal, methods. The tactics and specific stages to be followed for the accomplishment of this end are set forth in circumstantial detail in the official program of the American Communist Party adopted at the convention held at Cleveland on April 2 to 8, 1934.
>
> The "manifesto" and the "resolutions" incite to civil war by requiring one class "to take power" by direct revolutionary process and then assume dictatorship over the country in the manner followed by the Communists in the Union of Soviet Socialist Republics, which is frequently mentioned as a guiding example.
>
> In pursuance of the revolutionary way to power, the program instructs members of the party to obtain a foothold in the Army and Navy and develop "revolutionary mass organizations in the decisive war industries and in the harbors." The trade unions should be undermined and utilized as recruiting grounds for revolutionary workers. How faithfully these particular injunctions have been executed was demonstrated by Navy officers appearing before the committee and by officials of the American Federation of Labor.
>
> The American Communist Party is affiliated with the Third International, which was created by officials of the Soviet Government and is still housed in Moscow with governmental approval and cooperation. This affiliation is not one of general sympathy or broad uniformity of purpose and program; it is of a definitely organic character involving specific jurisdiction on the part of the governing body over the Communist Party of the United States.
>
> The executive secretary of the Communist Party of the United States testified to this commmittee that his party was "a section of the Communist International"; that it participates in all the gatherings which decide the policies of the Communist International and sends delegates to the various conferences in Moscow. This admission is confirmed by the records available.

Let us examine some of the documentary evidence which the Committee on Foreign Affairs of this House refused to hear on March 26 last in support of the resolution proposing the severance of diplomatic relations with Soviet Russia. Let us see what are the damning facts concerning the repudiation of the pledges made to the United States Government on behalf of the Union of Soviet Socialist Republics to obtain United States recognition.

The Communist Party of the United States, with headquarters at 50 East Thirteenth Street, New York, N. Y., is the American section of the Communist International, a World Communist Party located at Moscow. This fact is plainly stated in the title of the Daily Worker, the party's official English language publication. The objects of the Communist International and the duties of its various sections are defined by the constitution and rules of that body. These will be found in a pamphlet entitled "Program of the

Communist International", which is published by the Workers Library Publishers at 50 East Thirteenth Street, New York City. On page 88 of this pamphlet we read:

As the leader and organizer of the world revolutionary movement of the proletariat * * * the Communist International * * * fights for the establishment of the world dictatorship of the proletariat, for the establishment of a world Union of Socialist Soviet Republics. * * *

The second paragraph of the International Constitution, on the same page of the same document, shows that the orthodox Communist Party in each country is known as a section of the Communist International. Its supreme governing authority is "the world congress of representatives of all parties (sections) and organizations affiliated to the Communist International." (See paragraph 8, page 90 of the constitution.) This congress, which meets periodically in Moscow, "discusses and decides the program, tactical and organizational questions connected with the activities of the Communist International and of its various sections." Between congresses an executive committee "gives instructions to all the sections of the Communist International and controls their activity." (See paragraph 12, page 91 of the constitution.) The extent of this control is made clear by paragraph 13 of the constitution, which declares:

The decisions of the E. C. C. I. (the executive committee of the Communist International) are obligatory for all the sections of the Communist International and must be promptly carried out. The sections have the right to appeal against decisions of the E. C. C. I. to the world congress, but must continue to carry out such decisions pending the decision of the world congress.

And by paragraph 16 of the constitution, which provides:

The programs of the various sections of the Communist International must be endorsed by the E. C. C. I. * * *

In order to keep the executive committee of the Communist International in close touch with the parties in the several countries, it is empowered by paragraph 22 of the constitution:

To send their representatives to the various sections of the Communist International * * * Representatives of the E. C. C. I. are especially obliged to supervise the carrying out of the decisions of the world congresses and of the executive committee of the Communist International.

It thus appears that an organization known as the Communist International, located at Moscow within the territory of the Russian Government and controlled by the Soviet Union, has as its object the overthrow of existing governments in all other countries, including our own; has as its agency in each country a section known as the Communist Party of the given country, and that such Communist Party is subject to the direction and control of the executive committee of the Communist International residing at Moscow.

It should scarcely need argument to convince any reasonable person that the Communist International is an organization or group or, at the very least, representatives or officials of an organization or group, within the meaning of the Litvinoff pledges. Nor should it be necessary to point out that if this organization continued to function after the Litvinoff pledges were given to the United States and if the Russian Government made no attempts to limit its activities, then those pledges were violated.

What are the facts?

In mid-December 1933, one month after the Litvinoff pledges were given to the United States Government, the executive committee of the Communist International openly met at Moscow, under the walls of the Kremlin, and adopted resolutions designed to instruct its various sections upon the means they must employ and the activities in which they must engage in order to prepare to overthrow by force the governments of their respective countries. These resolutions pointed out:

There is no way out of the general crisis of capitalism other than the one shown by the October revolution, via the overthrow of the exploiting classes by the proletariat, the confiscation of the banks, of the factories, the mines, transport, houses, the stocks of goods of the capitalists, the lands of the landlords, the church, and the crown.

These resolutions, known as the Thesis of the Thirteenth Plenum of the Executive Committee of the Communist International, were published in English in the January 13, 1934, edition of the Daily Worker, the official organ of the Communist Party of the United States; and in the February issue of the Communist, an official monthly publication of the Communist Party of the United States. The October revolution referred to in this quotation is, of course, the Bolshevik revolution of 1917. It should be unnecessary to recall that this revolution was not a mere political overturn as the result of a general election or plebiscite, but rather was the result of a bloody civil war prosecuted by an organized and ruthless minority. These are facts of which we may take judicial notice. Here is an advocacy of the overturn of government by force, violence, and unlawful means.

The resolutions referred to closed with the following order:

The plenum of the E. C. C. I. (the executive committee of the Communist International) obliges all sections of the Communist International to be on their guard at every turn of events, and to exert every effort without losing a moment for the revolutionary preparation of the proletariat for the impending decisive battles for power. (See p. 144 of the February issue of the Communist.)

Here is a specific instruction from a Moscow organization to the sections of the Communist International, of which the Communist Party of the United States is one, that they must exert every effort to prepare the proletariat for the decisive battles for power. Here the American Communist Party receives an order from Moscow to work for the overthrow by force of the Government of the United States.

If there were any doubt as to what means are intended and for what preparations are to be made, they are removed by the statement in the Communist International, the English-language organ of the Communist International. On page 87 we read:

The general strike and armed uprising are the only road for the proletariat in its struggle to put an end to the domination of capital and conquer power and establish socialism.

Such instructions were, in fact, received in the United States from Russia subsequent to the Litvinoff pledges and were approved by the central committee of the Communist Party of the United States at a meeting held in New York City on January 16, 1934. That committee adopted a resolution at that meeting which opens with the following paragraph:

The eighteenth meeting of the central committee, C. P. U. S. A. (the Communist Party of the United States of America) fully accepts and endorses the analysis of the present world situation and the decisions of the Thirteenth Plenum of the Executive Committee of the Communist International. (See p. 178 of the February 1934 issue of The Communist.)

The Thesis of the Thirteenth Plenum adopted by the executive committee of the Communist International at its meeting in Moscow in mid-December 1933 in its opening session declares:

The tremendous strains of the internal class antagonisms in the capitalist countries, as well as of the international antagonisms, testify to the fact that the objective prerequisites for a revolutionary crisis have matured to such an extent that at the present time the world is closely approaching a new round of revolution and wars.

In reviewing the American situation, the resolution adopted by the central committee of the Communist Party of the United States at its meeting held in New York City on January 16, 1934, states:

Clearly, Roosevelt's program, with its Fascist and war objectives, is also leading to the sharpening of all class antagonisms throughout the country and is placing on the agenda, here also, the problem of the revolutionary way out of the crisis, the revolutionary seizure of power by the toiling masses, the proletarian revolution. The objective prerequisites for a revolutionary crisis are maturing. (See p. 179 of the February 1934 issue of the Communist.)

The militant program of the Thirteenth Plenum, thus approved by the central committee of the Communist Party of the United States, was later approved also by the Eighth National Convention of the Communist Party held at Cleveland, Ohio, April 2–8, 1934. This convention constitutes the supreme governing body of the Communist Party in this country. In one of the resolutions adopted to carry out the decisions of the executive committee of the Communist International we find the statement:

All members of the party must, in their day-to-day work in the fight for the demands of the workers, point out convincingly and insistently that only the destruction of the capitalist system, the establishment of the dictatorship of the proletariat, of the soviet power, can free the millions of toilers from the bondage and misery of the capitalist system. (See p. 453, May 1934 issue of the Communist.)

For the general instruction of those not familiar with communism, the party has prepared a booklet published by the Workers' Library Publishers, 50 East Thirteenth Street, New York City, entitled "Why Communism?", which has run through many editions. On page 44 of the March 1934 issue it is stated:

We Communists say that there is one way to abolish the capitalist state, and that is to smash it by force. To make communism possible the workers must take hold of the State machinery of capitalism and destroy it.

The most concise statement I have yet seen of the program planned by the Communist Party for the overthrow of our Government appears in the election program adopted by the party for the congressional and State elections last fall. I quote from page 23 of the election platform of the Communist Party of New York State, 1934. It says:

The revolutionary way out of the crisis begins with the fight for unemployment insurance, against wage cuts, for wage increases, for relief to the farmers—through demonstrations, strikes, general strikes leading up to the seizure of power, to the destruction of capitalism by a revolutionary workers' government.

This then is the road the Communist Party has chosen to follow. In doing so the head of its Agit Prop Bureau (agitation propaganda bureau) points out to new members that:

Lenin maintained, the only way in which we can make the situation for capitalism really hopeless is by defeating the efforts of the capitalist class to find a capitalist way out of the crisis—that is, by arousing the widest masses to organized resistance against the capitalist offensive, by developing in the daily struggles of the proletarian counteroffensive, and by convincing the masses of the need of a revolutionary way out of the crisis. (See p. 20 of the booklet entitled "The Communist Party in Action", by Alex Bittelman, published by the Workers' Library Publishers, 50 East Thirteenth Street, New York.)

Mr. Walter Lippmann, in the New York Herald Tribune of February 5, 1935, observes:

A free nation can tolerate much and ordinarily toleration is its best defense. It can tolerate feeble Communist parties and feeble Fascist parties as long as it is certain that they have no hope of success. But once they cease to be debating societies and become formidable organizations for action they present a challenge which it is suicidal to ignore. They use liberty to assemble force to destroy liberty. When that challenge is actually offered, when it really exists in the judgment of the sober and the well informed, it is a betrayal of liberty not to defend it with all the power that free men possess.

The question is, Are these plans and purposes of the Communist International and its American section, the Communist Party of the United States, merely the vaporings of a debating society?

Let us see what the Communist Party is actually doing in this country to carry out its objectives.

The evidence presented before the House Committee Investigating Un-American Activities has made it perfectly plain to any sober and intelligent student that the activities of these organizations have become much more real than mere debates, plans, or hopes. That evidence shows beyond reasonable doubt that active measures are being taken on many fields to recruit sufficient Communist strength to make the attempt to overturn our Government by force. These preparatory efforts may not yet have been sufficiently fruitful to present grave danger of such an overturn at once, but the facts do show that they constitute a constant threat in times such as these, and that with an aggravation of our present economic situation they would become a great peril to the maintenance of our Government. In fact, the evidence does show that they are at present a constant threat to the industrial peace of the country and already have provoked and have protracted some of the most violent and bloody industrial disturbances in this country during the past year.

In the resolutions of the thirteenth plenum, adopted 1 month after the giving of the pledges by Maxim Litvinoff, the executive committee of the Communist International made these demands upon its various sections:

(a) That the content and language of agitation and the press must henceforth be addressed to the broadest strata of the proletariat and the toilers, showing the face of the Communist Parties in both agitation and in mass action (demonstrations, strikes, and other mass actions).

(b) Securing within the shortest time possible a decisive turn to the work in the factories, concentrating the forces of the party organization in the decisive enterprises and raising the political level of the leadership given by the factory nuclei to the daily class struggles.

(c) Putting an end to the opportunist, defeatist, neglect of trade-union work, and in particular work inside the reformist trade-unions. * * *

(d) Really developing mass work among the unemployed. * * *

(e) Intensifying revolutionary work in the rural districts. * * *

(f) Increasing mass work among women. * * *

(g) Putting an end to the narrowness of the Y. C. L. (the Youth Communist League).

(See pp. 141–142, February 1934 issue of the Communist.)

Since United States recognition of the Union of Soviet Socialist Republics the Communist Party of the United States has devoted itself intensively to carrying out these unequivocal orders of its superior at Moscow, and Communistic activities in the United States have been greatly increased.

It has been indicated that the Communist Party relies primarily upon the general strike as an effective weapon for destroying our Government. Obviously, if this weapon is to be effective, that party must have control of large masses of individuals, particularly wage earners. It is using every means at its command to gain such control. On the industrial field the steps taken by it are threefold:

First. It is organizing the unorganized, unskilled, or semiskilled workers into revolutionary industrial unions;

Second. It is organizing militant rank-and-file oppositions within the recognized unions of the American Federation of Labor; and

Third. It has created councils among the unemployed workers and those upon relief.

All of these activities are directed by an affiliated agency of the Communist Party, until recently known as the Trade Union Unity League, with headquarters at 80 East Eleventh Street, New York City, and now known as the Committee for the Unification of Trade Unions. Already a large number of such revolutionary industrial unions have been organized under Communist leadership, each with its own periodical publication, each with the object of using the strike for political purposes when the appropriate moment comes. A large number of rank-and-file organizations have already been created in unions of the American Federation of Labor which are guided by special publications, of which the A. F. of L. Rank and File Federationist is typical.

The part played by these various agencies in the great industrial disturbances of the past year is frankly admitted in official Communist publications. For example, the serious Auto-Lite strike in Toledo, Ohio, last April was Communist-led and the violence was traceable directly to the activities of the Communist groups there and affiliated unemployed councils. The part played by these bodies in that strike is frankly told in the July 1934 issue of *The Communist*. On page 640 of that issue it is stated:

Above all, the Toledo workers went through 10 days of intensive political training in which the class lines were sharply drawn.

What the Communists meant by political training is made clear, for the article proceeds:

While it is true that the fighting did not yet involve machine-gun shooting (although there were plenty in evidence) or heavier weapons, nevertheless the whole line-up of workers against the capitalist State, and the methods of struggle in a hitherto typical middle-sized industrial city is very symptomatic. The quick development from isolated strike struggles to bloody mass battles involving the bulk of the working population, shop workers, unemployed, Negro, women, and quickly spreading to the general strike preparations, such as we have seen in Toledo, is something new in the situation (p. 642).

Similar evidence is available showing the Communist leadership in the violence which characterized the strikes in San Francisco, Portland, Minneapolis, Centralia, Gastonia, Woonsocket, and elsewhere.

The progress made by the party in this particular field of effort may be measured by the fact that in these organizations the Communists have already recruited approximately 500,000 persons throughout the country. To give consideration to the Trade Union Unity League alone, a resolution of the Eighth Convention of the Communist Party of the United States, held April 2 to 8, 1934, referring to the last year, says:

The T. U. U. L. (the Trade Union Unity League) unions, which recruited some 100,000 new members, led strikes of some 200,000 workers. (See p. 463, May 1934 issue of the Communist.)

It thus appears that the Communist Party of the United States is not simply a debating society but has advanced materially in the direction of preparing itself to use violence as the means of seizing and destroying the powers of government.

