

By Mr. DUFFY of New York: A bill (H. R. 10605) granting a pension to Cora J. Lowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10606) granting a pension to Grace E. Fairchild; to the Committee on Invalid Pensions.

By Mr. DUFFEY of Ohio: A bill (H. R. 10607) for the relief of Richard Zielinski and his parents; to the Committee on Claims.

By Mr. DUNCAN: A bill (H. R. 10608) for the relief of Minnie D. Hines; to the Committee on Claims.

By Mr. EICHER: A bill (H. R. 10609) granting a pension to Clara J. Byers; to the Committee on Invalid Pensions.

By Mr. FARLEY: A bill (H. R. 10610) granting a pension to Mary E. Michaud; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10611) granting a pension to Eliza Jane Wilkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10612) granting an increase of pension to Nancy A. Bortner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10613) granting a pension to Grace V. Lawrence; to the Committee on Invalid Pensions.

By Mr. FERGUSON: A bill (H. R. 10614) granting an increase of pension to Hannah Casler; to the Committee on Invalid Pensions.

By Mr. LUNDEEN: A bill (H. R. 10615) for the relief of the Northwest Tie & Timber Co.; to the Committee on Claims.

By Mr. McANDREWS: A bill (H. R. 10616) for the relief of the heirs of Florence Thromans; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 10617) granting a pension to Lena Keating Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10618) granting a pension to Josephine (Jessie) Campbell; to the Committee on Invalid Pensions.

By Mr. SISSON: A bill (H. R. 10619) for the relief of George Lauria; to the Committee on Naval Affairs.

Also, a bill (H. R. 10620) granting a pension to Arthur Boyce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10621) granting an increase of pension to Carrie Holman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10622) granting an increase of pension to Mary L. Gage; to the Committee on Invalid Pensions.

By Mr. STACK: A bill (H. R. 10623) granting a pension to Ida M. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10624) for the relief of Herman Fox (Meilech Trok); to the Committee on Immigration and Naturalization.

By Mr. THOMAS: A bill (H. R. 10625) granting an increase of pension to Nettie Lennen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10626) granting an increase of pension to Minnie Halleran; to the Committee on Invalid Pensions.

By Mr. WOODRUFF: A bill (H. R. 10627) authorizing and directing the Secretary of the Treasury to reimburse Harold Scott and Ellis Marks for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

Also, a bill (H. R. 10628) granting a pension to Esther Critchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10629) granting a pension to Helen J. Selley; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9788. By Mr. BACON: Petition of sundry residents of Suffolk County, Long Island, urging the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

9789. Also, petition of sundry residents of Riverhead and Brooklyn, N. Y., urging enactment of House bill 8739, restoring prohibition in the District of Columbia; to the Committee on the District of Columbia.

9790. By Mr. GUYER: Petitions of citizens of Osawatomie, Kans.; to the Committee on the District of Columbia.

9791. By Mr. HIGGINS of Connecticut: Petition of 11 citizens of Willimantic, Conn., favoring strict and mandatory neutrality legislation; to the Committee on Foreign Relations.

9792. Also, resolutions of Ada Negri Lodge, No. 1687, Order Sons of Italy, Middletown, Conn., favoring the complete neutrality of the United States in all wars in foreign countries; to the Committee on Foreign Relations.

9793. Also, telegram from Local Union No. 2040, United Textile Workers of America, Dayville, Conn., favoring the passage of House bill 9072, to rehabilitate and stabilize labor conditions in the textile industry of the United States, and for other purposes; to the Committee on Labor.

9794. By Mr. HOOK: Petition of patrons served by star route no. 37143, Jacobsville, Mich., urging Congress to enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9795. Also, petition of patrons served by star route no. 37134, Pelkie, Mich., urging Congress to enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9796. Also, petition of residents and patrons served by star route no. 37141, Calumet, Mich., urging Congress to enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9797. By Mr. LUNDEEN: Petition of a mass meeting of 372 farmers in meeting in Crookston, Minn., on January 11, 1936, recommending the adoption by Congress of an adequate agricultural adjustment program; to the Committee on Agriculture.

9798. By Mr. RANDOLPH: Petition of the Woman's Christian Temperance Union of Salem, W. Va., on the Guyer bill; to the Committee on the District of Columbia.

9799. By Mr. STEFAN: Petition bearing the signatures of 384 citizens of Decatur, Orchard, Tekamah, Red Bird, and O'Neill, Nebr., asking Congress to enact legislation that will indefinitely extend all existing star-route contracts and increase the compensation to an equal basis with that of other forms of transportation; to the Committee on the Post Office and Post Roads.

9800. By the SPEAKER: Petition of the American union men; to the Committee on Labor.

9801. Also, petition of a mass meeting of several thousand citizens of New Orleans, La.; to the Committee on the Judiciary.

SENATE

MONDAY, JANUARY 27, 1936

(Legislative day of Thursday, Jan. 16, 1936)

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

JESSE H. METCALF, a Senator from the State of Rhode Island, appeared in his seat today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, January 23, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House, having proceeded to reconsider the bill (H. R. 9870) to provide for the immediate payment of World War

adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated; it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The message also announced that the House had passed a bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

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

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

COMMISSION FOR SETTLEMENT OF SPECIAL CLAIMS, UNITED STATES AND MEXICO—APPROPRIATION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State to the end that Public Law No. 30, Seventy-fourth Congress, be amended so as to increase, from \$90,000 to \$180,000, the amount of the appropriation authorized for the work of the commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 27, 1936.

[Enclosure: Report.]

DOCUMENTS RELATING TO INAUGURATION OF THE PHILIPPINE COMMONWEALTH

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a compilation of documents relating to the inauguration of the Government of the Commonwealth of the Philippines, as provided in the Philippine Independence Act (Public, No. 127, 73d Cong.), approved March 24, 1934.

Inasmuch as it is believed that this compilation would be of great historical value and of general interest as a source

of information, I concur in the recommendation of the Secretary of War that it be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 27, 1936.

[NOTE: The compilation of documents referred to accompanied similar message to the House of Representatives.]

SUPPLEMENTAL ESTIMATES—NAVY DEPARTMENT (S. DOC. NO. 150)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for the Navy Department to pay a claim for damages by collision or damages incident to the operation of a vessel of the Navy, in the sum of \$76.67, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 151)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for the Navy Department, to pay claims for damages incident to the operation of vessels of the Navy, in the sum of \$2,094.91, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 152)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, estimates of appropriations submitted by the several executive departments and independent offices, to pay claims for damages to privately owned property, in the sum of \$23,080.68, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK (S. DOC. NO. 153)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a record of a judgment rendered against the Government by the District Court of the Southern District of New York, amounting to \$569.86, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 154)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a list of judgments (under the War Department) rendered by the Court of Claims, amounting to \$570,640.58, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 155)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a list of judgments (under several departments and bureaus) rendered by the Court of Claims, amounting to \$42,325.88, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY THE GENERAL ACCOUNTING OFFICE (S. DOC. NO. 156)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to \$22,265.70, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 157)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, trans-

mitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to \$132,183.52, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 158)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to \$14,643.26, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 159)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, schedule of a claim allowed by the General Accounting Office, covering a judgment rendered by the District Court for the Southern District of New York against the collector of customs, amounting to \$574.04, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 160)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, covering judgments rendered by the District Court for the Southern District of New York against collectors of customs, amounting to \$17,181.01, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES—LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 161)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, fiscal year 1936, amounting to \$100,443.55, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—LIBRARY OF CONGRESS (S. DOC. NO. 164)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, pertaining to the Library of Congress, fiscal year 1936, in the sum of \$3,800, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—DEPARTMENT OF AGRICULTURE (S. DOC. NO. 162)

The VICE PRESIDENT laid before the Senate a communication, transmitting a supplemental estimate of appropriation for the Department of Agriculture, fiscal year 1936, salaries and expenses (fighting and preventing forest fires) Forest Service, amounting to \$1,276,709, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES—DISTRICT OF COLUMBIA (S. DOC. NO. 163)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the filtration system, workhouse and reformatory, fiscal year 1936, in the sum of \$5,250, and for the same object (no year) \$2,250, amounting in all to \$7,500, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM OF ALASKA COMMERCIAL CO., OF SAN FRANCISCO, CALIF.

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation for the relief of the Alaska Commercial Co., of San Francisco, Calif., which, with the accompanying paper, was referred to the Committee on Claims.

PARTICIPATION BY COAST GUARD IN RIFLE AND PISTOL MATCHES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to permit the Coast Guard to participate in the annual rifle and pistol matches for which provision is made by law on a par with the other armed services, which, with the accompanying paper, was referred to the Committee on Military Affairs.