It is a shocking commentary upon the somnolence of the American people that they have permitted the Government itself to become an accomplice of the Communist Party in building these revolutionary industrial unions. I refer to the interpretations of section 7 (a) of the National Industrial Recovery Act which have forced reluctant employers to recognize and to deal with representatives of revolutionary industrial unions and which have sanctioned the coercion of reluctant employees into membership in such unions. It is scarcely credible but it is a fact that the full powers of Federal Government have been used to encourage, to aid, and to abet the forging of instruments designed for its own destruction.

A typical example of this is the Government pressure brought to bear upon a large clothing dealer in New York City, Samuel Klein. The union involved is the Office Workers Union which "is affiliated with the Trade Union Unity League." (See p. 8, November 1934 issue of the Office Worker.)

Let me read an editorial from the Daily Worker of February 4, 1935, which describes the result of Klein's appeal to the National Labor Relations Board:

The strike of the S. Klein clothing store workers, who have been out since November 17, has been settled with gains for the workers. The over 60 workers fired for membership in the Office Workers Union are to be on the preferential list for rehiring; the strikers receive 5 weeks wages for the time lost, and Gertrude Lane, secretary of the union, has a certified check for this; a deposit is placed in a bank, and will be forfeited if Joseph Brodsky, noted labor attorney, decides that Klein at any time breaks the agreement.

It should be known that Joseph Brodsky is the attorney for the International Labor Defense, a mass organization of the Communist Party of the United States. In this instance, the power of the National Government has been used directly to forward the Communist program for the overturn of government by force.

During the past year the policy of the Communist Party in the industrial field has undergone a very marked change. Heretofore the party has attacked the American Federation of Labor as a fascist and reactionary organization. But the large number of recruits taken into the unions affiliated with that body, who formerly have been unorganized, and a changing temper in the growing groups of wage earners throughout the country generally has lead the Communist Party to change its attitude toward the American Federation of Labor. It is now devoting the major part of its energy toward organizing and gaining control of the revolutionary rank-and-file oppositions within the unions affiliated with the American Federation of Labor.

In speaking of this change of policy, Alex Bittelman, in the March 1935 issue of the Communist, referring particularly to criticisms of the conservative leadership of the American Federation of Labor, says:

We must do it, not as outsiders but as part of the unions, fighting for a different policy than the reactionaries and trying to convince and win the workers for our class-struggle policies as against the class collaboration reactionary policies (p. 256).

For this reason the A. F. of L. Rank and File Federationist is now being widely circulated. This change in front is so marked that at the convention of the Trade Union Unity League, held about 2 months ago in New York City, it was decided to terminate that organization in its present form. The report of the convention, published in the Daily Worker of March 18, 1935, says:

With this convention the Trade Union Unity League, as it has been constituted, was terminated, in line with the struggle which has been going on for months, with considerable success, for merger of the unions affiliated to the T. U. U. L. (the Trade Union Unity League) with the American Federation of Labor unions. (See p. 1 of the Mar. 18 issue of the Daily Worker.)

In other words, the work of Trade Union Unity League will now be carried on under the name "Committee for the Unification of Trade Unions."

As evidence of the progress made in "boring within" the conservative unions, I quote from an editorial in the Daily Worker for February 5, 1935. The editorial states:

Strike preparations must be made now. The unorganized steel workers must be brought into the American Federation of Labor now, before the present busy production season is over. The rank and file in the American Federation of Labor auto locals must act now to build their unions and prepare the strike.

This solicitude for recruiting American Federation of Labor unions in these fields would not be shown by the Communist Party of the United States unless it felt confident that it would have a controlling voice in them.

A separate organization directly affiliated with the Communist International is the Young Communist League. One of the sections of the Communist International is the national League of Communist Youth, popularly known as "Communist Youth International." Its relation to the parent body is defined in paragraph 35 of the Constitution and Rules of the Communist International.

The Young Communist League of the United States is the American agency of the Communist Youth International. Its program is published in a pamphlet by the Young Communist League of America, 43 East One Hundred and Twenty-fifth Street, New York City. It says:

The Y. C. L. (the Young Communist League) is the school of communism for the toiling youth, but "the growing young generation can only learn communism by linking up every step in its training and education with the incessant struggle of the proletariat and the toiling masses against the old exploiting society" * * * (p. 34).

Its task is to organize within its ranks not only the advanced elements but the broad masses of the toiling youth (p. 35).

The program of this organization is frankly not confined to legal measures. On page 40, the program says:

The Y. C. L. (the Young Communist League) does not limit its activity to the framework of "legality" ordained by the bourgeois. In its struggle against capitalism, the Y. C. L. is continually compelled to combine its open legal activity with illegal and semi-legal work and therefore to overstep the limits laid down for it by bourgeois legality.

The membership book of the league contains the following pledge and rules:

Upon joining the Young Communist League, I pledge to be a loyal fighter for the everyday interests of the working class and the toiling youth. To further do all in my power to learn and become a conscious leader amongst the young workers, wherever I may be, in the struggle against the boss class and for the establishment of a workers' and farmers' government.

The rules follow:

"1. Every member must be active in the unit.
"2. A member must pay dues regularly to the unit.
"3. He must join his trade union and be active there.
"4. Every member in the shop should work for the building of a unit in the factory.
"5. A member should attend fraction meetings of the trade union or organization of which he is a member.
"6. The member should read working-class literature, subscribe to the Daily Worker, and attend study circles and classes, to become more developed and trained in the working-class movement."

This is by no means a paper organization. It is active in schools and colleges throughout the country, in factories, and in shops. It has aided and encouraged demonstrations against military service, against the R. O. T. C. and the

defensive measures of Government. On page 13 of "A Program for American Youth", adopted at the seventh national convention of the league on June 22–27, 1934, will be found the following statement:

Through the application of the united front the Y. C. L. (the Young Communist League) in the last year helped to develop an antiwar youth movement, organized a whole series of antiwar conferences and actions and in the past 3 years succeeded in transforming Memorial Day into a traditional day of struggle against war and fascism.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. PARSONS. Is the gentleman quoting newspaper articles conveying this information or does he have the specific information from direct investigation?

Mr. TINKHAM. All that I have quoted is contained in documents that are here on this table.

In January 1934, two months after the Litvinoff pledges were given to the United States Government, a full meeting of the executive committee of the Young Communist International met at Moscow. A pamphlet published by the Young Publishers, the official printing house of the Young Communist League in this country, post-office box 28, station D, New York City, contains the report made to this meeting by V. E. Chemadanov, who is secretary of the Young Communist International and chairman of the Russian delegation.

In this report appears the following:

The masses of the toiling youth can and must be won to the side of communism, through developing the propaganda of Leninist teachings among them, through mobilizing them for economic and political fights, through leading them to the barricades under the leadership of the Communist Party (p. 41).

It should be quite apparent that this report issued to the American party, as well as others of a similar nature, constitutes a clear violation not only of the spirit but also of the letter of the Litvinoff pledges.

A very considerable amount of progress has been made by this organization among the agencies formed in connection with it. The Young Pioneer deserves especial mention. It is a sort of preparatory school for the Young Communist League. The New Pioneer, a monthly publication, is gotten out in its interest, and is designed to stimulate class hatred among very young children. These have been organized into troops similar in formation to the Boy Scouts. Summer camps for Young Pioneer troops have been conducted in various parts of the country. It is claimed that the membership in them has trebled the last 2 years, increasing from 4,000 to 12,000. (See p. 12 of A Program for American Youth.)

In passing, it should be said that each Communist organization has its youth section which is actively engaged in circulating destructive propaganda as well as affording amusement and entertainment for children of wage earners.

As a part of the work of preparing for the forceful overthrow of government, the Communist Party has recognized the imperative need of trained leadership. To that end, it has established a large number of workers' schools in the principal industrial centers throughout the United States. These schools are under the guidance and direction of the Workers School located at 35 East Twelfth Street, New York City. Its purpose is described in the foreword of its winter term announcement, as follows:

The Workers School is not an academic institution. It participates in all the current struggles of the working class. It takes part in strikes, campaigns, and demonstrations; it supplies speakers, agitators, and organizers; it stimulates working-class educational and cultural movements and various studies; and it cooperates with workers' fraternal and cultural organizations in the establishment of forums, classes, and study circles (p. 2).

The foreword also says:

From a mere handful in 1923 our registration grew to 6,000 in 1933–34.

It is still growing rapidly.

Following are only a few of the workers' schools affiliated with this Communist organization:

Name of school	Location	From the Daily Worker (date of issue)
Harlem Workers School, Wm. Burroughs, director.	200 West 135th Street, New York City.	May 2, 1934
Los Angeles Workers School	Workers Cultural Center, 230 Spring Street, Los Angeles, Calif.	Do.
Boston Workers School	919 Washington Street, Boston, Mass.	Do.
Summer Workers School (under the Workers School of New York).	Camp Nitgedaiget and Camp Unity.	July 24, 1934
Chicago Workers School	Central School with branches on Northwest Side and South Side of Chicago, South Chicago and Gary, is located at 505 South State Street.	Aug. 14, 1934
Northwest Side Workers School	Northwest Side Workers Center, Chicago.	Aug. 14, 1934
South Chicago Workers School	9133 Baltimore Street, Chicago	Do.
Cleveland Workers School	1524 Prospect Avenue	Do.
Brownsville Workers School	1855 Pitkin Avenue, Brooklyn, N. Y.	Sept. 11, 1934
Workers School, Peoria	725½ South Evans Street, Peoria, Ill.	Do.
Philadelphia Workers School	908 Chestnut Street, Philadelphia, Pa.	Nov. 20, 1934
Functionaries School	Schenectady, N. Y.	Do.
Washington Workers School	513 F Street NW., Washington, D. C.	Do.

This institution has associated with it a large number of subsidiary organizations designed to stimulate interest in the school, to cater to the social life of the student, and to increase its registration. Among these may be mentioned Friends of the Workers School, a Students' Council, the Theatre of the Workers' School, and the Workers' School Forum. The purposes and functions of these organizations are mentioned in the winter term announcement.

Mr. Matthew Woll, in his testimony before the Congressional Committee Investigating Un-American Activities, on December 17, 1934, called attention to an extraordinary state of affairs. Mr. Woll said:

In carrying out this workers' educational program, the Communist movement has received substantial aid from an unexpected quarter. I refer to schools established this year under the Division of Emergency Education Projects of the Federal Relief Administration.

Mr. Woll also pointed out that these schools were designed to bring together unemployed teachers and unoccupied working-class students at the taxpayers' expense. He testified that the Federal Bureau at Washington issued suggestions for the organization, curricula, and teaching to be carried on in these schools; that it issued a bibliography entitled "Books, Pamphlets, and Other Materials Recommended for Libraries of Training Centers for Workers' Education and Teachers of Workers' Education." He called attention to the fact that on page 2, under the head of "Labor Papers", the first four recommended for use in connection with the schools were: New Leader, 7 East Fifteenth Street, New York, Socialist; Labor Action, 112 East Nineteenth Street, New York, American Workers Party, a schismatic Communistic group; Workers' Age, 51 West Fourteenth Street, New York, Communist opposition, representing the Trotsky section of revolutionary communism; the Daily Worker, 50 East Thirteenth Street, New York, Communist.

Mr. Woll also said:

We thus find the Federal Government itself recommending that unemployed teachers use periodicals whose object, with the exception of the first mentioned, is to teach their readers how to destroy our Government by force and violence. To be sure, other books, pamphlets, and documents are recommended by the Bureau, but a very large percentage of these present the point of view of the class struggle.

As recently as Saturday last the press reported that the Federal Grand Jury Association for the Southern District of New York had charged that Federal Emergency Relief Administration funds were being used "to finance classes in communism" and to teach some 20,000 students "how to bring about a general strike, to seize and operate industry, particularly munitions plants, and how to overthrow the Government and establish a Soviet Union."

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. DUNN of Pennsylvania. Who made that statement?

Mr. TINKHAM. That was made only last Saturday by the Federal Grand Jury Association for the Southern District of New York.

Mr. DUNN of Pennsylvania. I thank the gentleman.

Mr. TINKHAM. It is, of course, impossible for me to give a full description of the actual activities being carried on by the Communist Party pursuant to the orders received from Moscow. I should fail, however, to give a true picture if I neglected to point out that, in addition to the direct party agencies, it has caused the creation of and directs the activities of auxiliary and subsidiary organizations.

Among the auxiliary organizations may be mentioned the International Workers Order, with headquarters at 80 Fifth Avenue, New York City, which is ostensibly a mutual-benefit association providing sick benefits, life insurance, and medical services, and so forth, to its members at low cost. It has, however, following the provisions of its bylaws, organized "agitation and cultural activities among its members with a view to creating amongst them an understanding of the need of these struggles to break down amongst them illusory barriers of race, creed, and color; to establish amongst them the practice of class solidarity, and to develop in them working-class consciousness, and, finally, to win them for the struggle for a workers' and farmers' government in America." (See p. 6 of the constitution and bylaws of the organization.)

Considerable progress has been made in developing this organization in recent months. Its membership has jumped from forty to sixty thousand.

Another organization of national scope is the International Labor Defense. This is a section of the International Red Aid of Moscow and is described as:

"A broad nonparty organization based on the class struggle which aims to defend all workers who are being persecuted by the capitalist government and various other agencies of the employing class for their participation in the class struggle by rendering legal aid, moral, and financial support to these workers and their dependents by wide publicity, organizing mass demonstrations of support and protest, both here and abroad." (See p. 10 of the Constitution and Organization Resolution, adopted at its fourth national convention, held in Pittsburgh, Pa., December 29–31, 1929, which is still in force.)

The national headquarters of this organization is at 80 East Eleventh Street, New York City. Its official organ is the Labor Defender.

The Friends of the Soviet Union, with headquarters in the same place as the International Labor Defense, is still another auxiliary organization whose purpose it is to win the interest and support of non-Communists in the Russian Soviet Union and in its aspirations for world domination. It is the American section of the International Friends of the Soviet Union, located at Amsterdam, Holland.

Among its specific purposes outlined in a leaflet entitled "Who Are the Friends of the Soviet Union?" we find, on page 8:

To mobilize all elements who are sympathetic to the Soviet Union for the struggle against the war preparations of the imperialists.

In commenting upon this purpose, Mr. Matthew Woll called attention to its significance in the light of an editorial in the Daily Worker of June 13, 1934, which said:

Civil war against "our own" Government, to work for the defeat of American imperialism in the next war, no matter whether it is "defensive" or "offensive"—that is the only truly revolutionary policy—in the interests of the working class.

Soviet Russia Today is the official organ of this organization. In July 1934 it claimed a monthly circulation of 24,000.

Among the subsidiary organizations designed to recruit the strength of the Communist Party, one of particular importance is the League of Struggle for Negro Rights, which is intended to spread Communist propaganda among the Negro population in our country and which is actively engaged in doing so.

Earl Browder, the executive secretary of the Communist Party of the United States, said in his report to the eighteenth plenary meeting of the central committee of the party on January 16, 1934:

It is necessary to say a few words about the most general aspect of the struggle for Negro liberation and the efforts to give this struggle organizational form in the League of Struggle for Negro Rights. * * * It is necessary to give first place also to the development of such organizations as the Share-Croppers' Union. But the necessity for emphasis upon these basic forms of organization in no way relieves us of the duty of organizing the general liberation movement of the Negroes, as we have outlined these proposals for the building of the League of Struggle for Negro Rights and its paper, the Liberator. This is one of the tasks of the day for the entire party organization. That means developing mass activities, not leaving it on paper, not leaving it in the realm of abstract propaganda, but developing tasks for the local organizations upon the basis of the general program laid down." (See p. 171 of the Communist, issue of February 1934.)

The headquarters of this organization is 2162 Seventh Avenue, New York City.

Still another subsidiary organization is the National Student League, which is an outgrowth of the activities of the Young Communist League and of the Communist Party generally. A resolution on "The Winning of the Working-Class Youth Is The Task of the Entire Party" was adopted at the national convention of the Communist Party held at Cleveland in April 1934. In this resolution we find the following:

While building the National Student League as the broadest revolutionary mass student organization, they (referring to the Communist Party) must bring forth the independent role of the Young Communist League and recruit the class-conscious students for its ranks. (See p. 487, May 1934, issue of the Communist.)

The intimate relationship between the Young Communist League and the National Student League is made perfectly clear in "A Program for American Youth", already mentioned. On page 21 it says:

The Y. C. L. (the Young Communist League) must work to build the National Student League into a broad mass organization. Every section and district committee must apply the principles of concentration and control tasks to the organization of the N. S. L. (the National Student League) in the schools in its local city, especially in the high and evening schools, where the students are in greater numbers proletarian in origin.

This organization has been growing rapidly, and it appears that as long ago as December 1933—

The N. S. L. (the National Student League) has 50 active functioning groups throughout the United States. There are 44 groups not N. S. L. (National Student League), but under N. S. L. leadership. We also have contacts in 35 colleges, making a total of 129 colleges and universities in which the N. S. L. has influence. (See p. 57 of the National Student League Year Book for 1933.)

These figures, of course, do not include the high-school section, on which there seem to be no statistical data available.

The official national publication of this organization is the Student Review, a monthly magazine.

There are, however, a number of district organizations issuing newspapers, and some of the college chapters also issue student newspapers.

It is interesting to note that the National Student League also maintains a school at 257 Seventh Avenue, New York City, formerly at 114 West Fourteenth Street. Its bulletin describes its purpose to be: (1) To bring before the students an understanding of the foundations of society; (2) to bring to the fore the day-to-day issues which face the students. In view of the Communist affiliations, it is quite evident what these are.

Besides the organizations which I have mentioned as being directly affiliated with the Communist Party or subsidiary to it, there are others which may properly be described as United Front organizations in which the Communist Party of the United States has a dominating influence. Perhaps the most active of these at the present time is the American League Against War and Fascism, of which Earl Browder, executive secretary of the Communist Party, is the active vice chairman. The national headquarters of this body is located at 112 East Nineteenth Street, New York City. It is made up of Communists and some Socialists. It also has its youth section. The Communist Party takes a vital interest in its promotion.

At the eighth convention of the Communist Party of the United States in April 1934, a resolution on "The Winning of the Working Class Youth" was adopted. In paragraph 5 of this resolution we find the following:

> The party and league (referring to the Young Communist League) must guarantee an immediate improvement of the anti-militarist and antiwar activity. * * * (b) a broad united-front movement of youth must be built around the American League Against War and Fascism. Broad city and State conferences of youth against war and fascism must be organized and antiwar committees set up in shops, ports, neighborhoods, and mass organizations. (See p. 485 of the Communist, issue of May 1934.)

This organization held its second national congress at Chicago, Ill., on September 28–30, 1934, at which the total number of delegates registered was 3,332, the number of youth delegates being 749. (See p. 22 of the proceedings of that convention.)

In the September 1934 issue of Fight, the official publication of this organization, Earl Browder asks the question: "What progress have we made in carrying out the program?" He mentions a few outstanding measures:

> 1. The growth of the youth section and its activities, which have extended and activized the broad united front to include about everything healthy and living in its field—student-strike movement, a national youth-day series of mass demonstrations, dozens of conferences, publications, etc.
>
> 2. The women's committee, and especially its mass campaign for election of the broad delegation to the Women's World Congress Against War and Fascism in Paris.
>
> 3. The growingly successful publication of the monthly journal, Fight Against War and Fascism, which has won a secure and honorable place for itself purely on its merits.
>
> 4. The mass demonstration and parades on August 4, the twentieth anniversary of the World War, which in some places, as New York City, revealed an unexpected degree of mass interest and active support for the American League and disclosed really great potentialities (p. 5).

The manifesto of the American League Against War and Fascism, adopted at the Chicago convention, reveals its purpose, which is as follows:

> To support the peace policies of the Soviet Union for total and universal disarmament, which today with the support of the masses of all countries constitutes the greatest and most effective opposition to war throughout the world; to oppose all attempts to weaken the Soviet Union, whether these take the form of misrepresentation and false propaganda, diplomatic maneuvering, or intervention by imperialist government.

The stand of the youth section of the league is made amply plain in the Youth Manifesto Against War and Fascism. On pages 6, 7, and 8 of that document you will find the pledge of its membership. I need quote only the first article:

> 1. We pledge to fight the efforts to militarize our generation. We will fight against all open and concealed efforts to train young people for war.

The last line of defense of democratic government in case of serious internal disorders is the National Guard and the Regular Army and Navy. For this reason, so long as these bodies remain loyal to their oaths, the chances of the overturn of our Government by force and violence are remote. None recognizes this fact better than the Communist Party of the United States, and for this reason intensive efforts are being made to spread the Communist doctrine and to win support for the Communist program in military, naval, and National Guard circles. This activity follows the specific instructions received by the Communist Party from the executive committee of the Third International subsequent to the giving of the Litvinoff pledges to the United States Government as a condition of recognition. Those instructions order the various sections of the International to "intensify political educational work in the Army and in the Navy." (See p. 140 of the February 1934 issue of the Communist.)

In obedience to this instruction, the Communist Party has established nuclei in the Army, Navy, and in several navy yards. The Soldiers' Voice, the Shipmates' Voice, and the Navy Yard Worker are clandestinely circulated among enlisted men. Booklets are published by the Workers Library Publishers, the official publishing house of the Communist Party of the United States, intended to encourage insubordination in Army, Navy, and National Guard circles.

In the Litvinoff pledges there was an engagement on the part of the Russian Government—

> To refrain and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States or its possessions. * * *

Let us refer once more to the resolutions of the Thirteenth Plenum held at Moscow one month after the giving of the Litvinoff pledges. These resolutions contained the following statement:

> It is necessary to unfold before the toilers of each country a program which, basing itself on the experience of the great triumphs of the Soviet workers and collective farmers on all fronts of the class struggle and Socialist construction, should, while making allowance for the peculiar conditions of the different countries, show what the Soviet power will give them in their own country.

In defining the meaning of "soviet power" the Plenum says:

> The soviet power is the state form of the proletariat dictatorship.

It appears, therefore, that an important part of the program for preparing the proletarian of this country for the overthrow of our Government includes the presentation of enticing pictures of what soviet power gives to the proletariat in Soviet Russia. In furtherance of this program, a large number of propaganda documents have been and are still being printed in Russia under Government supervision and sold in the United States by the International Publishers, of 381 Fourth Avenue, New York City. A very considerable number of these documents are printed in the English language for use in English-speaking countries.

A typical example of this "made in Russia" propaganda is a booklet entitled "Youth in the Soviet Union." In this booklet we read on page 9:

> How, indeed, can capitalism find occupation for youth and afford it access to the heights of science, technique, and art when capitalism itself is in the throes of a crisis of unprecedented severity, when it is constantly cutting down production, when crisis and unemployment are the necessary and inevitable consequences of the capitalistic method of production, when world capitalism is in a state of general crisis, which, despite occasional periods of temporary stabilization, is leading capitalism to ruin and collapse? No; it is beyond the power of capitalism to find a place in life for youth, the more so in the epoch of imperialism, the epoch of general crisis.

Many booklets of this same type, published in Russia in the English language, are being imported into this country in direct violation of the engagement entered into by the Union of Soviet Socialist Republics at the time of its recognition by the United States Government.

Obviously, what I have said is not sufficiently full to give a complete picture of the extent of which these Communist activities are being carried on throughout the United States. They do show, however—

First. That the Communist International, acting upon Russian territory and controlled by the Soviet Union, has, since the giving of the Litvinoff pledges, directed the Communist Party of the United States and the Young Communist League of America to use every available means to prepare for the forceful overthrow of our Government, by propaganda and the organization of revolutionary trade unions, leagues, committees, and groups, and for the substitution in its place of a soviet form of government to be affiliated with the Union of Soviet Socialist Republics.

Second. That the Communist Party and the Young Communist League of America have accepted this militant program and are using every effort to recruit their strength for that purpose, and that they have been aided and encouraged by section 7 (a) of the National Industrial Recovery Act and through funds dispensed by the Federal Emergency Relief Administration.

Third. That this action on the part of the Communist International is a complete repudiation of the Litvinoff pledges.

Fourth. That the publication in the English language in the Union of Soviet Socialist Republics for use in the United States of books and pamphlets attacking our form of government and their shipment to this country also constitutes a complete repudiation of the Litvinoff pledges.

The evidence discloses that there has been an organized Nation-wide, systematic and rapidly developing attempt to undermine the institutions of the United States and to overthrow its Government. An official committee of the House of Representatives has certified to the truth of this statement.

This evidence discloses also that since the recognition by the United States of the Union of Soviet Socialist Republics there have been a great increase in communistic activities and an enhancement of the prestige of those in control of them.

This undisputed evidence from Russian and American sources shows that the Union of Soviet Socialist Republics promotes these activities to undermine the institutions of the United States and to overthrow its Government in complete repudiation of the pledges which it gave to obtain United States recognition.

Since the Russian Government has failed to respect the pledges upon which United States recognition was conditioned, diplomatic relations with the Soviet Union should be severed at once.

Refusal of those in authority to sever diplomatic relations with the Soviet Union places a serious responsibility upon the Congress of the United States.

Officials of the United States Government are bound by their oath of office to "defend the Constitution of the United States against all enemies, foreign and domestic." An official of the Government who violates his oath of office is subject to impeachment.

In the light of the evidence now in its possession it becomes the duty of the Congress to determine whether or not officials of the Government who refuse to take action to defend the Constitution against a foreign enemy, and who permit public funds to be expended to teach subversive doctrines and to forward a program to overthrow the Government are subject to impeachment.

[Here the gavel fell.]

Mr. TINKHAM. Mr. Chairman, I should greatly appreciate it if the gentleman from New Jersey would kindly give me an extension of time.

Mr. ZIONCHECK. Mr. Chairman, I am going to object to any extension on the ground that the gentleman already has consumed 1 hour. For him to consume more time would be unfair to the other Members who desire to speak. I am sure there will be no objection to his extending his remarks in the RECORD.

Mr. TINKHAM. Mr. Chairman, I requested unanimous consent to extend my remarks at the time I began to speak.

The CHAIRMAN. Under the rules, the gentleman may not speak more than an hour unless it is by unanimous consent, and objection has been raised. Without objection, the gentleman will be allowed to revise and extend his remarks.

There was no objection.

Mr. ZIONCHECK. I thoroughly enjoyed the address and have no objection to the gentleman's proceeding further, except in the matter of fairness to other Members who want to speak.

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentlewoman from Indiana [Mrs. JENCKES].

Mrs. JENCKES of Indiana. Mr. Chairman, at this time I wish to address the House of Representatives relative to a subject which appears to me as one which should receive the consideration of all Americans, especially every Member of Congress. As my address will be very short, I do not wish to yield any of my time, and I hope I will not be interrupted until I have concluded. I wish to talk to you about our native American citizens, the Indians. Regrettably there are no Indians in my State of Indiana, but my interest in these first Americans is deep and sincere and goes back to stories of my childhood days that were told by my parents about my paternal ancestor, Judge Henry Vander Burg, who was one of the first Federal judges in that great Northwest country where live so many of these virile people.

It is a recognized fact that great injustices have been perpetrated upon these people. History has distorted facts in many instances until today the word "Indian" calls up in the minds of most people a whooping, yelling savage. Few people stop to consider that the Indians received the Pilgrim Fathers and helped them through that first cold, hard winter; that the friendly relationship then existing between these two noble races was symbolized in the first Thanksgiving in America.

People overlook the fact that the Indian gave all that he had to give, his food, his land, even his form of government; that he played a vast and heroic part in the establishment of our American ideals of democracy; and that it was only when he saw the incoming hordes pushing him ever westward that he rebelled and fought—fought for his homeland and his very existence as a race.

Certainly, it would seem, that for all these people have contributed to our national well-being, they should be given just consideration. I had been led to believe that conditions were improving for the Indians. Although I had never had the pleasure of knowing many of them personally, those whom I knew were intelligent Americans comparing most favorably with all other of our citizens.

Recently some astonishing facts have been called to my attention by the Indians themselves.

I am amazed to learn that in this year, 1935, the Indians as a race, are kept separate and apart from other citizens and are still continued in the status of incompetent wards; that their person and their property is subject to the control of a bureau to which Congress has delegated the power of guardianship; that notwithstanding the fact that all Indians were declared citizens by special act of the Congress in 1924, that previous to that time many of them had always had the right of citizenship, through the enabling act which made Oklahoma a State in the case of Oklahoma Indians and by the ancient Treaty of Guadalupe Hidalgo made with Mexico in the case of all the Indians of the Southwest; notwithstanding all of this, that today many of them are denied the privilege of exercising their rights as voting citizens of America, and that many more of them are continued under the dual role of wards and citizens; that in many of these cases, although they exercise their rights as voting citizens in all elections, and although they have sufficient funds and resources to maintain all their own affairs, they are yet held powerless to have one word to say about the expenditure of their money or the employment of the people who manage or mismanage their affairs.

Does it seem possible that today in this great country, which has always been the haven of hope for all oppressed people, that our own native citizens are held in the bonds of slavery? That this race of proud, free people has been reduced through oppression to a state of serfdom and helplessness, in many instances, and are denied their God-given birthright to progress as a free people in this land of freedom? Can this be true of free America?

And just how are the affairs of the Indians being administered by this Bureau of Indian Affairs? I have been making inquiries about this matter. From February 11 up to and including April 19 of this year, in this Congress the Indians themselves are complaining bitterly before a subcommittee of the House Indian Committee, our worthy colleague, Hon. ABE MURDOCK, chairman, against the methods being pursued today.

These Indians, who are sincerely concerned about the future of their race, requested these hearings and have presented the evidence before this subcommittee of the House Indian Committee. They have alleged that the present Commissioner of Indian Affairs, in the conduct of his office, is guilty of maladministration, misuse of public funds, sedition, and communism.

If the things revealed before this subcommittee be true, then they should become the concern of every patriotic American who is interested in the maintenance of our American ideals of democracy.

For instance: The Indians alleged that the Wheeler-Howard Act which the present Commissioner propagandized through the last Congress under the guise of bestowing self-government upon the Indian citizenship of the United States not only does not grant them self-government but that it goes farther toward entrenching Bureau control of their affairs than any previous legislation of Congress; that in the face of the Citizenship Act of 1924 this bill is unconstitutional; they further allege that it had its origin and was sponsored as early as 1932 by the American Civil Liberties Union, whose headquarters are located in New York City.

Their contention is that this organization is one of the most active communistic organizations in the United States and that all legislation flowing from that source is decidedly communistic. The Indians further contend that the Wheeler-Howard Act is being administered largely through Indian Bureau and Interior Department officials, now or formerly identified with the American Civil Liberties Union. They point out the fact that a former State secretary of this organization, testifying before the subcommittee, has stated that the Democratic Party has taken over the full legislative program of the Civil Liberties Union in his State; and the further fact that Commissioner Collier has expressed great and sincere admiration for Roger Baldwin, one of its leaders who was imprisoned for draft dodging during the war and who has testified before a congressional committee that the American Civil Liberties Union upholds the right of a citizen or an alien to advocate force and violence, murder and assassination in the overthrow of government.