TRADE-IN OF USED MOTOR TRUCKS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the trade-in of used motor trucks in the purchase of new motor trucks, which, with the accompanying paper, was referred to the Committee on Commerce.

REPORT OF NATIONAL ACADEMY OF SCIENCES

The VICE PRESIDENT laid before the Senate a letter from the president of the National Academy of Sciences, transmitting, pursuant to law, the report of that academy for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Minnesota, memorializing the President of the United States and the Congress that it is the sense of the members of the Minnesota Legislature that the Government of the United States should perform its solemn promise and duty and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that legislation to that end should be adopted at the earliest possible date, which was referred to the Committee on Agriculture and Forestry.

(See concurrent resolution printed in full when presented by Mr. SHIPSTEAD on the 23d instant, p. 893, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Kentucky, favoring the adoption of a constitutional amendment, so as to provide relief to farmers under the invalidated A. A. A. program, which was referred to the Committee on the Judiciary.

(See concurrent resolution printed in full when presented today by Mr. LOGAN.)

The VICE PRESIDENT also laid before the Senate a letter from the Discussion Group of New York City, N. Y., enclosing copy of a letter addressed by that group to the Senator from North Dakota [Mr. NYE] commending him and the work accomplished by the Special Committee on Investigation of the Munitions Industry, and also favoring an additional appropriation for the expenses of the special committee, which, with the accompanying paper, was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate the petition of O. G. Barger, of Brigham City, Utah, praying for the adoption of the so-called Townsend old-age-pension plan, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted at a meeting in Faneuil Hall, Boston, Mass., of lodges of the Massachusetts Grand Lodge of the Order of the Sons of Italy in America, favoring adherence to the practice and policy of American neutrality heretofore followed and now in effect, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by meetings of veterans and friends of veterans at Minneapolis, Minn., favoring the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by Malone Grange No. 959, of Malone, N. Y., favoring the imposition of a 10-cent tax on oleomargarine for the protection of the

milk and butter industry, which was referred to the Committee on Finance.

Mr. CAPPER presented a resolution adopted by members of Company G, Twentieth Kansas Volunteers, at their annual reunion at Coffeyville, Kans., favoring the enactment of the so-called Spanish War travel pay bill for the benefit of volunteer soldiers who remained in the Philippines after the signing of the treaty of peace with Spain, which was referred to the Committee on Claims.

He also presented a petition numerously signed by sundry citizens of Phillipsburg, Kans., praying for the enactment of legislation to prohibit the advertising of intoxicating liquors, which was referred to the Committee on Interstate Commerce.

Mr. LOGAN presented the following concurrent resolution of the Legislature of the State of Kentucky, which was referred to the Committee on the Judiciary:

Concurrent resolution of the Senate of Kentucky and House of Representatives of the General Assembly of Kentucky requesting the United States Senate and the Congress of the United States to immediately enact legislation to provide for a constitutional amendment to take the place of the Agricultural Adjustment Act

Whereas the farmers of the State of Kentucky have been greatly benefited by the relief accorded them under the Agricultural Adjustment Act; and

Whereas the price of their products has been increased materially by the provisions of said act; and

Whereas said products before said act was passed were being produced at a loss to the farmers and that the benefits of said act have so increased the price of said products that the farmers of the State have been able to pay their debts and educate their children and save their homes; and

Whereas the Supreme Court of the United States has held said act unconstitutional, and the effect of said ruling will deprive the farmers of the State of the benefits of said act and will cause the prices of the products of the farmers to fall materially; and

Whereas the farmers of the State are not now adequately protected and our people are greatly distressed on account of the loss of the benefits of the A. A. A.: Now, therefore, be it

Resolved by the Senate of the Commonwealth of Kentucky (and the house of representatives concurring), That the Congress and the Senate of the United States immediately enact legislation to provide for a constitutional amendment to take the place of the Agricultural Adjustment Act, and to provide if it be possible the same relief that the farmers enjoyed under said A. A. A.; be it further

Resolved, That the chief clerk of the senate be directed to send copies of this resolution to the Clerks of the House and the Senate of the Congress of the United States and to each Member of Congress from Kentucky.

RELIEF OF UNEMPLOYMENT—PETITION

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a petition addressed to me from a very large body of citizens of the State of Washington, asking Congress to make provision for the employment of this great body of citizens, who have not been on relief but have not had work for many years. I ask that the names be omitted from the RECORD, because it would necessitate too much printing.

There being no objection, the petition was referred to the Committee on Appropriations and ordered to be printed in the RECORD without the names, as follows:

To the Congress of the United States of America:

We, the undersigned, respectfully petition your honorable body and represent—

That there are at present in this country millions of unemployed who are desirous of securing employment and in need of work, but are not eligible to secure employment on the W. P. A. and other governmental agencies for the reason that they are not on relief rolls, either by reason of pride, or reliance upon their relatives or friends, or through the expenditures of savings in the past years which have dwindled to nothing, or through great sacrifice of property heretofore acquired.

This body of citizens, numbering 3 to 1 of those now employed on Government relief rolls, should be recognized and funds provided for their employment. These citizens are the backbone of the country and have in the past, and will in the future if employed, contribute largely toward the revenue which is necessary to carry on the Government. A failure to make suitable provision for this large number of citizens will necessitate their being placed on relief rolls.

REPORTS OF COMMITTEES

Mr. JOHNSON, from the Committee on Foreign Relations, to which was referred the bill (H. R. 9871) to amend an act entitled "An act providing for the participation of the

United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes, reported it without amendment and submitted a report (No. 1474) thereon.

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

S. 3686. A bill to amend that provision of the act approved March 3, 1879 (20 Stat. L. 412), relating to issue of arms and ammunition for the protection of public money and property (Rept. No. 1475);

S. 3687. A bill to validate payments and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances (Rept. No. 1476);

S. 3688. A bill to validate payments and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty (Rept. No. 1477);

S. 3737. A bill to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes (Rept. No. 1478); and

H. R. 3421. A bill to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929 (Rept. No. 1479).

PRINTING REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. HAYDEN, from the Committee on Printing, reported a resolution (S. Res. 220), which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Thirty-eighth Annual Report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1935, be printed as a Senate document.

EXPENSES OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY

Mr. NYE, from the Special Committee on Investigation of the Munitions Industry, reported a resolution (S. Res. 221), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the special committee appointed by the Vice President, under authority of Senate Resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate \$7,369 in addition to the amount heretofore authorized to be expended for the purposes set forth in said resolution: Provided, That the committee is requested to make its final report to the Senate, with recommendations for legislation at this session of Congress.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 23, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission, of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Canelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point, and Dauphin Island, Ala.;

S. 3245. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

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. McNARY:

A bill (S. 3817) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Agriculture and Forestry.

By Mr. BAILEY:

A bill (S. 3818) authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service (with accompanying papers); to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 3819) granting an increase of pension to Anna Perkins (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 3820) granting a pension to Lida M. Demorest; to the Committee on Pensions.

By Mr. LONERGAN:

A bill (S. 3821) granting the Purple Heart decoration to Maj. Charles H. Sprague; to the Committee on Military Affairs.

By Mr. TYDINGS:

A bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890; to the Committee on the Judiciary.

By Mr. McADOO:

A bill (S. 3823) to establish a Court of Patent Appeals; to the Committee on the Judiciary.

A bill (S. 3824) for the relief of Maud Kelley Thomas; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 3825) granting a pension to Maude Zickefoose; to the Committee on Pensions.

A bill (S. 3826) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on Civil Service.

By Mr. THOMAS of Oklahoma:

A bill (S. 3827) granting a pension to Ransom Payne; to the Committee on Pensions.

By Mr. GORE:

A bill (S. 3828) to provide for the acceptance of adjusted-service certificates and bonds issued under the Adjusted Compensation Payment Act, 1936, in payment of indebtedness to agencies of the United States; to the Committee on Finance.

By Mr. BONE:

A bill (S. 3829) for the relief of James C. Langley and Elena R. Langley; to the Committee on Claims.

By Mr. SMITH:

A bill (S. 3830) for the relief of James Austin Smith; to the Committee on Finance.

By Mr. SHEPPARD:

A bill (S. 3831) for the relief of J. H. Knott; to the Committee on Claims.

By Mr. McCARRAN:

A bill (S. 3832) to provide for Senate ratification of foreign trade agreements; to the Committee on the Judiciary.

Mr. COPELAND. I ask permission, on behalf of my colleague [Mr. WAGNER] and myself, to introduce a joint resolution which provides for the participation of the United States in the world's fair which is to be held in the city of New York in 1939. I ask to have the joint resolution referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, the joint resolution will be received and referred as requested by the Senator from New York.