If these amazing things be true, then they become a matter of grave concern, not alone for the Indian but for the citizens of the Nation as a whole. Are we to allow this kind of administration of Indian affairs to continue in the face of the facts that the wealth of the Indians, which is under the complete control of this Federal bureau, amounts to more than a billion dollars and is located in some 22 States of our Nation; that this bureau has direct control of the life and conduct of some 340,000 of our native American citizens and that it regularly employs more than 5,000 people, and now, through the emergency relief work, thousands of others; that it spends annually between twenty and thirty millions of dollars of our taxpayers' money through direct appropriations from Congress and through allocation of relief funds has spent more than $44,000,000 additional money during the last year or so? Americans, I say to you, Shall we allow this to continue?

Fellow Members of the House, I ask you if you are aware of some of the other things that are being put into operation by the present Indian Bureau officials? The Indians tell me, that before this subcommittee it has been disclosed that Commissioner Collier spent some $1,500 taken from the educational funds appropriated by Congress for the education of Indians to bring Dr. Moises Saenz, a citizen of Old Mexico, here to this country to visit our Indian reservations and to tell us how to deal with our Indian citizens; that the Commissioner stated before the committee that he thoroughly approves of the Mexican school system and considers it almost the most perfect in the world. Americans, what is wrong with our own educational system that we cannot apply it to our native American citizens?

The Indians tell me further that the Commissioner of Indian Affairs, in his effort to secure passage of the Wheeler-Howard Act, went before Indian audiences and conducted a campaign of propaganda designed to arouse race prejudice and hatred; called former high officials of the Government liars and crooks; told the Indians that it had been the policy of the Government for many years to rob them; that he constantly advised them to take control of their own affairs and expressed the hope that the Mexican system of Indian government would prevail here; and held forth to our native American citizens the fallacy that they, too, should "recapture their lands" and take "over control of their government." If these things be true, it is greatly to the credit of the Indians that there has been no general uprising with loss of blood thus far.

And, incredible as it seems, the Indians tell me that the Commissioner, in pursuing his policy of further segregating the Indians and putting his alleged communistic schemes in effect, is spending public money, through P. W. A. allocation, to build a "Navajo world." They say that what he terms as the "Navajo capitol" is located in Arizona, just about 35 miles north of the city of Gallup, N. Mex.; that although it is not yet completed, some $950,000 has been spent; that around this "capitol" are located 47 "community centers", or day schools, costing approximately and conservatively estimated, about $1,000,000 for construction alone, to say nothing of a well for each center, the total cost of which is about $350,000 more of public money. The Navajo Indians themselves do not want this "capitol." They are complaining about it and the day schools. Yet the Commissioner spends more than $2,000,000 to further his own ideas and plans.

Of all the un-American ideas, this one of a separate racial capital in America, the melting pot of the world, would seem to be the worst, and our taxpayers are paying for this.

The Indians allege that here in these "community centers" the Commissioner, over the protest of the Navajo Indians, is putting into operation the Mexican school systems; that he has two women employed there organizing these "community centers"; that one of them has spent 10 years in Mexico studying the upheaval caused by the "social revolution" in that country, and that the other one has a distinctly Mexican background. The Indians say that they have no desire to become Mexicans or adopt Mexican ideas; that they wish to be Americans.

Perhaps the most astonishing thing that the Indians tell me about what has been revealed before this subcommittee is the fact that the Commissioner of Indian Affairs has persuaded a man who was a native citizen of Turkey, and who had been in this country for close to 20 years, to take out his first citizenship papers so that he could be placed in charge of the Indian land program of the Federal Emergency Relief Administration. This man will have the control and direction of the vast amount of money which the Commissioner hopes will be expended to provide land for landless Indians, ultimately about $154,000,000, so he stated before the Appropriations Committee of this House. I was horrified to learn that such a thing could have taken place at this time, when thousands of our American citizens are without the means of providing for the bare necessities of life. Fellow Members of the House, the employment in a high governmental position of this man, who has never thought highly enough of our American Government and institutions to make an effort to become one of us until he was out of work, is an outrage and an injustice to every American.

My colleagues, these things are told to me by the Indians themselves—native American citizens, who are being denied the rights which we grant, for the mere asking, to all others who come to our shores. These Indians wish to continue to be Americans. They wish to help maintain the ideals of America established by Washington, preserved by Lincoln, and advocated by all patriotic Americans of all times. They recognize that the only way for the Indian to go is forward, step by step, and side by side with other Americans.

The marriage of John Rolf and Pocahontas, to my mind, has always symbolized the correct solution of the Indian problem, the dawn of America. The races of the Old World come to America and are swallowed up, lose their racial or national identity, and become what? Americans!

Shall we continue to deny to our native Americans this right? Shall we continue to spend the millions upon millions of dollars of the taxpayers' money furthering this un-American system of segregation which has been pursued in the past and which has been a stumbling block and a detriment to the Indians and to America?

None of us here today are responsible for the wrongs committed by our ancestors, but surely the responsibility for correcting these present wrongs which the Indans have called to our attention rests squarely upon the shoulders of every Member of this Congress.

My dear colleagues, these American Indians are appealing to us for help. Their appeal is reasonable. They only ask to be treated as Americans. With pardonable pride they point out that their race has always voluntarily answered the call to the colors in defense of this, their native country;

that more than 12,000 of their number served in the recent World War. In the face of all that they tell us, can we afford, as Americans, as Members of the Congress, to deny them this help?

As just a little help to them in their furtherance of their efforts to be Americans I am introducing today a bill to grant a group of conscientious, intelligent, native American citizens a Federal charter of incorporation for an all-Indian organization.

Only a few organizations have been accorded this high honor. All of them have been real American organizations. As a matter of simple justice, I call upon every Member of this House of Representatives to support this legislation.

I thank you. [Applause.]

Mr. ZIONCHECK. Will the gentlewoman yield?

Mrs. JENCKES of Indiana. I yield to the gentleman from Washington.

Mr. ZIONCHECK. Did the gentlewoman vote for the Wheeler-Howard Act during the last session of Congress?

Mrs. JENCKES of Indiana. I am not sure whether I did or not.

Mr. ZIONCHECK. I am quite sure that the gentlewoman from Indiana did not at that time protest against this act. Everything she is complaining about now with reference to the Indian Commissioner has to do with his trying to carry out the provisions of that act.

Mrs. JENCKES of Indiana. The Indians themselves were misled as to the effect of the legislation. I prefaced my remarks by saying that my contact with the Indians this year has developed more than any time before, and I have had honorable, upright Indians tell me this story. I have quoted their story in my address today.

Mr. ZIONCHECK. Is it the gentlewoman's understanding that each tribe must vote to come within the purview of the Wheeler-Howard Act?

Mrs. JENCKES of Indiana. Yes; that is true, but they are not given the opportunity to vote. The thing that the Indians have brought to me by way of complaint is that they are not given the opportunity to express their own wishes in the matter. For instance, take the Navajo settlement. That is just being pushed on them.

Mr. ZIONCHECK. I happen to be a member of the subcommittee of the Appropriations Committee having to do with the Interior Department bill, and this whole matter was gone into. If the gentlewoman will read the hearings and the testimony of Mr. Collier and the others on this subject she will be enlightened.

Mrs. JENCKES of Indiana. Does the gentleman mean the testimony given before the Indian Affairs Committee this year?

Mr. ZIONCHECK. No. It was not the Indian Affairs Committee. I refer to the subcommittee of the Appropriations Committee having to do with the Interior Department appropriation bill.

Mrs. JENCKES of Indiana. Last year's appropriation bill?

Mr. ZIONCHECK. No; this year—1936.

Mrs. JENCKES of Indiana. The information I have gathered is from the committee hearings before a subcommittee of the Indian Affairs Committee.

Mr. ZIONCHECK. Yes; but if the gentlewoman will look at the hearings had by the subcommittee of the Committee on Appropriations I think she will be enlightened.

Mrs. JENCKES of Indiana. I will refer to those hearings.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, I desire to speak briefly in regard particularly to the inferior Federal judiciary of our country. Before doing this, let me voice my protest against the power now exercised by the Supreme Court of the United States in setting aside by a mere majority vote and declaring unconstitutional, by a vote of 5 to 4, laws passed by the representatives of the people in the Congress of the United States and approved by the Chief Executive elected by the people. I personally favor enactment of a law providing that no law may be declared unconstitutional by a Supreme Court except by a decision of at least three-fourths of the judges thereof. In other words, by a 7-to-2 decision as the Court is now constituted. No constitutional amendment is necessary to provide this. All that is necessary is for the Congress to exercise powers rightfully belonging to it by passing a law directing that at least three-fourths of the judges of the Supreme Court must concur in declaring any act of Congress unconstitutional, otherwise such act of Congress shall continue as the law of the land. Section III of the Constitution declares as follows in referring to the powers of the Supreme Court:

> In all other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make.

Now, I pass on from this august tribunal, which is lawmaker, court of last resort, and executioner combined in one, to matters pertaining to the inferior Federal courts of our country, over which the Congress has and should exercise direct and complete power and control.

Impeachment, particularly as applied to the Federal judiciary, is an expensive, unwieldy, and well-nigh impossible process. The congressional committee investigating three United States district judges of Illinois listened to testimony of a shocking character. It is my well-considered opinion, after studying the report and the hearings of charges involving United States District Judge Charles A. Woodward, James H. Wilkerson, and Walter C. Lindley, that these three Federal judges were guilty of offenses involving moral turpitude and have shown themselves utterly unfit to occupy the high judicial positions to which they were intrusted. It is unfortunate that impeachment proceedings were not brought against them. Recently the gentleman from Illinois [Mr. DIRKSEN] made charges on the floor of the House against United States Circuit Judge Alschuler. I listened to the charges he made. I know nothing of the facts. I therefore express no opinion. My purpose in taking the floor is to deny the statement frequently made that United States judges are appointed for life. The facts are that the Constitution of the United States provides that Federal judges "shall hold their offices during good behavior." If the makers of the Constitution had intended this to mean life tenure, they would have so written. It is my judgment that instead of resorting to the unwieldy and almost impossible process of impeachment proceedings by the House of Representatives and trial before the United States Senate, sitting as a court of impeachment, the Congress should define good behavior as it relates to the Federal judiciary. Then a tribunal should be provided to hear charges brought against any Federal judge that his judicial conduct does not constitute good behavior, and if and when such charges are sustained this tribunal should have the power and authority to order the removal of such Federal judge or provide such other punishment as is fitting.

The inferior Federal judges of this country are, as a class, arrogant, domineering, and tyrannical.

In the conduct of trials, United States district judges too frequently usurp the functions of juries and conduct trials in a high-handed and arbitrary manner.

Federal judges too frequently have become, not a group of public servants but a group of public dictators and tyrants and without responsibility to anyone. Federal judges were not meant to be lawmakers, judges, and executioners all in one, and without responsibility to the people of the country. Usurpation of dictatorship of the Federal courts of our land will perhaps only be checked, either by appointment or election, of Federal judges for a limited time, say, 6 years, instead of appointment during good behavior.

Tyrannical and arbitrary conduct on the part of Federal courts in this country is not a product of recent years. The Democratic national platform in 1896 stated:

> We denounce arbitrary interference by Federal authorities in local affairs as a violation of the Constitution of the United States and a crime against free institutions, and we especially object to government by injunction as a new and highly dangerous form of

oppression by which Federal judges, in contempt of the laws of the States and rights of citizens, become at once legislators, judges, and executioners.

The present Chief Justice of the United States, Justice Hughes, a few years ago, criticized the late Federal Judge Lowell, of Massachusetts, for language of the Federal judge in his instructions to a jury. Judge Lowell, in his charge to this jury, said:

And now I am going to tell you what I think of the defendant's testimony. You have noticed, Mr. Foreman and gentlemen, that he wiped his hands during his testimony. It is a rather curious thing, but that is almost always an indication of lying. Why it should be so we don't know, but that is a fact. I think that every single word that man said, except when he agreed with the Government's testimony, was a lie.

Misconduct of this sort by a Federal judge makes a travesty of trial by jury.

The Constitution of the United States, article III, provides:

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation which will not be diminished during their continuance in office.

There is apparently no authoritative judicial construction of the meaning of the expression "during good behavior", as used in the Constitution, article III, section 1, defining the tenure of judges of the "supreme and inferior courts." Two cases cited on the point stop short of real definition:

(1) *Kentucky, etc., Bridge Co.* v. *Louisville & Nashville R. R. Co.* (37 Fed. 567). Here one question was whether the Interstate Commerce Commission was an "inferior court"; and the court, noting the fact that the Commissioners were appointed for fixed terms said that even if the Commission were such a court, the individual members were not judges holding during good behavior, to whom the judicial power of the Government could constitutionally be intrusted.

(2) *Howard* v. *United States*, (22 Ct. of Claims, 316). The real question was whether the territorial courts were inferior courts of the United States; and having decided that they were not, it followed that a judge of such a court was not a judge protected by the good behavior clause, but a civil officer subject to removal, etc.

A great many people seem to believe that, like Moses on Mount Horeb, they are treading on holy ground if they consider making judges accountable to the people. I honor the judiciary. My father served for many years as a trial judge in Ohio.

The Temple of Delphi was scarcely more sacred to the ancient Greeks than is the Federal judiciary to many of our fellow citizens. I respect and admire just and honorable judges. Nevertheless, the Federal judiciary is not sacrosanct. Thomas Jefferson wrote: "Judges are as honest as other men, and not more so." Jefferson also wrote: "Whenever a free people should give up in absolute submission to any department of the government, retaining for themselves no appeal from it, their liberties are gone." I lay down this doctrine, no matter how good a judge is, no matter how learned a judge is, he is not capable enough to be entitled to retain his office if the majority of the people do not want him as a judge and have lost confidence in him.

The Federal judges of our country with notable exceptions have, as a rule, usurped powers and functions and too frequently have made a mockery of trial by jury. This right of trial by jury is one of the most sacred rights known to our laws. It has long been regarded a bulwark of our liberties. The Declaration of Independence, for one thing, indicted the English Crown for denying us, in many instances, the right of trial by jury.

If it be true, as Blackstone suggests, in his Commentaries on the Law of England, that Greece and Rome declined and disappeared as great nations because they knew not of the right of trial by jury, let it not be said that we destroyed ourselves as a great nation because we threw away this right.

Congress should repeal retirement pay for Federal judges. Federal judges should not be considered a privileged class. In fact, it would be well to abolish altogether all the inferior Federal courts. Twenty Federal judges have retired on full pay and are receiving $222,500 per annum. These judges had a lifetime job. It is too much of a good thing to require the public to support them now they are retired. There appears no more justification for retiring a Federal judge on full pay than there is for retiring many other public officials and employees who have contributed industry, intelligence, and loyalty in the public service. It is termed retirement pay. It is, in fact, a pension.

I have introduced in this Congress a bill to abolish the retirement pay of all Federal judges. It is H. R. No. 5616. It is my hope that the Judiciary Committee will vote out this bill and that it will become a law.