By Mr. COPELAND (for himself and Mr. WAGNER):

A joint resolution (S. J. Res. 203) providing for the participation of the United States in the world's fair to be held by New York World's Fair, 1939, Inc., in the city of New York during the year 1939, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes; to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

PUBLIC GRAZING LANDS—AMENDMENT

Mr. ASHURST and Mr. HAYDEN, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 10094) to amend section 1 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes", approved June 28, 1934 (48 Stat. 1269), which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

AMENDMENT TO INDEPENDENT OFFICES APPROPRIATION BILL

Mr. KEYES submitted an amendment intended to be proposed by him to House bill 9863, the independent offices appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place, under the heading "Veterans' Administration", to insert the following new paragraph:

"For allotment and transfer to the Navy Department, for disbursement by it under the various headings of its applicable appropriations, for 40 beds at the United States Naval Hospital at Portsmouth, N. H., for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment, \$60,000."

AMENDMENT TO SUPPLEMENTAL DEFICIENCY APPROPRIATION BILL

Mr. KEYES submitted an amendment intended to be proposed by him to House bill 10464, the supplemental deficiency appropriation bill, 1936, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place to insert the following:

"VETERANS' ADMINISTRATION"

"For allotment and transfer to the Navy Department, for disbursement by it under the various headings of its applicable appropriations, for 40 beds at the United States Naval Hospital at Portsmouth, N. H., for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment, \$30,000."

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—VETO

Mr. HARRISON. I ask the Chair to lay before the Senate the veto message of the President of the United States with reference to the so-called bonus bill.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The legislative clerk read as follows:

To the House of Representatives:

I return herewith, without my approval, bill H. R. 9870, entitled "An act to provide for the immediate payment of World War adjusted-service certificates, for the cancellation of unpaid interest accrued on loans secured by such certificates, and for other purposes."

On May 22, 1935, in disapproving a bill to pay the bonus in full immediately instead of in 1945, I gave in person to a joint session of the Congress complete and explicit reasons for my action.

The bill I now return differs from last year's bill in only two important respects: First, it eliminates the issuance of

unsecured paper currency to make the payments required and substitutes interest-bearing bonds, which, however, may be converted into cash for face value at any time; second, it adds \$263,000,000 to the total payments by forgiving interest after October 1, 1931, on amounts borrowed.

In all other respects the circumstances, arguments, and facts remain essentially the same as those fully covered and explained by me only 8 months ago.

I respectfully refer the Members of the Senate and of the House of Representatives to every word of what I said then.

My convictions are as impelling today as they were then. Therefore I cannot change them.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 24, 1936.

The VICE PRESIDENT. The Chair lays before the Senate the action of the House of Representatives with reference to the veto message, which will be read.

The legislative clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES
OF THE UNITED STATES,
January 24, 1936.

The House of Representatives having proceeded to reconsider the bill (H. R. 9870) entitled "An act to provide for the immediate payment of World War adjusted-service certificates, for the cancellation of unpaid interest accrued on loans secured by such certificates, and for other purposes", returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

Mr. KING. I move that the veto message just read by the clerk be referred to the Committee on the Judiciary.

Mr. HARRISON. I move to lay on the table the motion of the Senator from Utah.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi [Mr. HARRISON] to lay on the table the motion of the Senator from Utah [Mr. KING].

The motion was agreed to.

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. KING. Mr. President, you have just heard read the message of the President dated the 24th instant, in which he returns without his approval H. R. 9870, known as the soldiers' "bonus" measure.

It is possible there may be some individuals who entertain the view that the veto message should have been longer and should have critically examined and condemned the provisions of the bill referred to. However, the President, in the message before us, specifically directs the attention of the Members of the Senate and the House to his veto message of May 22, 1935, in which he disapproved of the bonus bill which the House and the Senate passed.

In the message just read the President declared that he gave explicit reasons for his veto of that bill, and states that—

With the exception of two provisions, the circumstances, arguments, and facts remain essentially the same as those fully covered and explained by me only 8 months ago.

He states that his convictions are as compelling today as they were then. In other words, the veto message of May 22, 1935, represents the views of the President with respect to the measure now before us, and the reasons therein set forth are the basis for his disapproval of the message now before us.

Mr. President, I request that the clerk read the message of May 22, 1935, because it is possible that some Senators have forgotten the invincible reasons then assigned by the President for his disapproval of the bonus bill.

No one has attempted to answer the facts and reasons assigned by the President for his disapproval of the measure referred to. His arguments are unanswerable; the message was one of the most powerful ever delivered by any President. It has often been stated by opponents of the President, as well as by his supporters, that his so-called economy message to the Congress and the veto message of May 22,

1935, not only were convincing but were enthusiastically approved by millions of the American people.

I can scarcely believe that Senators who voted to sustain the action of the President in disapproving the bonus bill in May 1935 can give their support to the bill now before us, and which has been returned disapproved by the President. If the President was right in vetoing the former bonus bill, he is right in vetoing the pending measure. Senators who have urged that we "follow the President" have an opportunity now to demonstrate the sincerity of their appeals.

Since the veto message of May last conditions have arisen which strengthen and fortify the position then taken by the President and which supply additional reasons for the disapproval of the pending bill. It is certain that the expenditures of the Government for the next fiscal year will be larger than anticipated and will exceed the Budget estimates. The deficit for the next fiscal year will be of greater magnitude than was thought possible, and will require additional revenues which must be met by increased taxation, or stupendous bond issues which will retard recovery and disturb the economic and financial conditions of the country. To add more than \$2,500,000,000 to the public debt, as contemplated by the bill before us, will prove disturbing to our industrial and financial situation if it does not seriously impair the credit of the Government.

I request that the veto message of May 22 be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Mr. Speaker, Members of the House of Representatives, 2 days ago a number of gentlemen from the House of Representatives called upon me and with complete propriety presented their reasons for asking me to approve the House of Representatives' bill providing for the immediate payment of adjusted-service certificates. In the same spirit of courtesy I am returning this bill today to the House of Representatives. As I told the gentlemen who waited upon me, I have never doubted the good faith lying behind the reasons which have caused them and the majority of the Congress to advocate this bill. In the same spirit I come before you dispassionately and in good faith to give you, as simply as I can, the reasons which compel me to give it my disapproval.

And I am glad that the Senate by coming here in joint session gives me opportunity to give my reasons in person to the other House of the Congress.

As to the right and the propriety of the President in addressing the Congress in person, I am very certain that I have never in the past disagreed, and will never in the future disagree, with the Senate or the House of Representatives as to the constitutionality of the procedure. With your permission, I should like to continue from time to time to act as my own messenger.

Eighteen years ago the United States engaged in the World War. A nation of 120,000,000 people was united in the purpose of victory. The millions engaged in agriculture toiled to provide the raw materials and foodstuffs for our armies and for the nations with whom we were associated. Many other millions employed in industry labored to create the materials for the active conduct of the war on land and sea.

Out of this vast army, consisting of the whole working population of the Nation, four and three-quarter million men volunteered or were drafted into the armed forces of the United States. One-half of them remained within our American continental limits. The other half served overseas; and of these, 1,400,000 saw service in actual combat.

The people and the Government of the United States have shown a proper and generous regard for the sacrifices and patriotism of all of the four and three-quarter million men who were in uniform no matter where they served.

At the outbreak of the war, the President and the Congress sought and established an entirely new policy, however, in order to guide the granting of financial aid to soldiers and sailors. Remembering the unfortunate results

that came from the lack of a veterans' policy after the Civil War, they determined that a prudent and sound principle of insurance should supplant the uncertainties and unfairness of direct bounties. At the same time, their policy encompassed the most complete care for those who had suffered disabilities in service. With respect to the grants made within the lines of this general policy, the President and the Congress have fully recognized that those who served in uniform deserved certain benefits to which other citizens of the Republic were not entitled, and in which they could not participate.

In line with these sound and fair principles, many benefits have been provided for veterans.

During the war itself provision was made for Government allowances for the families and other dependents of enlisted men in service. Disability and death compensation was provided for casualties in line of duty.

The original provisions for these benefits have been subsequently changed and liberalized many times by the Congress. Later generous presumptions for veterans who became ill after the termination of the war were written into the statute to help veterans in their claims for disability. As a result of this liberal legislation for disability and for death compensation, 1,140,000 men and women have been benefited.

During the war the Government started a system of voluntary insurance at peacetime rates for men and women in the service.

Generous provision has been made for hospitalization, vocational training, and rehabilitation of veterans. You are familiar with this excellent care given to the sick and disabled.