Those retired United States judges still "feeding at the public trough" as recipients of pensions are as follows:

United States circuit judges:	
Albert B. Anderson	$12,500
George W. Anderson	12,500
Wilbur F. Booth	12,500
Arthur C. Denison	12,500
William H. Hunt	12,500
George T. Page	12,500
A. S. Van Valkenburgh	12,500
R. W. Walker	12,500
United States district judges:	
C. F. Amidon	10,000
George M. Bourquin	10,000
John R. Hazel	10,000
John M. Killitts	10,000
Jeremiah Neterer	10,000
Duval West	10,000
Robert T. Ervin	10,000
John E. Sater	7,500
United States Court of Claims:	
Edward K. Campbell	12,500
Samuel J. Graham	12,500
United States Customs Court, Israel F. Fischer	10,000
Supreme Court, District of Columbia, Wendell P. Stafford	10,000

One of these, United States District Judge John M. Killitts, of Toledo, tried to go through bankruptcy. He is indebted to the liquidator of a defunct Toledo bank for more than $100,000. Thousands of Toledo school children placed their savings in this bank. Ex-Judge Killitts obtained $105,000 of this money upon his unsecured note. The bank failed. The school children lost their savings. The judge never repaid the $105,000. He kept his "swag." He still draws $10,000 each year as a retired United States judge. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Texas.

Mr. BLANTON. I agree with the gentleman with reference to the abolishment of retirement pay, but the gentleman should come down to my district in west Texas and try a case down there in the Federal court. I would rather try a case down there in the Federal court than in the State court. You can get a quicker action and you can get just as fair a trial as anywhere in the world. It is only a question of who is appointed on the bench.

Mr. YOUNG. I may say to the gentleman from Texas that we have some very high-class Federal judges in Ohio also whose ability and integrity cannot be questioned.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Alaska such time as he may desire.

Mr. DIMOND. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein brief excerpts from a letter as reported in the press yesterday written by Hon. Cyrenus Cole, of Cedar Rapids, to the Secretary of Agriculture and also brief excerpts from some Government bulletins published under the supervision of the Department of Agriculture concerning farming in Alaska, and particularly in the Matanuska Valley regions.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. DIMOND. Mr. Chairman, yesterday my attention was called to references in the press with respect to a letter written by Hon. Cyrenus Cole, of Cedar Rapids, Iowa, former Member of the House of Representatives, to the Secretary of Agriculture, in which he denounced the homestead set-

tlement project now being set up in the Matanuska Valley, Alaska, and referred to the settlers as "subsidized and deluded trekkers" and "victims of professorial dreamers." The only reason I feel impelled to refer to this letter is on account of the reputation and standing of Mr. Cole, since he formerly served in the House of Representatives, and on account of the great number of misstatements of fact embraced in his letter.

As a preliminary, it may be well to say that the Government, through the F. E. R. A., is now aiding in the settlement of 200 families, embracing approximately 1,000 persons, in the Matanuska Valley, which is situated in the southern part of the main body of Alaska about 36 miles north of the city of Anchorage and 150 miles from the seaboard terminus of the Alaska Railroad at Seward, Alaska. These families, I am informed, have been chosen from the States of Wisconsin, Michigan, and Minnesota. They were all, when so chosen, on relief, or entitled to relief, and so it was the duty of the Government in any event to take care of them in some fashion.

The individuals embraced in these families are reported to be sober and industrious people and that their present plight is the result not of anything they did or failed to do, but of the adverse circumstances which have overwhelmed so many excellent people in recent years. The plan of settlement has been well thought out, and in detail, by the administration. The project is not being entered into in a haphazard manner or without thought. Surely if these people are to be helped at all it is much better to help them get in a position to hereafter help themselves, even though the initial cost may be a little greater. In the long run there will be a saving of Government funds, a saving of human effort, and the saving of the self-respect of these citizens of the United States.

Mr. Cole is quoted as saying in his letter addressed to Hon. Henry A. Wallace, Secretary of Agriculture, in part, as follows:

> I have been shocked by the glaring publicity that writers paid for by the Government have been giving to what is styled the "migration to Alaska." At Government expense a thousand men, women, and children are now on their way to the northland—and how many more are to follow them?
>
> In 1923 your father, Henry C. Wallace, and I made tours of Alaska; he as a member of the Harding party and I as a member of a congressional investigating committee. We both looked at the country through Iowa-born agricultural eyes. He may have been more favorably impressed than I was, but I recall that he said to me one time, "Sometime, now far away, when our lands have become exhausted we may have to go up there to coax food from the soil, but I hope I will never have to go there to follow a plow with a mosquito net over my head."
>
> The ghost writers of the Government, who may all have college educations, in word pictures and with ordinary pictures, are depicting the Matanuska Valley as another Garden of Eden. But the men who have such visions of milk and honey may never have seen that Alaskan valley as your father and I saw it in 1923.
>
> May I recall some of the things we saw there? A thin soil hardly more than a foot of which is thawed out in summertime, with a thousand feet of frozen ground under it, for Alaska underneath still belongs to the glacial era of the world's history. On this soil all kinds of vegetation make a quick and prodigious growth while the sun beats on it for 20 or more hours each day. But these quick-growing products are seldom matured and retain too much moisture. An Iowa woman in Fairbanks told me they always get their winter potatoes from Seattle.
>
> Moss grows everywhere. The reindeer does the best he can with it, but he cannot make beefsteaks out of nothing. It is not a grass country, and when hay is made the grass has to be cured on ricks, for left on the ground to cure it would rot. But if grass is grown, as they say it can be, the mosquitoes will see to it that the cows do not give contented milk.

There is much more to the same effect, and little, if any, of it correct. The whole picture is grossly distorted. Some of the statement is to an Alaskan rather amusing, for Mr. Cole says that when he was in Alaska in 1923 he traveled through this region, and "out of one shack came a man and a woman who stared at us with the blankest and most hopeless eyes I have ever seen—eyes that haunt me still." This is quite poetical—and of course, I do not know to whom the author refers—but, in any event, I have lived in Alaska for more than 30 years and I have never seen the "blank, hopeless stare", as Mr. Cole describes it, in the eyes of any man or woman in Alaska. In fact, Alaskans generally are so hopeful and so optimistic that these sentiments amount to a positive virtue.

I am quite familiar with many portions of Alaska, including the Matanuska Valley. The area of the Territory is so great that I think no man living is familiar with all parts of it. Let us take up some of the items contained in Mr. Cole's statement.

He refers to the ghost writers of the Government who have painted such pleasing pictures of the Matanuska Valley as another Garden of Eden, and he says he has been shocked by the glaring publicity that writers paid for by the Government have been giving to what is styled the "migration to Alaska." This, as far as I have been able to find out, is all imagination or propaganda, and no ghost writer of the Government has given out any statements concerning Alaska except as based upon experience and upon official records of the various departments of the Government, kept over a series of years. It is true that newspapers all over the United States have shown a deep interest in this subject, and I suppose that I personally have talked with a dozen reporters and hundreds of other people concerning this colonization plan. In every case I have furnished facts as known to me and I am confident that the Government officials under whose supervision this plan has been brought into being have done the same thing. None of us has used any extravagant adjectives, and if any glowing words were embraced in newspaper articles or otherwise they were not supplied by any of us. We have tried to tell the truth about this matter as we knew it, and that is all there is to that.

Reference is made in this letter to "a thin soil hardly more than a foot of which is thawed out in summertime, with a thousand feet of frozen ground under it." This statement is entirely incorrect. There is not a word or a syllable or a letter of truth in it, except that soil exists in the Matanuska Valley. To the best of my knowledge, no permanently frozen ground can be found in the Matanuska Valley, although there is permanently frozen ground in the Tanana Valley, and in many other parts of Alaska. The soil of the Matanuska Valley is not thin but, on the contrary, it is deep and fertile. It may be that if one searched hard enough he could find a place in Matanuska Valley where the soil is thin, but generally the opposite is the case. I have seen pits dug more than 6 feet deep in the Matanuska Valley and still in the bottoms is rich black loam. Of course, in this valley, as elsewhere, the soil is not of uniform thickness but generally it is rich and fertile and deep. As I have said before, there is no permanent frost in the valley so far as I am aware and I have been unable to find any record of any.

The letter continues, "Moss grows everywhere. The reindeer does the best he can with it, but he cannot make beefsteaks out of nothing." It is quite true that in the wooded portions of the valley moss grows beneath the trees, but I distinctly recall that near my home in the State of New York was quite an extensive forest or woodland on the top of what is known as "Nose Hill", on the north side of the Mohawk River, in Montgomery County, and I distinctly remember as a boy finding on Nose Hill moss almost everywhere on the ground beneath the trees. So far as my experience goes, the same is true in all wooded portions of the country; one will find more or less moss in the forests. But, of course, when the trees are cut down and the stumps are pulled and the ground is cleared, the settler always burns the moss before he attempts to cultivate the land. That has been done on several thousand acres already in the Matanuska Valley, and the fact that moss originally covered the soil where the primeval forest still grows upon it does not make the soil any less fertile. This moss seems to be dragged in as a sort of bugaboo in order to scare people, or to make the project seem impossible of success.

Reference is also made to looking "at the country through Iowa-born agricultural eyes", and finding it impossible. Well, the same thing used to be said of Iowa and North and South Dakota and Colorado and Kansas and Nebraska and Oregon, and, in fact, the entire part of the country west of the Mississippi by some people of the East. The western region was declared by many people to be incapable of habi-

tation, to be worthless and useless, and the persons so condemning all of the western country spoke with the wisdom of men who had never left the Atlantic seaboard. Such statements make me wonder sometimes whether the pioneer spirit which made America grow has entirely departed from our people. When men look at any part of the country through any peculiar or local or parochial or sectional "eyes", then it is apparent that those men have lost entirely the spirit of adventure or they are wholly incapable of seeing new lands in their true aspect.

Before we proceed further let us see from official record what Alaska, and particularly the Matanuska Valley, really is. I have here copy of a bulletin entitled "Information for Prospective Settlers in Alaska", issued October 15, 1923, revised October 15, 1930. This bulletin is also known as "Circular No. 1 of the Agricultural Experiment Stations in Alaska", prepared under the supervision of the United States Department of Agriculture. It is authoritative and authentic, in fact, to my mind, it is ultraconservative. No extravagant hope or promise is here held out to the settlers of Alaska. If anything, the good features of the country are minimized and special stress has been placed upon its difficulties. This circular tells us the following:

Most of Alaska lies between the same parallels of latitude as Norway, Sweden, Finland, and one-third of Russia, which have a population of over 10,000,000. Alaska embraces about 570,000 square miles of territory. It has been demonstrated both at the Government experiment stations and by hundreds of settlers scattered over the country that the Territory has agricultural capabilities of considerable range. Information as to this can be obtained in the annual reports of the Alaska agricultural experiment stations. In recent years considerable publicity has been given to the agricultural possibilities of the Matanuska and the Tanana Valleys. These regions have fertile soil and are well suited to the production of certain kinds of foodstuffs. The Government railway traverses both valleys and has made them accessible to settlers. Other areas, less favorably located, can be brought under cultivation with comparative ease.

Further on page 2 we have a table of annual precipitation and mean and extremes of temperature at various places in the coastal region of Alaska. We find by reference to this table, for example, that the annual average precipitation at Ketchikan, Alaska, over a period of years has been 157.97 inches, very heavy. But at Cordova it has averaged 144.79 inches; that 80 miles away at Valdez it has been 52.73 inches; while at Anchorage, which is within 36 miles of the Matanuska Valley, the average annual precipitation over a period of 13 years has been 14.80 inches. We find further on from this circular and from other official records that the average annual precipitation in the Matanuska Valley over a period of years has been about 14 inches. On pages 4 and 5 of the circular we find the following with respect to the interior of Alaska:

In the interior, on the other hand, the growth of native trees and shrubs is not so luxuriant, but more nearly approaches that of normal crops of grass and grain in the States. While the fall rains interfere with the curing of the crops, there is generally sufficient dry weather to harvest them without much loss.

* * * * * * *

The summers are sometimes uncomfortably warm in the interior; the temperature at Rampart has occasionally reached 96° F., but these hot spells are also of short duration. * * *

Alaska is estimated to contain approximately 65,000 square miles of good land which can be made available for agriculture. The principal productive areas are found in the Matanuska Valley, the Tanana Valley, the Kuskokwim Valley, and the Yukon Valley. * * * There is another considerable body of agricultural land north of the Tanana River, between the Tanana and Fortymile, and more particularly along the South Fork of the Fortymile River. It has been estimated to contain 750,000 acres. This will probably prove to be one of the most productive regions of Alaska when developed. This large area has as yet no transportation facilities worthy the name. The Bates Rapids in the Tanana River, some distance beyond Fairbanks, are of such a nature that only small and very powerful boats can pass them, and due chiefly to this cause there are very few boats that pass to the upper Tanana.

Further on, beginning on page 6 of the circular, there is quite an extensive statement with respect to the Matanuska Valley. We find in this reference to the character of the soil, to crops and drainage, and to various other matters, a part of which only I will read:

The good agricultural lands, such as the benches, hillocks, and ridges, are largely occupied by the Knik loam soils, which mostly have well-established drainage, even in localities far removed from streams. All these soils are gravelly in the substratum, and for this reason possess as nearly perfect internal and downward drainage as is possible.

Ditching is not necessary, except when it is desired to give an outlet to the lower depressions. The deeper loams, such as the typical Knik loam, hold sufficient moisture, especially with proper soil management, to meet the requirements of all crops in ordinary seasons. It is estimated that 75 percent of the more valuable farming land of this region is well drained and capable of conserving ample moisture for crop needs.

Good water for domestic use is obtainable on all farms. Some farmers obtain their water from creeks and others have to dig wells ranging from 15 to 60 feet deep.

CROPS

Cereal crops, such as spring wheat, oats, and barley, grow well in the Matanuska Valley. The yields per acre for the past 6 years have been 22 bushels for wheat, 51 bushels for oats, and 24 bushels for barley. Potatoes yield more than 200 bushels per acre on good soil. The usual time for seeding cereal grains is about May 15, and the harvesting time is about September 1. Growth during the period soon after seeding is usually comparatively slow, owing to the dry weather. The moisture in the ground resulting from the melting snow is sufficient to germinate seed, and light showers later cause a rapid plant growth.

Spring wheats of the earliest types can be matured. Difficulty is sometimes experienced in curing the shocks in the field, owing to the moist fall climate. There is little demand at present for spring wheat in the immediate neighborhood, but as soon as a sufficient quantity can be grown it will likely be shipped to Fairbanks for milling.

Barley has proved to be valuable as a grain feed. It grows well in all the upland soils, and can be used as a forage and as a grain crop. As a grain crop it takes the place of corn for fattening hogs and cattle.

Winter rye can be grown successfully. It is sown the latter part of July and matures in August of the following year, occupying the field for two seasons. * * *

Root crops like mangels, carrots, rutabagas, and sugar beets yield abundantly. These crops are used to supplement silage or to take the place of silage where the farmer is not equipped with a silo.

Peas for canning yield heavily. As soon as a cannery is established, this crop will undoubtedly be grown extensively, since climatic conditions apparently are especially favorable for its growth.

The most important legumes grown by the farmers in the Matanuska Valley are field peas and annual vetches. Perennial legumes are not very successful, since they are heaved out of light soil by frost in winter.

LIVESTOCK

Successful farmers are centering their operations around dairying. A hardy breed of dairy cattle has been produced for the region by crossing the Holstein with a hardy strain of Galloway cattle. One of the cross-bred animals produced more than 12,000 pounds of milk during one lactation period. In addition to being hardy, these cattle are good rustlers and are easily kept in good condition.

It will be observed that wheat, oats, barley, rye, and most of the ordinary vegetables can be well grown and be matured. Reference is made in this statement to the yield of oats at 51 bushels per acre. This is very modest indeed, because we find by reference to the report of the agricultural experiment stations for the year 1926 that the yield of the best varieties of oats to the acre were as follows: Swedish Select, 87.5 bushels per acre; Leader, 85.5 bushels per acre; and Climax, 74.8 bushels per acre.