In addition to these direct benefits, Congress has given recognition to the interest and welfare of veterans in employment matters, through veteran preference in the United States civil service, in the selection of employees under the Public Works Administration through the establishment of a veterans' employment unit in the Department of Labor, and through provisions favoring veterans in the selection of those employed in the Civilian Conservation Corps. Many States have likewise given special bonuses in cash and veterans' preferences in State and local public employment.

Furthermore unemployed veterans as a group have benefited more largely than any other group from the expenditure of the great public-works appropriation of \$3,300,000,000 made by the Congress in 1933, and under which we are still operating. In like manner the new \$4,000,000,000 Work Relief Act seeks to give employment to practically every veteran who is receiving relief.

We may measure the benefits extended from the fact that there has been expended up to the end of the last fiscal year more than \$7,800,000,000 for these items in behalf of the veterans of the World War, not including sums spent for home or work relief. With our current annual expenditures of some \$450,000,000 and the liquidation of outstanding obligations under term insurance and the payment of the service certificates, it seems safe to predict that by the year 1945 we will have expended \$13,500,000,000. This is a sum equal to more than three-fourths of the entire cost of our participation in the World War, and 10 years from now most of the veterans of that war will be barely past the half-century mark.

Payments have been and are being made only to veterans of the World War and their dependents, and not to civilian workers who helped to win that war.

In the light of our established principles and policies let us consider the case of adjusted compensation. Soon after the close of the war a claim was made by several veterans' organizations that they should be paid some adjusted compensation for their time in uniform. After a complete and fair presentation of the whole subject, followed by full debate in the Congress of the United States, a settlement was reached in 1924.

This settlement provided for adjustment in compensation during service by an additional allowance per day for actual

service rendered. Because cash payment was not to be made immediately, this basic allowance was increased by 25 percent and to this was added compound interest for 20 years, the whole to be paid in 1945. The result of this computation was that an amount two and one-half times the original grant would be paid at maturity.

Taking the average case as an example, the Government acknowledged a claim of \$400 to be due. This \$400, under the provisions of the settlement, with the addition of the 25 percent for deferred payment and the compound interest from that time until 1945, would amount to the sum of \$1,000 in 1945. The veteran was thereupon given a certificate containing an agreement by the Government to pay him this \$1,000 in 1945 or to pay it to his family if he died at any time before 1945. In effect, it was a paid-up endowment policy in the average case for \$1,000 payable in 1945, or sooner in the event of death. Under the provisions of this settlement, the total obligation of \$1,400,000,000 in 1924 produced a maturity or face value of \$3,500,000,000 in 1945.

Since 1924 the only major change in the original settlement was the act of 1931 under which veterans were authorized to borrow up to 50 percent of the face value of their certificates as of 1945. Three million veterans have already borrowed under this provision an amount which, with interest charges, totals \$1,700,000,000.

The bill before me provides for the immediate payment of the 1945 value of the certificates. It means paying \$1,600,000,000 more than the present value of the certificates. It requires an expenditure of more than \$2,200,000,000 in cash for this purpose. It directs payment to the veterans of a much larger sum than was contemplated in the 1924 settlement. It is nothing less than a complete abandonment of that settlement. It is a new straight gratuity or bounty to the amount of \$1,600,000,000. It destroys the insurance protection for the dependents of the veterans provided in the original plan. For the remaining period of 10 years they will have lost this insurance.

This proposal, I submit, violates the entire principle of veterans' benefits so carefully formulated at the time of the war and also the entire principle of the adjusted-certificate settlement of 1924.

What are the reasons presented in this bill for this fundamental change in policy? They are set forth with care in a number of "whereas" clauses at the beginning of the bill.

The first of these states as reasons for the cash payment of these certificates at this time: That it will increase the purchasing power of millions of the consuming public; that it will provide relief for many who are in need because of economic conditions; and that it will lighten the relief burden of cities, counties, and States. The second states that payment will not create any additional debt. The third states that payment now will be an effective method of spending money to hasten recovery.

These are the enacted reasons for the passage of this bill. Let me briefly analyze them.

First, the spending of this sum, it cannot be denied, would result in some expansion of retail trade. But it must be noted that retail trade has already expanded to a condition that compares favorably with conditions before the depression. However, to resort to the kind of financial practice provided in this bill would not improve the conditions necessary to expand those industries in which we have the greatest unemployment. The Treasury notes issued under the terms of this bill we know from past experience would return quickly to the banks. We know, too, that the banks have at this moment more than ample credit with which to expand the activities of business and industry generally. The ultimate effect of this bill will not in the long run justify the expectations that have been raised by those who argue for it.

The next reason in the first "whereas" clause is that present payment will provide relief for many who are in need because of economic conditions. The Congress has just passed an act to provide work relief for such citizens. Some veterans are on the relief rolls, though relatively not nearly as many as is the case with nonveterans. Assume, however, that such

a veteran served in the United States or overseas during the war; that he came through in fine physical shape, as most of them did; that he received an honorable discharge; that he is today 38 years old and in full possession of his faculties and health; that like several million other Americans he is receiving from his Government relief and assistance in one of many forms—I hold that that able-bodied citizen, because he wore a uniform and for no other reason, should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War.

The third reason given in the first "whereas" clause is that payment today would lighten the relief burden of municipalities. Why, I ask, should the Congress lift that burden in respect only to those who wore the uniform? Is it not better to treat every able-bodied American alike and to carry out the great relief program adopted by this Congress in a spirit of equality to all? This applies to every other unit of government throughout the Nation.

The second "whereas" clause, which states that the payment of certificates will not create an additional debt, raises a fundamental question of sound finance. To meet a claim of one group by this deceptively easy method of payment will raise similar demands for the payment of claims of other groups. It is easy to see the ultimate result of meeting recurring demands by the issuance of Treasury notes. It invites an ultimate reckoning in uncontrollable prices and in the destruction of the value of savings, that will strike most cruelly those like the veterans who seem to be temporarily benefited. The first person injured by sky-rocketing prices is the man on a fixed income. Every disabled veteran on pension or allowance is on fixed income. This bill favors the able-bodied veteran at the expense of the disabled veteran.

Wealth is not created, nor is it more equitably distributed by this method. A government, like an individual, must ultimately meet legitimate obligations out of the production of wealth by the labor of human beings applied to the resources of nature. Every country that has attempted the form of meeting its obligations which is here provided has suffered disastrous consequences.

In the majority of cases printing-press money has not been retired through taxation. Because of increased costs, caused by inflated prices, new issue has followed new issue, ending in the ultimate wiping out of the currency of the afflicted country. In a few cases, like our own in the period of the Civil War, the printing of Treasury notes to cover an emergency has fortunately not resulted in actual disaster and collapse but has nevertheless caused this Nation untold troubles, economic and political, for a whole generation.

The statement in this same second "whereas" clause that payment will discharge and retire an acknowledged contract obligation of the Government is, I regret to say, not in accordance with the fact. It wholly omits and disregards the fact that this contract obligation is due in 1945 and not today.

If I, as an individual, owe you, an individual Member of the Congress, \$1,000 payable in 1945, it is not a correct statement for you to tell me that I owe you \$1,000 today. As a matter of practical fact, if I put \$750 into a Government savings bond today and make that bond out in your name you will get \$1,000 on the due date, 10 years from now. My debt to you today, therefore, cannot under the remotest possibility be considered more than \$750.

The final "whereas" clause, stating that spending the money is the most effective means of hastening recovery is so ill considered that little comment is necessary. Every authorization of expenditure by the Seventy-third Congress in its session of 1933 and 1934, and every appropriation by the Seventy-fourth Congress to date, for recovery purposes, has been predicated not on the mere spending of money to hasten recovery, but on the sounder principle of preventing the loss of homes and farms, of saving industry from bankruptcy, of safeguarding bank deposits, and most important of all—of giving relief and jobs through public work to individuals and families faced with starvation. These greater and broader concerns of the American people have a prior claim for our consideration at this time. They have the right-of-way.

There is before this Congress legislation providing old-age benefits and a greater measure of security for all workers against the hazards of unemployment. We are also meeting the pressing necessities of those who are now unemployed and in need of immediate relief. In all of this every veteran shares.

To argue for this bill as a relief measure is to indulge in the fallacy that the welfare of the country can be generally served by extending relief on some basis other than actual deserving need.

The core of the question is that a man who is sick or under some other special disability because he was a soldier should certainly be assisted as such. But if a man is suffering from economic need because of the depression, even though he is a veteran, he must be placed on a par with all of the other victims of the depression. The veteran who is disabled owes his condition to the war. The healthy veteran who is unemployed owes his troubles to the depression. Each presents a separate and different problem. Any attempt to mingle the two problems is to confuse our efforts.