I wish to refer somewhat more at length to the 1926 report, for this was the last report made by Dr. C. C. Georgeson, for many years in charge of all of the agricultural experiment stations in Alaska. Dr. Georgeson, who has now been gathered to his fathers, had probably a greater and more comprehensive knowledge and vision of the agricultural possibilities of Alaska than any other man. He speaks in this report particularly with respect to the Matanuska Experiment Station in part as follows:

The summer of 1926 was typical of Matanuska. Spring began early. The last frost in spring occurred April 28, and the first killing frost in the fall, October 7, making a frost-free period of 182 days. Summer frosts, such as are peculiar to the northern tier of States and Canada, have not been found to occur at Matanuska in 9 years. * * *

ARTICHOKES

White Jerusalem artichokes were seeded May 5 on a 1-acre plat. The stand was nearly perfect and the plants grew well. The tops attained a height of 6½ feet. Half of the crop was cut for silage. The yield was at the rate of 14.67 tons per acre. The other half of the crop was cured for forage, the tops being cut by hand

and shocked like corn. The air-dried crop was at the rate of 3.8 tons per acre. Both sheep and horses relish artichoke forage and will leave oat hay for it.

A tenth-acre plat of artichokes planted in 1925 survived the winter with a protection of only a light covering of coarse manure. The tonnage of the tops indicated a yield of 16.8 tons per acre. The stalks grew vigorously and attained a height of 7 feet by August 10, when they were cut for silage.

MANGELS

The variety, heavy cropper, was planted May 19 on an acre plat. The crop grew vigorously and produced fair-sized roots which were smooth and stood well above the ground surface so that the mangels could easily be pulled by hand. The crop was harvested October 5 and 6 and yielded at the rate of 22.84 tons. Root crops are expensive to grow because they require much hand labor. Otherwise they might well be important as a source of feed for livestock in Alaska.

RUTABAGAS

Rutabagas which were grown on a 1-acre plat yielded 13.32 tons. The dry weather in early summer somewhat stunted growth.

TURNIPS

Petrowski turnips which were grown on 1½ acres of newly broken land yielded 14 tons.

CARROTS

Danvers half long was planted on a tenth-acre plat but made stunted growth until the rains increased. Carrots are especially good for horses.

One thing that contributes largely to the satisfactory results obtained by the real farmers and by the agricultural experiment stations in the Matanuska Valley and at other places in the main body of Alaska is the length of the sunlit days. At Fairbanks the longest day, June 21 of each year, gives sunlight for 21 hours 54 minutes; in the Matanuska Valley on June 21 sunlight is enjoyed for more than 20 hours. For a period of at least 6 weeks in the summer in all of that region of Alaska there is continuous daylight. The great number of hours of sunlight during midsummer, of course, contributes mightily to the growth of all crops and grasses. It is true that sometimes the harvest season is accompanied by cool weather and showers, which interfere with the curing of the hay and grains, but as stated in the official reports to which I have just referred, these conditions can be taken care of and happen only occasionally. Grain such as wheat and oats have been matured and threshed year after year. We find a reference to that in another bulletin put out by the Department of Agriculture showing that in 1920 the Matanuska Station threshed approximately 2,000 bushels of grain; that—

in 1930 two local farmers, A. A. Shonbeck and John Buggs, purchased a threshing machine and began growing oats for grain. Results obtained at the station show that early varieties can be depended on to ripen in this region. A number of farmers in the Matanuska Valley are now growing oats for grain and for hay.

So far as the fertility of the soil and the climate are concerned, the settlement now being established in the Matanuska Valley has everything to recommend it. The same can be said of the care with which the plan of settlement has been worked out. There is one element upon which the success of the settlement depends which cannot be known definitely at this time, and that is the human element. If the settlers who are aided in locating in this valley are of the hardy, industrious, sober, and pioneer type, then the settlement is bound to succeed. I think they are of that type, because the administration has used care in their selection. But if they are not—if they are lazy or improvident or just helpless, that is to say, if they have not the initiative and the knack of doing work, and particularly of farming, then, of course, the outlook is not too bright. Altogether I think the administration is entitled to vast credit for undertaking a measure of this kind. It is endeavoring to make these people self-supporting. It is not intended that any of the agricultural products shall be exported to the United States. But there is an ample market right at hand in the cities and mining camps of Alaska for everything that can be produced by these settlers. Nor will other farmers, or anyone else, be injured by the setting up of this settlement, because these 200 families, embracing nearly a thousand people, if they succeed, as I am confident they will, will be able, through their success, to purchase other products from other parts of the United States; their purchasing power will be greatly augmented; and so, with their success the entire country is to that extent benefited.

I anticipate that these farmers will confine their efforts very largely to dairying and raising of cattle, sheep, and hogs for the local markets. That is indicated by the work at the Matanuska Experiment Station and by the work of other successful farmers in the Matanuska Valley.

Comment has been made upon the action of the Government in sending 300 C. C. C. workers to Alaska to aid in setting up this settlement. I had hoped and had urged that the unemployed of Alaska be put on this work. However, the F. E. R. A. officials in charge were convinced that substantial reasons existed in using the C. C. C. workers from the United States since no sufficient organization of such C. C. C. workers exists in Alaska and it was feared by the officials here that if the unemployed men of Alaska were used to aid in this settlement, there was danger they would all quit in the early summer if they were able to secure employment in the mines or in fishing, and that apprehension does not exist with respect to the C. C. C. workers sent in from the United States. Of course, I suppose that neither I nor any other one individual approves of every conceivable detail of this plan of settlement, but differences of opinion as to minor matters usually exist as to all other public and private plans and projects. Even in Congress no individual Member can have his own way all the time. Generally speaking, however, I approve definitely the plan. It is sound and statesmanlike, and I believe it will be successful; and, while like every other intelligent man I welcome criticism, I do wish that the critics would stick to the facts when they talk about it. Of course their conclusions are their own business, but the facts with relation to soil and climate and topography and agricultural experiments and markets and every other material factor involved in this settlement are shown by the official records and are available to all.

The letter, to which I have adverted to some length, illustrates what I said the other day on the floor of the House with reference to Alaska and to the fact that some men may travel through the Territory and when they leave it may not know any more about it than they did before they entered.

Reference has been made in this letter to a statement attributed to former Secretary Wallace under President Harding, the father of the present Secretary of Agriculture. I saw Secretary Wallace when he visited Alaska in 1923 and talked with him at length about the farming possibilities in the Territory. He certainly expressed to me no such sentiments as are attributed to him in the letter mentioned. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Texas [Mr. MCFARLANE] such time as he may desire.

CANDIDATE FISH ANSWERED ON COTTON EXPORTS AND PHILIPPINE TARIFFS ON TEXTILES—FACTS REGARDING COTTON EXPORTS

Mr. McFARLANE. Mr. Chairman, I rise at this time to answer some of the remarks which the gentleman from New York [Mr. FISH] made on the floor of the House this afternoon.

First, I call the attention of the Members of the House to the facts regarding cotton exports.

The Agriculture Department's 10-year average of the exportation of cotton from 1923 to 1934 and from 1932 to 1933 is 7,900,000 bales. Cotton exports 1933–34 was 7,534,000 bales. The real loss began in August 1934, running through March of this year, exports being 3,588,000 bales. The 10-year average through March 1935 is 6,344,000 bales. The above losses were suffered because of the high Republican tariff.

We would have lost the cotton exports back in the early 1920's if the Republicans had not entered into a policy of loaning the taxpayers' money to these foreigners so they could buy our cotton. We really have not lost our cotton exports, these foreign countries at the present time are playing a poker game, thinking that they can buy at a lower price. The exports have not been cut down 50 percent but only 40 percent as above shown, the consumption being cut

down only 28 percent. They have been using up the stock purchased back in 1932 at low prices, on the 6-cent cotton furnished by the Republicans. Now the foreign countries think they can play a poker game, and have about used up their stock.

It seems to me that the gentleman from New York ought to get his figures straight before he comes on the floor to make a political speech further seeking nomination for the Presidency.

FACTS REGARDING PHILIPPINE TARIFF POLICY

I further want to call attention to a statement regarding the Philippine tariff situation. The gentleman from New York said that the State Department, through the Secretary of State—

Had turned thumbs down on the offer of the Philippine Congress to protect our own industry and our own taxable export trade with the Philippines.

He said further:

I do not know that you can use strong enough language. It comes nearer being a treasonable act to American wage earners and to American industry than anything I have known of in the 15 years I have been in Congress, and I defy anybody to show a single act of any administration that compares with it in any way at all—but this is the situation and these are the facts.

In answer to this outburst, I call your attention to a statement issued last fall by Secretary Hull. This is not a new question the gentleman is raising. I want to read from this statement issued recently by Hon. Cordell Hull, Secretary of State, regarding proposal for tariff increases in the Philippine Islands which were under consideration in the fall of 1934:

I believe you and your correspondent will welcome a fairly full statement of the situation in the Philippine Islands as it is understood in this Department. There was a move there for a general tariff revision providing for large increases in a great many items, increases ranging from 100 percent to more than 800 percent in the case of the textile schedules. But this bill, which had been drawn up by a committee in close cooperation with representatives of American exporters, was never introduced into the Philippine Legislature. Certain Filipino interests sponsored the bill frankly for the purpose of gaining support in the United States for the continuance of a special and preferred position for Philippine commodities in the American market. It is understood, however, that other interests did not favor it, basing their opposition particularly on the ground that it would increase the cost of living of Filipinos, especially those of the lower classes. Neither this Department nor any other department of this Government took any part in this controversy or sought to intervene in it.

There was only one way in which the opinion or point of view of this Government became a factor in the situation. Since tariff legislation in the Philippines requires the approval of the President before it can become law, the Governor General of the Philippine Islands followed the usual practice in such cases, requesting the War Department, and through it other agencies of this Government, to comment upon the proposed legislation.

In framing a response to this request, agencies of this Government were bound to keep in mind a number of considerations. As you know, the political relations of the Philippine Islands and the United States are in a period of transition and future trade relations between the two countries remain to be defined. At the time the proposed tariff revision was being considered a special committee of Congress was preparing to go to the Philippine Islands to discuss the economic problems involved in the existing Philippine independence legislation, and intensive studies of Philippine-American trade relations were about to be launched. Furthermore, this Government was giving serious consideration to trade relations with other countries which might be vitally affected by decisions concerning the trade relations of the Philippine Islands.

These and other considerations led this Department and other executive agencies of this Government to come independently to the same conclusion and as a result the War Department transmitted to the Governor General the considered judgment of these agencies that comprehensive tariff legislation in the Philippine Islands could best be considered after further study of all the factors involved and in connection with the development of an inclusive plan for the continued relations between the United States and the Philippine Islands.

You will note that this Department took no independent action and that in fact the joint action was limited to an expression of opinion.

As suggested above, the comment of agencies of this Government was only one of many factors in the situation. This comment in itself did not necessitate a change in the plans of the Filipino committee. The interplay of all factors, however, did lead the committee to drop the original bill, largely on the ground of lack of time to fully consider such a general and far-reaching revision of the tariff and to introduce in the Philippine Legislature a bill much restricted in scope and providing only for moderate increases in certain schedules of the tariff. This bill was never referred to this Government for comment, and it was not brought to a vote by the Philippine Legislature.

Finally, I wish to say that I consider it desirable to have an early definition of the future trade relations between the United States and the Philippines, and this Department is actively interested in the development of a constructive long-range plan for these relations. Progress has been made, and I believe that soon after the return of the congressional committee which has been visiting the Philippine Islands it will be possible to launch such a plan, with the consent of Congress and in agreement with the Philippine authorities. In the meantime, I should add, this Department has not offered objection to temporary measures designed to give protection or relief to the American textile trade in the Philippines during the period in which a general program is being worked out. You understand, of course, that action of this nature can be taken only by the Philippine Government itself.

Sincerely yours,

CORDELL HULL.

These are the facts in answer to the statements made by the gentleman from New York [Mr. FISH] this afternoon.

Mr. LUDLOW. Mr. Speaker, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8021, the legislative appropriation bill, 1936, had come to no resolution thereon.

DAVID LEVINSON AND ROBERT MINOR

Mr. HEALEY. Mr. Speaker, I submit a privileged report from the Committee on the Judiciary on House Resolution 219.

Mr. Speaker, inasmuch as the facts sought by the resolution are incorporated in the committee's report, I move to lay the resolution on the table.

Mr. MARCANTONIO. Mr. Speaker, I object to that.

The SPEAKER. Will the gentleman withhold that while the Chair lays before the House a message from the President of the United States?

Mr. HEALEY. I withhold it, Mr. Speaker.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—FRANK R. CARPENTER, ALIAS FRANK R. CARVIN (H. DOC. NO. 185)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, House of Representatives bill no. 1565, entitled "An act for the relief of Frank R. Carpenter, alias Frank R. Carvin."

This bill provides that Frank R. Carpenter, alias Frank R. Carvin, shall hereafter be held to have received an honorable discharge from the military service on June 20, 1902, the purpose being to give him, as to the future, the rights, privileges, and benefits conferred by any law upon honorably discharged soldiers.

The Secretary of War advises that the official records of the War Department show that this ex-soldier, after serving one 3-year enlistment in the Army and being honorably discharged, reenlisted and, after serving a matter of 9 days, deserted the service; that no record has been found of the return of the soldier to his command, or of any report of his whereabouts or the cause of his absence having been made by him. Opposed to this there is only the soldier's statement, made in connection with his application for relief, that he has no recollection of reenlisting and must have done so while under the influence of liquor. Yet the official records show that he actually served some 9 days after reenlisting.

Enactment of H. R. 1565 into law would, in effect, constitute a legislative pardon for a man whose status is now that of a deserter and place him on a par with those who rendered services of a character which earned for them honorable discharges. I cannot subscribe to this.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 13, 1935.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the bill and the veto message be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

FARM CREDIT ACT, 1935

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to amend the Farm Credit Act of 1933, and for other purposes, with a House amendment, insist upon the House amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. JONES, FULMER, DOXEY, HOPE, and KINZER.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3808. An act concerning the incorporated town of Seward, Territory of Alaska; and

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3808. An act concerning the incorporated town of Seward, Territory of Alaska;

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 254. Joint resolution providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings.

THE WORK-RELIEF PROGRAM

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech delivered by myself recently before the first Regional Institute on Government at Albany, N. Y.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered at the First District Regional Institute on Government, Women's Division, Democratic National Committee, at Albany, N. Y., May 8, 1935:

I feel that I am extremely fortunate in being a party to this splendid gathering of women who are representative of democracy in three of our great Eastern States. You may be assured that I was genuinely happy to receive the kind invitation to address you and feel that I had been singularly honored.

The life of a Member of Congress, contrary to the aspect portrayed by some of our humorists, is not exactly that of the well-known Mr. Riley. The average Member, during a session, works from early morning until nightfall and in some instances later than that. Those of us who may be classed as seasoned veterans, who have served several terms and know the hazards of assuming obligations that will overtax our strength, endeavor to restrict speaking engagements to only the most important. I place this occasion in the latter category because of the regard I have for our Molly Dawson, and because of her great work in the cause of democracy. All of us who know her inspiring work, I am sure, are just as impressed with her qualities of leadership and courage as I am. Without her vision and direction this and similar meetings all over the country would not be. She has worked tirelessly and well for the women of the country, and is more than deserving of the help and inspiration you can give her by your interest.

All of you present here this afternoon represent divisions and subdivisions of a great political party, the dominant political party of the Nation. The political party that is making a colossal effort to free the Nation from the merciless yoke of economic distress that prior to March 4 threatened to work its destruction. You who are gathered here are the generals, the colonels, the majors, the captains, and the lieutenants of the vast army that has been mobilized by our great President to drive from the Nation's borders the invading forces of economic depression. Ultimate success, final victory, just as surely depend upon your intelligent grasp of national problems, upon your unselfish devotion to the great cause, as does that of the officer who leads an army into battle.

Recently our President, who is the Commander in Chief of this campaign against depression, mapped out and placed into effect plans for a strenuous drive against the enemy—a drive that should sever the yoke for all time. A plan to spend $4,000,000,000 on work relief, which is an investment in human life and character. It will be spent, of course, for many material projects, but the result will be to preserve the morale of our people in these last stages toward what we all hope and expect will be economic recovery. I refer to the much publicized $5,000,000,000 work-relief plan. The amount involved actually totals $4,880,000,000, but the five billion figure is that most generally used in reference to the law.

Now a program of this character, involving, as it does, the expenditure of a large sum of money, as well as ramifications of immense proportions, is certain to be difficult of comprehension to some citizens, and particularly to those not directly affected by its benefits. And then our Republican friends still waiting, like Mr. Micawber, for "something to turn up" in the form of campaign fodder can be relied upon to raise the cry of "stop spending"—a cry that was voiced by the head of the United States Chamber of Commerce only a week or so ago and still remains about the only stock in trade of Republican spellbinders who perceive party prestige fading away to the vanishing point.

Upon you and others in similar positions throughout the Nation rests the responsibility of presenting the work-relief plan in its true light. With you reposes the duty of acquiring an intelligent grasp of its various benefits, of charting its progress in your particular area, and of equipping yourself with data necessary to defend it against unjust and biased attack from selfish political interests.

Briefly, the new law is designed to give employment to those in want and so furnish a psychological need that the dole could not meet and at the same time to produce material results either in engineering construction or white-collar work. These measures are of two kinds. President Roosevelt, in his last speech, said, "The first is to make provisions intended to relieve, to minimize, and to prevent future unemployment. The second is to establish the practical means to help those of us who are unemployed in this present emergency. * * * This is a great national crusade to destroy enforced idleness which is an enemy of the human spirit generated by this depression." It makes available the sum of $4,000,000,000 for "made" work and eight hundred and eighty million for completion of direct-relief activities. It is estimated that it will furnish work to 3,500,000 idle, and assist materially in our already unmistakable march toward recovery. Its various projects probably will reach the peak of activity in November of this year. In other words the project will be going full blast by that date. It is important to note also that disbursements for the most part will be made as loans rather than as grants.

And in answer to "doubting Thomases" who have assailed loans made through the R. F. C. and to farmers it is appropriate to note the fact that 2,000 farmers paid their loans in full during the month of February; that 83 percent of the same class met their interest payments on land-bank loans; and that 53 percent of the loans extended by the R. F. C. have been repaid. I mention these facts to illustrate the fallacy of assertions that money loaned by Government for projects that supply jobs is "thrown away." Any of you who were depression sufferers and who were not, any of you who may have known the horror of unemployment or of want, know well that money expended to alleviate human misery is not money "thrown away." I think that women should be particularly interested in the President's determination to eliminate enforced idleness, because, as he says, it is "an enemy of the human spirit." I assume that many of you have been in close contact in the last 5 years with individuals and families who have been wounded by the depression. You have seen fathers leave their homes in the morning to search for work, returning empty-handed that night to a cold and dreary house. You have seen mothers economizing and scraping and smiling through their tears to keep up their men's courage. You have seen children so bereft of food and clothing that they could not attend school and had no heart to play. In short, you have seen at close range that "enemy of the human spirit" insidiously undermining the real resources of a nation's courage, character, and hope. And when courage, character, and hope are gone, God help the Nation.

From this standpoint, the expenditure of $4,000,000,000 is more than a program to erect bridges, to build roads, to dam up streams, to save our forests, to rehabilitate our farms, and to reestablish business and industry on a sound basis. It is, as I said at the beginning, an investment in human life and character which will pay dividends long after those bridges and roads have crumbled. To some it may appear that $4,000,000,000 is a lot of money for any government to spend, but it is a comparatively small sum if it will conquer those enemies which have brought physical want and spiritual dejection into our midst. It is a crusade without cost.

The cry of "wild expenditures" was raised by our Republican friends at the last election. Many of their spellbinders went so far as to predict national bankruptcy. The answer to all of that, of course, is available from market reports in daily newspapers. Government bonds are above par and the Treasury Department has stated that despite the increase in public debt the Government is paying less interest on that indebtedness than it paid a year ago. And then, my friends, we have a war on our hands—a war with an uncompromising enemy—an enemy that gained a firm foothold during 12 years of Republican misrule. It takes money to win a war, colossal sums of money. Surely no patriotic citizen thought the large sums expended during the late European war were not justified, and no patriotic American citizen, with compassion for the sufferings of his fellow man will believe the expenditures of large sums of money to win the present war against the economic evils that assail us are not justified.

There is another aspect to this great program which should appeal to women. Almost since the founding of the Republic, America has grown in a haphazard sort of way. In the early days there was little need to husband our resources because what they needed was development. Then, for many years we recklessly partook of the material comforts which material progress gave to us. There was no thought or plan behind our social, economic, and industrial expansion. America was a large and comfortable but ramshackle house.

Within the last 5 years, however, that house has failed us, due partly to inherent weaknesses and partly to our own careless housekeeping. Only too vividly we have seen once fruitful soil blowing away before our eyes. We have seen slums in both city and rural districts become the breeding places of crime and disease. We have built railroads through streets where children play and we have permitted death traps to exist at rural crossings. By imprudent management we have allowed our farms to lose their fertility and the farmers their markets. We have neglected to conserve or utilize to their full capacity our forests, our rivers, and our soil. We have been lazy, careless, short-sighted. We have, like bad housekeepers, let our house run down. It needs renovating. It needs cleaning. It needs rebuilding if it is to remain the dwelling place of a happy people. This $4,000,000,000 program which the President has inspired is designed to furnish a social, economic, and material housecleaning that has been long overdue. To clean our house on that scale requires work—hard work. But I am sure, and I know the President is sure, that the American people have not lost their capacity or their willingness to work when there is work to do. There has been some criticism, largely political, of this administration's expenditures for relief. Some have said that we are creating a nation of mendicants and destroying the fiber of the American people. To my mind, this is one of the most senseless and most cruel charges which has ever been made against a nation in distress. That is what I call playing politics with human misery.

The President's plan is grounded upon the common-sense principle that in order to create jobs and thus relieve human misery certain definite work projects must be created. If private industry and private charity were not able to provide the basic needs of life, it was encumbent upon the Nation to step in. To my mind that is one of the duties of government. Our people, however, much prefer to work than to remain on relief rolls. The President's $4,000,000,000 program is meant to provide work rather than relief. And the people's response to this new choice has been immediate and wide-spread. It is complete refutation of those who suggest that the American people prefer a relief basket to a pay check. Wherever agencies for the employment of men and women in this work program have been set up, they have been crowded all day long with men and women, old and young, seeking the chance to work, which ought to be their right.

This program is no vague, hastily conceived project of economic theorists or dreamers as some would make you believe. Although the details of this great work giving employment have not been completed, the President has carefully thought out its fundamentals. Let me read to you the six principles which must govern every approved project:

1. All projects must be useful.
2. All projects must be of a kind that will permit a large proportion of expenditures to go into human wages.
3. Projects which promise ultimate return of a large part of the cost to the Federal Treasury will be emphasized.
4. Money allocated for each project shall be spent promptly and not held over until later years.
5. Projects must be the kind which will give work to the people now on relief rolls.
6. Projects will be allocated to committees or relief areas where the number of people on relief rolls show that they are most needed.

This plan places the money appropriated at the disposition of 50 bureaus and agencies of the Government, not to be expended at the will of these various bodies but only under supervision of an allotment board of 22 members, of which Secretary of the Interior Ickes is chairman. Men have been chosen with experience in this kind of work. They have nothing new to learn, because they have already met the problems which will confront them. With the exception of creating three new agencies, the President has assigned the work of construction to departments already in existence. This will save time and money and prevent duplication. In some instances it will simply mean an expansion of the work which a department already performs. Because of the administration's experience in sponsoring and directing work and work-relief projects in the past, it can combine efficiency and speed in getting under way. The President has said that he expects to put three and one-half million people back to work and that the peak of construction will be reathed by November. Among the projects that will be launched under the plan are those for eliminating dangerous grade crossings, for rural electrification, for highways, irrigation, reforestation, soil and coast erosion prevention, flood control, housing, additional Conservation Corps quarters, and aid to white-collar and clerical workers.

In the President's insistence that work be provided in proportion to the need of the various districts, he has insured that it will be allocated where it shall do the most good. But there is one feature of reconstruction on this scale which is not generally understood. Spending of this sort cannot be done on a selfish, parochial, or political scale. The money spent for a dam in the West benefits the workers of the East as well as the inhabitants of the reclaimed areas in the vicinity of the project. You may not know it, but a great percentage of the money which built the Boulder Dam was spent for turbines and other electrical equipment manufactured within a few miles of Albany. A great deal of the material used beyond the Mississippi and even beyond the Rockies came from the Atlantic seaboard. Lumber to be used in erecting modern homes in our metropolitan slum areas was grown in the Northwest and processed by the lumbermen of the coast. The railroads which transport manufactured materials in this great movement provide jobs for people living in all sections of the country. In view of this interplay of economic forces, I can think of no way in which money can be more effectively spent for the good of all the people.

As students of government, you will undoubtedly want to know the details of the set-up for handling the largest peace-time expenditures which any nation has made in all history.

First, there is the Division of Applications and Information, which has been formed as a new division of the National Emergency Council. This division will act as a clearing house for projects presented to it by local and State and Federal officials and agencies and by civic organizations. No matter what the source of the suggestions may be, this division will first receive all plans calling for the expenditure of work-relief funds.

Every plan submitted will first be classified and checked. It will then be subjected to the most rigid scrutiny before determining its feasibility, its usefulness, and its service as an instrument of employment. Trained experts will investigate its legal, financial, and engineering phases. Once the project has been questioned from all these standpoints, it must then stand another test. It must be of such a nature that it can be fitted into the ultimate purpose of providing useful employment to people on relief. Mr. Frank Walker, who many of you undoubtedly know as an extremely capable business man, will have charge of this Division of Applications and Information. This Division, I may add, has already begun its work, although it was not created until April 23.

When Mr. Walker's division has studied the projects submitted to it, it will pass them on to the Works Allotment Division. On the basis of the studies already made and information which it will possess itself, the Works Allotment Division will then recommend the projects to the President for his approval. The Works Allotment Division is headed by Harold L. Ickes, Secretary of the Interior, and consists of a score of Cabinet members and officials who have been closely associated with problems of relief and recovery for the last 2 years.

In addition to these Government officials, there will be representatives of business, labor, agriculture, banks, and local interests. When Mr. Walker's group and Mr. Ickes' group have thoroughly examined each project presented to them, you can be certain that they will possess the qualifications which the President has set up. Even then, however, the President will pass upon all proposals for work relief and decide what shall be undertaken and what shall not. After he has approved a project it will then be transmitted to the particular Government agency under which it falls and that Department will undertake the work.

In order to distribute work on the basis of human needs, the President has created a specific division to handle this problem. It is called the "Works Progress Division" and it is headed by Harry L. Hopkins, whose accomplishments as the Administrator of the Federal Emergency Relief Administration you all know. To assist him he will have the United States Employment Service and the Procurement Officer of the Government, Rear Admiral C. J. Peoples. The Employment Service will supervise reemployment of people on work relief who desire to return to private employment or who are needed in private employment. Admiral Peoples will supervise the purchase of the vast store of materials which will be needed for this program.

The Works Progress Division will also supervise the projects in the field. It will determine the amounts of security payments which will be made for various parts of the country. It will check projects at all times and report on the progress which is being made. Its field chains will investigate prospects for additional work and make recommendations. It will try to insure that, wherever possible, people shall be put to work on projects located near their homes.

Not only will the many branches of industry mentioned above benefit by these expenditures but the benefits will be reflected in allied and dependent industries. And most important of all there will be work, plenty of work for those to whom the word "job" almost became a myth during the past 4 years. The needy will be placed in a status of self-reliance, will regain confidence that slipped away when they went on relief rolls. Homes throughout the land will be brighter and the road ahead will be a happier and more cheerful one than any time the dread depres-

sion fastened its tentacles about the economic structure of the Nation.

The work-relief plan is a tremendous project, a real drive forward toward the objective of national, economic security. It must have the whole-hearted support and cooperation of all of the people of the Nation. You women gathered here are among those who must lead the legions that can attain to its objectives. You must acquaint yourselves with all of its ramifications; you must fight for it; you must instill in those to whom you are responsible the spirit necessary to make the fight. The President has asked you to help. You must not fail him, because this is your job as well as his—in a sense it is more yours because of your proximity to the problem.

We are going to win this fight. We're on the way up now but it remains for you to pass on all the information you have to those less fortunate than you who do not realize the great and practical and comprehensive program instituted to help us all. Pledge your support to the President now. Promise to help him. Give him your interest and your time; tell your neighbors of this plan and tell them to keep their courage and their faith in the greatest country in the world. We have a great leader, one who is interested in us and who holds our wants and needs close to his heart. Franklin Delano Roosevelt will continue to lead us out of the wilderness of despair into which we have fallen if we do our part. Cooperate with him, trust him, and sustain his plan to give to the people of this great country a new deal of security and justice.

DAVID LEVINSON AND ROBERT MINOR

Mr. HEALEY. Mr. Speaker, I submit a privileged report (Rept. No. 906) on the resolution (H. Res. 219) and move to lay the resolution on the table.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 219

Resolved, That the Attorney General of the United States is hereby directed to transmit to the House of Representatives at the earliest practicable moment the following information, viz:

First. Copies of all official information on file in the Department of Justice or in possession of its agents concerning the kidnaping of David Levinson and Robert Minor in Plaza Center of Gallup, N. Mex., on May 2, 1935.

Second. Whether any person or persons have been apprehended or taken in custody with the crime of kidnaping said David Levinson and Robert Minor; and if not, whether the Department of Justice has instituted and prosecuted an investigation of said kidnaping with a view to bringing to justice those guilty of the crime of violating the act forbidding the transportation of kidnaped persons in interstate commerce, or to any Territory of the United States, approved June 22, 1932 (U. S. C., ch. 271, title 18, sec. 408a), as amended by the act of May 18, 1834 (Public, No. 232, 73d Cong.).

Third. Name or names of any and all persons questioned in connection with said investigation and statements made by them.

Fourth. Whether or not said crime was completed within Navajo Indian Reservation, western New Mexico.

Fifth. Whether said Navajo Indian Reservation is under the jurisdiction of the United States Government; and if so, has not the Attorney General authority to prosecute those guilty of crime committed within said territory.

Mr. HEALEY. Mr. Speaker, I move to lay the resolution on the table.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order there is no quorum present; and may I state that this matter, I feel, is quite important and I do not think it ought to come up at this time with about 20 Members present.

Mr. HEALEY. Mr. Speaker, I talked with the gentleman today and, as a matter of fact, I showed him that everything contained in the resolution and everything the gentleman asked for is in the report. Everything that the Attorney General has is in this report.

Mr. MARCANTONIO. No; there are certain questions in my resolution which have not been answered and I think we ought to have an opportunity to discuss them, which we would not have under your motion to table the resolution.

Mr. HEALEY. I understood from the gentleman he had no objection to this action.

Mr. MARCANTONIO. I have no objection to having the report on the resolution taken up, but with the present attendance here I submit it is not fair.