Even the veteran who is on relief will benefit only temporarily by this measure, because the payment of this sum to him will remove him from the group entitled to relief if the ordinary rules of relief agencies are followed. For him this measure would give, but it would also take away. In the end he would be the loser.

The veteran who suffers from this depression can best be aided by the rehabilitation of the country as a whole. His country with honor and gratitude returned him at the end of the war to the citizenry from which he came. He became once more a member of the great civilian population. His interests became identified with its fortunes and also with its misfortunes.

Some years ago it was well said by the distinguished senior Senator from Idaho that "The soldier of this country cannot be aided except as the country itself is rehabilitated. The soldier cannot come back except as the people as a whole come back. The soldier cannot prosper unless the people prosper. He has now gone back and intermingled and become a part of the citizenship of the country; he is wrapped up in its welfare or in its adversity. The handing out to him of a few dollars will not benefit him under such circumstances, whereas it will greatly injure the prospects of the country and the restoration of normal conditions."

It is generally conceded that the settlement by adjusted-compensation certificates made in 1924 was fair and it was accepted as fair by the overwhelming majority of World War veterans themselves.

I have much sympathy for the argument that some who remained at home in civilian employ enjoyed special privilege and unwarranted remuneration. That is true—bitterly true—but a recurrence of that type of war profiteering can and must be prevented in any future war.

I invite the Congress and the veterans with the great masses of the American population to join with me in progressive efforts to root a recurrence of such injustice out of American life. But we should not destroy privilege and create new privilege at the same time. Two wrongs do not make a right.

The Herculean task of the United States Government today is to take care that its citizens have the necessities of life. We are seeking honestly and honorably to do this, irrespective of class or group. Rightly, we give preferential treatment to those men who were wounded, disabled, or who became ill as a result of war service. Rightly, we give care to those who subsequently have become ill. The others—and they represent the great majority—are today in the prime of life, are today in full bodily vigor. They are American citizens who should be accorded equal privileges and equal rights to enjoy life, liberty, and the pursuit of happiness—no less and no more.

It is important to make one more point. In accordance with the mandate of the Congress, our Budget has been set. The public has accepted it. On that basis this Congress has made and is making its appropriations. That Budget asked for appropriations in excess of receipts to the extent of

\$4,000,000,000. The whole of that deficit was to be applied for work relief for the unemployed. That was a single-minded, definite purpose. Every unemployed veteran on the relief rolls was included in that proposed deficit—he will be taken care of out of it.

I cannot in honesty assert to you that to increase that deficit this year by \$2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration. To do so is to abandon the principle of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need; but we cannot afford all that we want.

I do not need to be a prophet to assert that if these certificates, due in 1945, are paid in full today, every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans, regardless of need or age.

Finally, I invite your attention to the fact that solely from the point of view of the good credit of the United States, the complete failure of the Congress to provide additional taxes for an additional expenditure of this magnitude would in itself and by itself alone warrant disapproval of this measure.

I well know the disappointment that the performance of my duty in this matter will occasion to many thousands of my fellow citizens. I well realize that some who favor this bill are moved by a true desire to benefit the veterans of the World War and to contribute to the welfare of the Nation. These citizens will, however, realize that I bear an obligation as President and as Commander in Chief of the Army and Navy, which extends to all groups, to all citizens, to the present and to the future. I cannot be true to the office I hold if I do not weigh the claims of all in the scales of equity. I cannot swerve from this moral obligation.

I am thinking of those who served their country in the Army and in the Navy during the period which convulsed the entire civilized world. I saw their service at first-hand at home and overseas. I am thinking of those millions of men and women who increased crops, who made munitions, who ran our railroads, and who worked in the mines, who loaded our ships during the war period.

I am thinking of those who died in the cause of America here and abroad, in uniform and out; I am thinking of the widows and orphans of all of them; I am thinking of 5,000,000 of Americans who, with their families, are today in dire need, supported in whole or in part by Federal, State, and local governments who have decreed that they shall not starve. I am thinking not only of the past, not only of today, but of the years to come. In this future of ours it is of first importance that we yield not to the sympathy which we would extend to a single group or class by special legislation for that group or class, but that we should extend assistance to all groups and all classes who in an emergency need the helping hand of their Government.

I believe the welfare of the Nation, as well as the future welfare of the veterans, wholly justifies my disapproval of this measure.

Therefore, Mr. Speaker, I return, without my approval, House of Representatives bill no. 3896, providing for the immediate payment to veterans of the 1945 face value of their adjusted-service certificates.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. LEWIS. Mr. President, I rise to invite the Senate to a thought, that it is apparent from the declaration of the President in the message just read and also from the views often expressed by the President that he has given very serious and deep consideration to the whole matter.

Sirs, at the outset the President declares before us his friendship for the soldier, and states his desire for beneficial

service in his behalf. Above all, he makes a complete declaration of no interest otherwise than the preservation, as he sees it, of the credit of the Treasury and the welfare of the country. His sympathy for the soldier, and his thought of respect to the Congress and the committees—of one of which I was a member—that presented the measures and the reasons to him, and his position clearly indicates the very high and noble purpose the President had in returning the measure with his veto.

I commend to my honorable colleagues that which we all will approve and greatly endorse. It is that whatever has been the course of the President in this serious subject has been the result of the conception of a duty necessary to be discharged, sanctified by a sacred conscience.

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

Mr. LEWIS. I have finished.

Mr. KING. I desire to ask the Senator a question, if I may.

Mr. LEWIS. The Senator from Utah desires to interrogate me. I have concluded, but I yield for that purpose.

Mr. KING. I merely wish to ask the Senator whether his very eloquent apostrophe to the President does not compel him to vote to support the attitude of the President in this matter?

Mr. LEWIS. No; it compels me to do exactly as the President did—to follow the sense of duty, sustained by conscience.

Mr. BLACK. Mr. President, I ask unanimous consent to insert in the RECORD a very interesting editorial, written by the senior Senator from Wisconsin [Mr. LA FOLLETTE], appearing in the *Progressive* of January 25, 1936, on the subject of the payment of the soldiers' adjusted compensation.

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

[From the *Progressive* of Jan. 25, 1936]

THE BONUS IS DESERVED!

(An editorial by Senator ROBERT M. LA FOLLETTE, Jr.)

The day the United States entered the World War it undertook a serious obligation to the soldiers who were called into the service. The Government required nearly 4,000,000 boys to give up their places at home and help fight the war, and they were assured that their service would not be forgotten.

The sacrifice those American soldiers were asked to make cannot be estimated. Many of them left their families never to return. Others came back maimed and incapacitated for a useful life.

They not only made a physical sacrifice; they made an economic one as well. While profiteers were coining fortunes at home with the help of wartime prices, while the jobs these soldiers left behind were paying others the full measure of wartime wages, and while business and agriculture were both sharing in the prosperity of the war, they were serving their country for \$30 a month.

The last war is now almost 20 years behind us, and many people are prone to overlook the circumstances on which the Government's obligations to the veterans are based. It has always been my contention that once the Government resorted to the plenary power of drafting men for service in a foreign war, it became responsible not only for the physical consequences to the men inducted into service but also for their economic handicap upon their return to civil life. This policy was recognized in the promises made to the veterans that "nothing would be too good for them when they came back."

The American people were morally obligated to share the burden of the war among them as equally as possible, and the Government was likewise obligated to do everything in its power to discharge this responsibility. But within 3 days after the first American draft contingent departed for France the United States Senate in the professed interest of the Federal Budget killed a proposal to increase the pay of soldiers at the front to \$3 a day. Yet the same Senate consistently refused to act in the interests of the Budget when it came to the question of taxing war profits and putting the war on a pay-as-you-go basis.

The bonus is a belated attempt to compensate the veteran for the economic discrimination he suffered during the period of his war service. Unfortunately, the damage he sustained is probably now far beyond any practical hope of full compensation. The settlement outlined in the Adjusted Compensation Act of 1924 is no measure of it; it is only a recognition of the obligation and an attempt to meet it in part.

Since the question was first raised after the war the bonus has always been opposed by those who condemned it as a threat to the National Budget and the credit of the Government. However, throughout the administrations of Presidents Harding, Coolidge, and Hoover the Government was consistently committed to a policy of tax reduction for the benefit of the wealthy. Under the leadership of Secretary Mellon the taxes on great wealth and huge fortunes were consistently reduced. The same man who, as Secretary of the Treasury, so violently opposed every move toward

the payment of the soldiers' bonus on the ground that it would unbalance the Budget was thus pushing forward a policy of tax reduction which would have virtually the same effect, but the beneficiaries of the two policies were not the same. The veteran was sacrificed in favor of wealth.