Mr. HEALEY. The motion is not debatable, anyway.

Mr. MARCANTONIO. The gentleman makes it not debatable by moving to table it.

The SPEAKER. The gentleman from New York [Mr. MARCANTONIO] makes the point there is no quorum present. Evidently there is not a quorum present.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 15, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, May 15, 10:30 a. m.)

Committee will hold hearings on House Joint Resolution 236, to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico; and to suspend issuance of all nonpreference quota immigration visas, room 445, old House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Wednesday, May 15, 10 a. m.)

Subcommittee will hold hearings on bills H. R. 5269, H. R. 5273, and H. R. 5288, pertaining to placing the Post Office Department upon a basis of efficiency and economy, in the committee room, old House Office Building.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STARNES: Committee on Immigration and Naturalization. House Joint Resolution 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935; with amendment (Rept. No. 887). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 7909. A bill to amend the act creating a United States Court for China and prescribing the title thereof, as amended; without amendment (Rept. No. 888). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 3641. A bill to amend section 559 of the Code of the District of Columbia as to restriction on residence of members of the fire department; with amendment (Rept. No. 890). Referred to the Committee of the Whole House on the state of the Union.

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 6623. A bill to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want; without amendment (Rept. No. 891). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 6871. A bill directing the conveyance of certain lands to the regents of the University of New Mexico; with amendment (Rept. No. 897). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 7024. A bill to authorize the conveyance by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex.; with amendment (Rept. No. 898). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 3814. A bill to further extend the period of time during which final proof may be offered by homestead entrymen; with amendment (Rept. No. 900.) Referred to the Committee of the Whole House on the state of the Union.

Mr. DARDEN: Committee on Naval Affairs. H. R. 5532. A bill to provide for the acquisition of a portrait of Thomas Walker Gilmer; without amendment (Rept. No. 902). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 312. An act for the relief of Lillian G. Frost; without amendment (Rept. No. 889). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs: H. R. 4858. A bill for the relief of Edward Shippen West; without amendment (Rept. No. 892). Referred to the Committee of the Whole House.

Mr. HILL of ALABAMA: Committee on Military Affairs. H. R. 7902. A bill to provide a right-of-way; without amendment (Rept. No. 893). Referred to the Committee of the Whole House.

Mr. COSTELLO: Committee on Military Affairs. H. R. 5225. A bill to provide relief for disbursing officers of the Army in certain cases; without amendment (Rept. No. 894). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. H. R. 7992. A bill for the relief of Archie J. McKee; without amendment (Rept. No. 895). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 7509. A bill for the relief of Patrick Collins; without amendment (Rept. No. 896). Referred to the Committee of the Whole House.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H. R. 2476. A bill to grant a patent to Albert M. Johnson and Walter Scott; with amendment (Rept. No. 899). Referred to the Committee of the Whole House.

Mr. ROBINSON of Utah: Committee on the Public Lands. S. 377. An act to grant to the Utah Gilsonite Co. the right to use a water well on certain public lands in Utah; without amendment (Rept. No. 901). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 2165. A bill for the relief of Charles A. Gettys; without amendment (Rept. No. 903). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 2331. A bill for the relief of Lt. Comdr. G. C. Manning; with amendment (Rept. No. 904). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 2923. A bill for the relief of Misner Jane Humphrey; without amendment (Rept. No. 905). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 6341. A bill for the relief of William Robert Jackson; without amendment (Rept. No. 907). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 6708. A bill to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps; without amendment (Rept. No. 908). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 3507. A bill for the relief of Frederick Harris; without amendment (Rept. No. 909). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 4047. A bill granting 6 months' pay to James Zanetti; without amendment (Rept. No. 910). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 4084. A bill for the relief of Charles D. Jeronimus; with amendment (Rept. No. 911). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 4092. A bill for the relief of Max Dole Gilfillan; without amendment (Rept. No. 912). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 5099. A bill for the relief of Albert Henry George; without amendment (Rept. No. 913). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5620. A bill for the relief of Francis Leo Shea; without amendment (Rept. No. 914). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 6254. A bill for the relief of David N. Aiken; without amendment (Rept. No. 915). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 7110. A bill to authorize the President to bestow the Congressional Medal of Honor upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased; with amendment (Rept. No. 916). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. House Joint Resolution 179. Joint resolution authorizing the President to present in the name of Congress a Medal of Honor to J. Harold Arnold; without amendment (Rept. No. 917). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8060. A bill for the relief of sundry claimants, and for other purposes; with amendment (Rept. No. 918). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Naval Affairs was discharged from the consideration of the bill (H. R. 3159) for injury sustained by Robert W. Krieger, and the same was referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER: A bill (H. R. 8049) establishing of a term of Federal court in Oakland, Calif.; to the Committee on the Judiciary.

By Mr. COLLINS: A bill (H. R. 8050) to authorize the acquisition of land for military purposes in San Bernardino and Kern Counties, Calif., and for other purposes; to the Committee on Military Affairs.

By Mr. JONES: A bill (H. R. 8051) to amend the Packers and Stockyards Act, 1921; to the Committee on Agriculture.

Also, a bill (H. R. 8052) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. McSWAIN (by request): A bill (H. R. 8053) to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith; to the Committee on Military Affairs.

By Mr. RAMSAY: A bill (H. R. 8054) limiting the decisions of the courts of the several States and of the United States relative to legislative acts of the Congress of the United States; to the Committee on the Judiciary.

By Mr. BLAND: A bill (H. R. 8055) to provide for economic studies of the fishery industry, market news service, and orderly marketing of fishery products, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER: A bill (H. R. 8056) to provide for a census of unemployment, occupations, and population; to the Committee on the Census.

By Mr. FORD of California: A bill (H. R. 8057) to authorize and adopt certain Public Works projects for controlling floods, improving navigation, regulating the flow of certain streams of the United States, and for other purposes; to the Committee on Flood Control.

By Mr. PARSONS: A bill (H. R. 8058) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mrs. JENCKES of Indiana: A bill (H. R. 8059) to incorporate the American Indian Federation; to the Committee on Indian Affairs.

By Mr. EAGLE: Resolution (H. Res. 221) directing the Secretary of the Interior to transmit to the House of Representatives a statement of the Director of the National Park Service concerning the destruction of trees in the proposed Union Square project and in the Mall; to the Committee on Public Buildings and Grounds.

By Mr. REED of New York: Resolution (H. Res. 222) directing the Secretary of the Interior to transmit to the House of Representatives a statement of the Director of the National Park Service concerning the destruction of trees in the proposed Union Square project and in the Mall; to the Committee on Public Buildings and Grounds.

By Mr. DOBBINS: Joint resolution (H. J. Res. 287) proposing an amendment to the Constitution of the United States defining the jurisdiction of the Supreme Court over questions involving the constitutional powers of the Congress; to the Committee on the Judiciary.

By Mr. JONES: Joint resolution (H. J. Res. 288) authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes; to the Committee on Agriculture.

By Mr. McSWAIN: Joint resolution (H. J. Res. 289) to reinter the bodies of Mary McDonough Johnson Daughtery and Sarah Philips McCardle Whitesides near the body of former President Andrew Johnson; to the Committee on Military Affairs.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, regarding relief to the boot and shoe manufacturers from unfair competition; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding national unemployment insurance; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. KENNEDY of Maryland: A bill (H. R. 8060) for the relief of sundry claimants, and for other purposes; to the Committee on Claims.

By Mr. BOILEAU: A bill (H. R. 8061) for the relief of David Duquaine, Jr.; to the Committee on Claims.

By Mr. DUNCAN: A bill (H. R. 8062) granting an increase of pension to Elizabeth Thompson; to the Committee on Invalid Pensions.

By Mr. ECKERT: A bill (H. R. 8063) for the relief of Steve Bilik; to the Committee on Claims.

Also, a bill (H. R. 8064) granting an increase of pension to Mary A. Purvis; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 8065) granting a pension to Lorella Roller; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 8066) granting a pension to Ella Foreman; to the Committee on Invalid Pensions.

By Mr. McKEOUGH: A bill (H. R. 8067) granting a pension to Leonia J. Cram; to the Committee on Invalid Pensions.

By Mr. MERRITT, of Connecticut: A bill (H. R. 8068) for the relief of Thomas J. Barbour; to the Committee on Military Affairs.

By Mr. RAMSPECK: A bill (H. R. 8069) for the relief of Mr. and Mrs. A. S. Mull; to the Committee on Claims.

By Mr. REILLY: A bill (H. R. 8070) to correct the military record of Earl Edward Brownlea; to the Committee on Military Affairs.

By Mr. WOLFENDEN: A bill (H. R. 8071) for the relief of DeForest Loys Trautman, lieutenant, United States Navy; to the Committee on Naval Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 8072) granting a pension to Evangeline R. Butler; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

8447. By Mr. FULMER: Resolution of the Charleston County Petroleum Industries Committee, supporting and urging passage of House Resolution 3660; to the Committee on Ways and Means.

8448. By Mr. HALLECK: Petition of citizens of Logansport, Ind., and vicinity, favoring enactment of bills pending in Congress for the regulation of carriers in interstate commerce; to the Committee on Interstate and Foreign Commerce.

8449. By Mr. HART: Petition of the House of Assembly of New Jersey, urging the President to use his good office to expedite the work as already prepared by the New Jersey State Housing Authority; to the Committee on Ways and Means.

8450. By Mr. HEALEY: Resolution of the General Court of Massachusetts, commending the President of the United States for his courage and leadership above mentioned, and earnestly and respectfully requesting the President and Congress to further the cause of removing private profits from war and from the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8451. By Mr. HIGGINS of Massachusetts: Resolutions of the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profit out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8452. By Mr. KENNEY: Resolution of the One Hundred and Fifty-ninth Legislature of the State of New Jersey, resolving that they memorialize Congress to pass suitable legislation authorizing the Secretary of War to bestow upon Nicholas Casale a gold medal of honor of such design as the Secretary of War may approve; to the Committee on Military Affairs.

8453. Also, resolution of the One Hundred and Fifty-ninth Legislature of the State of New Jersey, urging President Franklin D. Roosevelt to use his good office to expedite the work as already prepared by the New Jersey State Housing Authority; to the Committee on Ways and Means.

8454. Also, petition of the Board of Chosen Freeholders, Bergen County, Hackensack, N. J., urging full provision for at least 25 percent for secondary roads in the apportionment of the Federal allotment; to the Committee on Roads.

8455. Also, petition of Excelsior Council, No. 198, of Sons and Daughters of Liberty, of Fairview, N. J., urging upon Congress that they defeat House bill 6795, as House bill 9725 was defeated at the last session of Congress; to the Committee on Immigration and Naturalization.

8456. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress of the United States to make a complete investigation of the sugar-beet industry; to the Committee on Agriculture.

8457. Also, petition of the House of Representatives of the State of Nebraska, requesting the erection of a neuropsychiatric hospital for veterans in the city of Lincoln; to the Committee on World War Veterans' Legislation.

8458. By Mr. LUNDEEN: Petition of the adjutant general of Minnesota, urging passage of House bill 5720; to the Committee on Military Affairs.

8459. Also, petition of the board of directors of the Junior Association of Commerce of Minneapolis, Minn., urging the enactment of the Pettengill bill (H. R. 3263), repealing the

long-and-short-haul clause of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

8460. Also, petition of the Minnesota Bankers Association, opposing amendments to House bill 7617, providing for extension of branch banking privileges to national banks or coercing State nonmember banks to join the Federal Reserve System in order to continue as insured banks, and favoring an assessment of one-twelfth of 1 percent instead of one-eighth of 1 percent to be paid to the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

8461. By Mr. REILLY: Joint resolution adopted by the Wisconsin State Legislature, memorializing the Congress of the United States and the President to adequately increase the protective tariff on butter; to the Committee on Ways and Means.

8462. By Mr. RUDD: Petition of the Central Trades and Labor Council of Greater New York and vicinity, concerning the Mead shorter-work-week bill (H. R. 6990); to the Committee on the Post Office and Post Roads.

8463. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin memorializing the Congress of the United States and the President to adequately increase the protective tariff on butter; to the Committee on Ways and Means.

8464. Also, joint resolution of the State of Wisconsin memorializing the President and Congress of the United States and the Administrator of the Federal Emergency Relief Administration to provide for the continuance of aid in lime and marl production; to the Committee on Ways and Means.

8465. Also, joint resolution of the State of Wisconsin, petitioning the National Emergency Council and the Works Allotment Board to create a mining works project in the dormant southwestern Wisconsin mineral area; to the Committee on Mines and Mining.

8466. By Mr. TINKHAM: Resolutions of the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8467. By Mr. TRUAX: Petition of Union Grange, No. 2342, Butler County, Ohio, by V. D. Campbell, West Chester, Ohio, urging support of House bill 7160, providing sufficient revenue for agriculture extension and land-grant colleges; to the Committee on Agriculture.

8468. Also, petition of Mr. and Mrs. Charles V. Disney, Manila Camp, No. 50, United Spanish War Veterans, Cleveland, Ohio, urging support of House bill 6995, restoring benefits to Spanish War veterans, their widows and dependents; to the Committee on Pensions.

8469. Also, petition of the National Federation of Post Office Motor Vehicle Employees, district no. 1, State association, by their financial secretary, Earl C. Boyer, of Canton, Ohio, urging support of House bill 5583, as they believe that they are more able to give the Department and the public in general better and more efficient service than what they are now receiving by contract service; to the Committee on the Post Office and Post Roads.

8470. Also, petition of the Hancock County Corn-Hog Control Association, Findlay, Ohio, by Lester Fink, urging support of House bill 7160; to the Committee on Agriculture.

8471. Also, petition of Jemina Lavely and other women of Galloway, Ohio, being interested in the extension work being promoted by the O. S. U. College of Agriculture, the United States Department of Agriculture, and the county farm bureaus, urging support of House bill 7160; to the Committee on Agriculture.

8472. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

SENATE

WEDNESDAY, MAY 15, 1935

(Legislative day of Monday, May 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 Tuesday, May 14, 1935, was dispensed with, and the Journal was approved.

CREDENTIALS OF SENATOR FROM NEW MEXICO

Mr. HATCH. Mr. President, I present the credentials of Hon. DENNIS CHAVEZ, appointed by the Governor of New Mexico to be a Senator from that State to fill the vacancy caused by the death of the late Senator Bronson Cutting.

The VICE PRESIDENT. The credentials will be read.

The Chief Clerk read as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of New Mexico, I, Clyde Tingley, the Governor of said State, do hereby appoint DENNIS CHAVEZ a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Bronson M. Cutting, is filled by election, as provided by law.

Witness: His Excellency our Governor, Clyde Tingley, and our seal hereto affixed at Santa Fe, N. Mex., this 11th day of May, A. D. 1935.

CLYDE TINGLEY, *Governor.*

By the Governor:
[SEAL]

ELIZABETH F. GONZALES,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on file.

Mr. HATCH. Mr. President, I am informed that the Senator designate [Mr. CHAVEZ] will arrive shortly to take the oath. He is not at this time in the city.

SENATOR FROM WEST VIRGINIA

The VICE PRESIDENT laid before the Senate a petition of sundry citizens of the State of West Virginia, praying for an investigation as to the eligibility of Rush D. Holt to be a Senator from the State of West Virginia in the Seventy-fourth Congress (oath not yet administered), and further that the seat referred to in the Senate be declared vacant so that the Governor of the State may immediately appoint a duly qualified person to serve as Senator from West Virginia until the next regular election, which was referred to the Committee on Privileges and Elections.

MESSAGE FROM THE PRESIDENT

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

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

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