The Government should have accorded its soldiers fair economic treatment during the war, but failing in that it should have paid the bonus after the armistice and promptly compensated them for the injury they suffered. The obligation was due immediately after the service was rendered. The Government belatedly recognized the obligation in 1924, but insisted that the payment should be postponed until 1945. Many veterans were justified in calling this a tombstone bonus.

It is too late to hedge on the costs of the last war. They should have been considered before we entered it, for once a war is fought it must be paid for. Bonuses and pensions are a part of the cost of war. The time to decide whether those costs are to be paid or not is before we go to war, not afterward.

A few years ago 72 percent of our regular national expenditures went for the payment for past wars and the preparation for future wars. Those who are opposed to the payment of the bonus can make better use of their energy by supporting a reduction of costly armaments, the adoption of a strict neutrality statute, and legislation to take the profit out of war instead of advocating the repudiation of our existing obligations at the expense of the World War veteran who has already done his part.

Mr. HASTINGS. Mr. President, I am somewhat embarrassed to find that, so far as I can discover, there is to be nothing said on the other side of the Chamber in an effort to support the President's veto of the adjusted-compensation bill. One of my colleagues suggested a few moments ago that any effort to sustain the President's veto was a good deal like the chap who wanted to whip the corpse. Whether that be true or not, it seems to me that something ought to be said on one side of this Chamber or the other in support of the President of the United States when he sends a veto message to the Congress upon an important subject.

A few days ago, when this matter was before the Senate, the chairman of the Finance Committee, the Senator from Mississippi [Mr. HARRISON] expressed the hope that the President would approve the bill, but also suggested that he was satisfied that whether the President approved it or not, it would become the law of the land. With his long experience in the Senate, with his quite accurate knowledge of what those on the other side are thinking and doing, I assume that his prediction is about to be fulfilled.

I may say that I was disappointed in the President's message in two particulars; first, that it was not as vigorous as I had hoped it would be. It has been described by some persons as of the milk-toast variety.

I was also disappointed in noting that he made the mistake of saying that the bill now before us differed from the one enacted in May of last year, in that it adds \$263,000,000 to the bonus payment by forgiving interest after October 1, 1931, on amounts borrowed. I think the President is mistaken with respect to that, although the chances are it would not have affected his judgment with respect to the veto.

I desire to call attention to section 509, paragraph (c) of the Adjusted Compensation Act of 1935, as follows:

(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veterans (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1931.

Mr. President, I only read that into the RECORD for the purpose of keeping the RECORD as nearly straight as possible.

In the veto message of May 22, 1935, the Senate was invited to join the House and for the first time, so far as I know, hear the President deliver a veto message to a joint session of the Congress. It was a dramatic thing to do, and the President appeared there with all the fire of a real general satisfied that he was correct, and satisfied that he was sure to win. Today there is no such dramatic situation, unless writing the veto message with his own hand may be said to be dramatic. But, in my judgment, there is one thing the President ought to have commented upon. Senators will

recall what has just been read to them—the veto message of May last—as to what the President said about not being able to say that with the bonus added at that time, in May 1935, it would put the country in the position where it could not meet its obligations. However, it seems to me that he might have added to this veto message a very significant fact, namely, that between that time and June 30, 1937, according to the Treasury Department, the debt of the country, including the payment of this bonus, will be increased by something like \$7,000,000,000.

Mr. President, the distinguished Senator from Kentucky [Mr. BARKLEY], who now occupies the chair, spoke following me the other day when the bonus bill was before the Senate, and undertook to minimize the dangers which would come to the country if the bill were passed. The distinguished Senator is a member of the Finance Committee. He was present when Mr. Morgenthau, the Secretary of the Treasury, was before the committee. I propose to show that the Senator from Kentucky made a very serious mistake, however, in his statement to the Senate as to the condition of the Treasury—a serious mistake, it seems to me, because it involves literally billions of dollars. The Senate will recall that the Senator from Kentucky went on to show that the refunding of \$5,800,000,000 was not important at all, because the Secretary of the Treasury could do the same as a distinguished Governor did in his State at one time, namely, give a new note for an old note, a practice which the distinguished Governor had been following all his life in his personal affairs. So the Senator from Kentucky gets rid of the difficulty of refunding that \$5,800,000,000 with that interesting story.

Then he goes on to show that the next item—the billion-dollar item—was the item that was placed there for the purpose of returning to the processors the amount of tax which they paid under an act which had subsequently been declared unconstitutional. The Senator was in error with respect to that. That billion dollars is for no such purpose. I shall read in a moment or two what the Secretary of the Treasury said, because before we vote upon this bill I desire the Senate and the country to know the exact facts with respect to the condition of the finances of the country as shown by the Secretary of the Treasury himself. However, before going into that let me call the Senate's attention to some other statements made by the Senator from Kentucky.

In the first place, he calls attention to the fact that the Government debt during the Hoover administration was increased from \$16,000,000,000 to about \$21,000,000,000. Then he goes on to use this language:

In other words, in the 4 years of the administration of Mr. Hoover our public debt increased from about \$16,000,000,000 to about \$21,000,000,000, whereas it has increased since the 4th of March 1933 from about \$21,000,000,000 to about \$28,000,000,000.

Then he goes on to show that it has been estimated that by the end of June of next year the public debt would be \$31,000,000,000. Then he deducts from that the recoverable assets of \$4,300,000,000, and thereby undertakes to show that the much-talked-of increased debt during the Roosevelt administration was not, after all, very different from that of the Hoover administration.

But he does not give to the Hoover administration the credit—it is not very important so far as this discussion is concerned—he does not give to Mr. Hoover's administration the credit for \$2,283,000,000 of that \$4,300,000,000. So that if he had been accurate with it all, and assuming that we ought to deduct the \$4,300,000,000, he should in all fairness have deducted the \$2,283,000,000 from the \$5,000,000,000 deficit during the Hoover administration. But, like him, I do not propose for the moment to discuss the merits of those administrations with respect to the matter of the public debt. However, he gives the figures of the public debt at the present time as being \$28,000,000,000. The actual public debt on December 31, 1935, was \$30,557,324,062, according to the Treasury's own statement. So with respect to that he was at least two and one-half billion dollars off in his figures.

I may now refer to the testimony given by the Secretary of the Treasury to show that the distinguished Senator from Kentucky was not justified in minimizing the condition of

the Treasury. This testimony does not appear in the hearings in logical order, so in places it is duplicated; but this, to my mind, is an important matter, and I hope the Senate will be patient with me until I can get it in the RECORD. Senator COUZENS inquired:

Included in that, of course, is not any additional expense of the Government?—

Referring to the \$5,800,000,000—

Secretary MORGENTHAU. No, sir. I was going to come to that. For the rest of this fiscal year we estimate, after the decision of the Supreme Court on the A. A. A., that we will have to raise in new funds about \$1,000,000,000 between now and the 1st of July. A billion dollars in cash between now and the 1st of July. That is taking into account the loss of revenue through the decision of the Supreme Court on the A. A. A. and not allowing for any legislation to refund the Treasury in view of the Supreme Court decision. We do not know what Congress will do in that connection.

It seems to me it is there made perfectly clear that the billion dollars referred to by the Senator from Kentucky is not the estimated billion dollars that has been illegally collected from the processors. Further along in this testimony that fact is emphasized—

The CHAIRMAN. Is that assuming that the money that has been paid already on the processing tax can be recovered by them?

Secretary MORGENTHAU. No; but it does take into account the loss of impounded money.

Senator CLARK. It provides for paying off the contractual obligations of the Government and for disposing of the impounded money?

Secretary MORGENTHAU. No, sir; it does not take into account the money which is due the farmers for having carried out the 1935 contracts.

Later in this testimony that is estimated to be \$236,000,000. So we have a billion, and then we have two hundred and thirty-six million more.

Secretary MORGENTHAU—

Talking about the impounded money—

I am trying to state it as I see it on this morning, with the Court's decision behind us, and not taking into account new legislation which is being discussed by the Congress and the administration.

So, taking everything into account, we figure we have to raise another billion dollars between now and the 1st of July.

Now, starting in with July 1, 1936, as the President's Budget stood the morning he sent it to you, we would have had to raise \$500,000,000 new money for the year beginning July 1, 1936.

So we have \$1,000,000,000; we have two hundred and thirty-six million which it is estimated will be returned to the farmers, and we have five hundred million more to take care of the President's Budget for the next fiscal year.

The President stated in the Budget message that he would send up the figures for the relief in a couple of months, and he indicated that the amount would not exceed \$2,136,000,000. If you wish to use round figures as to what Congress may vote, let us use \$2,000,000,000 for relief, plus the \$500,000,000 deficit. That is two and one-half billion dollars that we might have to raise in the fiscal year beginning with July 1, 1936.

Now, on top of that there is the figure for the veterans, in between your \$1,700,000,000 and the \$2,200,000,000, and the average of which is about the figure of \$2,000,000,000. So there is five hundred million in the President's Budget; let us use the figure \$2,000,000,000 for relief, and let us use \$2,000,000,000 for the soldiers' bonus, so you get another four and one-half billion dollars that we might have to raise during the fiscal year beginning July 1, 1937.

That four and a half billion dollars plus the one billion that he needs for this fiscal year make five and a half billion, and adding to that the \$5,800,000,000 for the next 7 months makes a total of \$11,300,000,000, without saying anything about the \$236,000,000 that must be returned to the farmers.

Mr. President, I am trying not to burden the RECORD with some of the duplications in this matter. So I will ask the Senate to bear with me a moment until I can find the quotations from this testimony which I wish to call to the attention of the Senate.

Bearing in mind the condition in which the Secretary of the Treasury finds himself, let me quote this statement:

Now, when we talked about a decreased deficit, that is what a bond buyer looks for. He wants to know what is the state of his own Government's finances. He will say, "Are they going to go constantly into debt or are they coming out of this depression with decreasing deficits?"

The thing I am trying to say is this: Since Monday a week ago I do not think anybody in the United States can say what the picture is going to be. So many things have happened that affect the Treasury that I certainly am not smart enough, and I haven't met anybody that is smart enough, who can say what is the future of the Government bond market.

Now, this whole question of Government credit is such a delicate thing. One day there is confidence and the people who buy bonds are with you, and then overnight something happens and they won't buy.

Again—

Senator BAILEY. Now, Mr. Morgenthau, let me ask you, if in the next 90 days the Treasury undertakes to sell bonds, or if in the next 17 months the Treasury undertakes to raise \$11,000,000,000 by way of selling bonds or short-term notes, and you should fail to sell them, and a demand is being made, what would be the effect on the economic structure of the Government?

Secretary MORGENTHAU. The minute I cannot raise the money required to finance the Government, that minute you will have complete chaos.

Further along Senator BARKLEY asked:

That puts no immediate string on the Treasury, unless they ask for cash—

Talking about the bonus.

Secretary MORGENTHAU. What I was trying to do was to answer Senator BAILEY's question as to what effect this proposed legislation will have on the bond market. Now, you have got to put yourself in the place of a man who wants to buy United States Government securities, and the thing that is going through his mind is, "What is the worst he may expect."

Mr. President, I am quite certain that the Secretary of the Treasury is correct when he estimates that we shall require for the remainder of the present fiscal year a billion dollars of new money; that we shall require for the next fiscal year when the bonus bill becomes operative four and a half billion dollars, making a total of five and a half billion dollars to be added to the debt which on December 31 last was more than thirty and a half billion dollars, making a total debt, if you please, of \$36,000,000,000.

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

Mr. HASTINGS. I yield.

Mr. KING. Is the Senator taking into account in the total just given what obviously we will have to appropriate under contemplated legislation, including several hundred million dollars, perhaps \$500,000,000, for agriculture, and then, in addition to that, as I think the Senator from North Dakota will bear me out, an appropriation for naval and military purposes larger than that which was contemplated by the President in the Budget message which he transmitted to the Congress? I think the amount that Congress will have to appropriate in order to meet the demands of Congress if not of the executive departments before adjournment will be greatly in excess of the sum indicated by the able Senator.

Mr. HASTINGS. I have no doubt the Senator is correct, but what I was endeavoring to do, and all I was endeavoring to do, was to point out what the Secretary of the Treasury himself said he could see as the needs of the Treasury without any additional legislation, which was a point he emphasized on more than one occasion.

Mr. President, we have heard read this morning the message of the President of May 22, 1935, which he emphasized in the veto message we now have before us is still his opinion. I desire to read an extract from the former message because I want to emphasize it:

I cannot in honesty assert to you that to increase that deficit this year by \$2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration. To do so is to abandon the principle of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need; but we cannot afford all that we want.

I do not need to be a prophet to assert that if these certificates, due in 1945, are paid in full today every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans, regardless of need or age.

Finally, I invite your attention to the fact that solely from the point of view of the good credit of the United States the complete failure of the Congress to provide additional taxes for an additional expenditure of this magnitude would in itself and by itself alone warrant disapproval of this measure.

Mr. President, with respect to minorities controlling the Congress and running the Government, we have heard that cry throughout the country for many years and for many generations. Everyone appreciates that there is much in what the President said with respect to it. Everyone at the same time appreciates that it is only the strong Executive who can stop that sort of thing; and when the Executive does undertake to stop it, it seems to me his message and his determination ought to meet with some reasonable response from the Congress itself.

I think the President could have added to this message. I repeat what I said before, that he could have written a stronger message and made a stronger appeal to Congress if he had called our attention to the fact that between the last message and this he and his Secretary of the Treasury can see \$7,000,000,000 more of debt being piled upon the citizens of this country.

O Mr. President, I do not know where the limit is. It may be that there is no such danger as I anticipate; it may be that there is no such danger as the Secretary of the Treasury intimates and as the President of the United States intimates; but, as the distinguished Senator from North Carolina said to the Secretary of the Treasury, if you keep on going to the well at sometime it must be true that you will come away without anything in the bucket except that which you take there.

O, Mr. President, the fact that minorities are calling upon the Congress, the fact that we are being asked today and tomorrow and every other day that we are here to do something special for some particular group is the one thing that endangers our democracy itself. And, Mr. President, while we may feel compelled to yield to many of them, in this particular instance, when we are faced with this terrible deficit and this terrible debt, with the assurance that the relief of this country is going to need more than \$2,000,000,000 of Federal funds to keep people from being cold and hungry, notwithstanding that, without knowing definitely whether the bond market may break or not, here we are, 9½ years before the debt is due, paying the debt and at an additional cost to the country of something like a billion and a quarter or a billion and a half dollars.

Mr. President, I am rather pleased in one respect. It is true I have not agreed with many things the present administration has done; and because I did not agree I have been called all kinds of names and have been accused of being controlled by all kinds of interests. But today I am delighted to know that I stand here approving, for once, the one time that I know he is right, the President of the United States, with whom I do not agree on many matters. It seems to me, as I think about that and as I think about the position the President is in today, that he would be in tears when he finds 85 percent of the large majority on the other side of the Chamber voting against him. Oh, I am so sorry for him today. [Laughter.]

What is it that has brought about this new alinement? What is it that enables me to say the President is right for once, and the President to say, "HASTING'S is right for once"? I do not quite know what it is. What is it that has put him on the same side with the United States Chamber of Commerce? What is it that has put the National Economic League on the same side—at any rate, has gotten them together on the bonus bill? What is it that has brought about this alliance between the President of the United States and the Liberty League?

Oh, that is the thing which is interesting; that is the thing I should like to find out. I wonder if it may be said that industrial autocrats have control of the country once more, as has recently been stated? I wonder if it be true

the industrial autocrats have grabbed this administration and control it as they controlled the three last Republican administrations, according to the President himself? O Mr. President, do you suppose it could be true that the vested interests have control in Washington again? Do you suppose it could be true that entrenched greed of the industrialists had anything to do with the writing of this veto message? Oh, no, Mr. President. Oh, no; it is not true. You know it is not true, and I, too, know it is not true; but I deny it for the Democrats, rather than to embarrass them by leaving them to deny it.

But may I inquire just now what you think the attitude on the other side of the Chamber would be today, feeling as you do with respect to approving the bonus bill and overriding the President's veto? Think what you would do if this had been a Republican President who had returned the measure to the Senate of the United States. Oh, you would cry out again, "Industrial autocrats are back at their old tricks; entrenched greed is in control once more." You would blame it on Mellon or Mills if they were in office. I can see the distinguished junior Senator from Washington [Mr. SCHWELLENBACH] rising in his place and calling attention to the fact that the Liberty League was in control of "crooks and rascals", with all those "blood-suckers"! Senators will remember his speech. I have not any doubt that if the situation were reversed he would rise in the Senate and blame the Liberty League with being responsible for what has happened here, with being responsible for trying to prevent the soldiers from getting what they claim is due them. O Mr. President, it makes a lot of difference sometimes who is in the White House. However, I am shocked that it does not make enough difference to enable me to convince anyone that I am right and that he is wrong.

Mr. President, when this bill was here previously I called attention to the fact that it seemed to me the chairman of the Finance Committee ought to be somewhat embarrassed, because I had the privilege of sitting here and not being compelled to say anything when the veto message was before the Senate in May 1935. Who led that fight? The distinguished chairman of the Finance Committee. I did not have to do anything except to vote to sustain the President. I asked the distinguished Senator from Mississippi [Mr. HARRISON] the other day whether he was embarrassed, and he said he was not. I am not surprised at that, but I did suppose there would be some out of the 85-percent majority on the other side of the Chamber who would feel somewhat embarrassed because they are turning down their great leader. Oh, I beg of you not to desert him now! [Laughter.] You have told us that he is the Moses who was leading us out of the wilderness. You have assured us that all we had to do was to wait and wait, and finally we would see the things accomplished which were hoped for by the great mass of the citizens of America.

O Mr. President, I beg the distinguished leader on the other side of the Chamber, I beg the distinguished Chairman of the Finance Committee, I beg the distinguished President pro tempore of the Senate, I beg the distinguished Senator from Pennsylvania [Mr. GUFFEY] who has recently taken on the important duty of increasing instead of losing the majority on that side of the Chamber—I beg of all of you just now on this historic occasion not to desert your leader. Give him your support and show him you have always been with him. You know you have voted for things you did not like, all of you, and merely because he has asked you to do it. Now when he asks you to do something that you know is right and that he knows is right, I beg of you to make it easy for yourselves and go along with him. Help him to reduce the expenses of the Government by 25 percent, which he promised in his campaign. Help him to balance the Budget. Help him to eliminate some of the governmental bureaus instead of increasing the number. Do all of that, I beg of you, for this is the last day, this is the last occasion on which this particular bonus measure will be before the Senate.

Mr. President, I ask permission to insert in the RECORD as a part of my remarks a quotation from former Senator Oscar W. Underwood's *Drifting Sands of Party Politics*.

There being no objection, the excerpt was ordered to be inserted in the RECORD, as follows:

QUOTATION FROM OSCAR W. UNDERWOOD'S DRIFTING SANDS OF PARTY POLITICS

Where our danger lies is not from a majority of the mass of all the people, whether they live in the North or the South, the East or the West, but it comes from majorities reflected in legislative bodies induced by the fear or influence of the organized blocs, classes, and clans who have taken upon themselves the purpose to govern our country in order that they may achieve political power, business or class advancement, and ethical progress. * * *

No system could be more productive of bad government for the individual citizen, than for organized class to direct the destiny of our country. What can be done to overthrow the rule of class and return to the simple government of the people, that persisted in the main from the days of the Revolution to the dawning of the twentieth century? * * *

The men and women of America who desire the preservation of their individual rights under the Constitution of their country and are opposed to the establishment of a system of paternalism in the United States must above all else and at all times stand steadfast to the first principles of government, and see to it that their representatives in Congress do not sacrifice principle under any circumstances, no matter how alluring that bait may be.

We should divorce the Federal Government from any intimate association in the domestic affairs of the people; confine its active function to the national endeavor contemplated in the beginning; as far as possible abolish the numerous boards, commissions, and bureaus that are now exercising powers of government. We should confine the power to exercise legislative discretion to the Congress of the United States and maintain the power to execute the laws in the hands of the President, where power and responsibility may be united in one person; allow only the courts of the land to pass judgment that affects the rights and liberties of the citizen. In other words, we should abolish the discretions that are now vested in a bureaucratic government and restore in its entire integrity the government of law we inherited from our fathers.

Mr. WALSH. Mr. President, in connection with the debate on the President's veto, I ask to have printed in the RECORD an editorial from the Boston Post.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The editorial is as follows:

[From the Boston Post of Jan. 25, 1936]

THE BONUS VETO

President Roosevelt's reiteration of his former bonus veto assumes that the same conditions exist as in May 1934 when he intimated that the credit of the country was endangered by the appropriation for the bonus.

Since then, however, money has been spent with a lavish hand and much of it for the benefit of certain classes of the population. Hundreds of millions of dollars have been expended or will be expended on a multitude of very dubious and costly experiments.

Therefore, when the veterans argued that a part of this huge expenditure might well have been used to pay the bonus, many persons who had opposed the bonus payment on the ground that the country could not stand the strain changed their views. Added to this was the claim made by Secretary Morgenthau of a \$2,000,000,000 Treasury gain from the dollar devaluation and a profit of more than \$500,000,000 from silver purchases.

At all events, the President's short message gives the impression that no fresh argument against the bonus was necessary on his part. Doubtless the Senate will speedily overrule the veto as did the House yesterday.

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President to the contrary notwithstanding?

Mr. KING. Mr. President, 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	Byrnes	George	Loneragan
Ashurst	Capper	Gerry	McAdoo
Austin	Caraway	Gibson	McCarran
Bachman	Carey	Glass	McGill
Bailey	Chavez	Gore	McKellar
Bankhead	Clark	Guffey	McNary
Barbour	Connally	Hale	Maloney
Barkley	Coolidge	Harrison	Metcalf
Benson	Copeland	Hastings	Minton
Bilbo	Costigan	Hatch	Moore
Black	Couzens	Hayden	Murphy
Bone	Davis	Holt	Murray
Borah	Dickinson	Johnson	Neely
Brown	Dieterich	Keyes	Norbeck
Bulkley	Donahey	King	Norris
Bulow	Duffy	La Follette	Nye
Burke	Fletcher	Lewis	O'Mahoney
Byrd	Frazier	Logan	Overton

Pittman	Schwellenbach	Thomas, Utah	Van Nuys
Pope	Sheppard	Townsend	Wagner
Radcliffe	Shipstead	Trammell	Walsh
Reynolds	Smith	Truman	Wheeler
Robinson	Steiner	Tydings	White
Russell	Thomas, Okla.	Vandenberg	

The VICE PRESIDENT. Ninety-five Senators have answered to their names. A quorum is present. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. McNARY. I call for the yeas and nays.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, which resulted—yeas 76, nays 19, as follows:

YEAS—76

Adams	Clark	Logan	Pittman
Ashurst	Coolidge	Loneragan	Pope
Austin	Copeland	McAdoo	Radcliffe
Bachman	Costigan	McCarran	Reynolds
Bailey	Davis	McGill	Robinson
Bankhead	Dickinson	McKellar	Russell
Barbour	Dieterich	McNary	Schwellenbach
Barkley	Donahey	Maloney	Sheppard
Benson	Duffy	Metcalf	Shipstead
Bilbo	Frazier	Minton	Smith
Black	George	Moore	Steiner
Bone	Gibson	Murphy	Thomas, Okla.
Borah	Gore	Murray	Thomas, Utah
Bulow	Guffey	Neely	Trammell
Byrnes	Harrison	Norbeck	Truman
Capper	Hatch	Norris	Van Nuys
Caraway	Holt	Nye	Walsh
Carey	La Follette	O'Mahoney	Wheeler
Chavez	Lewis	Overton	White

NAYS—19

Brown	Couzens	Hastings	Townsend
Bulkley	Fletcher	Hayden	Tydings
Burke	Gerry	Johnson	Vandenberg
Byrd	Glass	Keyes	Wagner
Connally	Hale	King	

The VICE PRESIDENT. Senators, the Chair should like to be permitted to make an observation before announcing the result of the vote. There are at present 95 Members of the Senate. This is the first time since the present occupant of the chair has been Presiding Officer of the Senate that all Senators have been in their seats and have voted when the roll was called. The Chair congratulates the Members of the Senate on their good health.

On this question the yeas are 76, the nays are 19. More than two-thirds of the Senators have voted in the affirmative, the bill is passed. [Applause in the galleries.]

UNITED STATES VETERANS' ADMINISTRATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3328) to provide an official seal for the United States Veterans' Administration, and for other purposes, which was on page 1, line 13, to strike out "evidenced" and insert "evidence."

Mr. ASHURST. Mr. President, I will state in a word the situation of this matter.

The bill passed by the Senate provided for a seal to be used by the Administrator of Veterans' Affairs. The word "evidenced" was used when it should have been "evidence." I move that the Senate concur in the amendment of the House.

The VICE PRESIDENT. The question is on the motion of the Senator from Arizona.

The motion was agreed to.

ACQUISITION OF THE PHILIPPINES

Mr. GIBSON. Mr. President, a group of Senators and Representatives headed by the Vice President and Speaker of the House recently made a trip to the Philippine Islands as guests of the Philippine government to attend the inauguration of Hon. Manuel L. Quezon as first President of the new Philippine Commonwealth. This visit served to renew interest in our possessions in the Pacific and afforded an opportunity for Members of the Congress to study conditions in the Orient at first hand.

Considerable discussion has been indulged in during the past 35 years concerning the original intention of the high officials of our country with respect to the Philippines.

In order to keep the record clearly in mind I ask unanimous consent that there may be inserted in the CONGRESSIONAL RECORD a copy of a telegram sent to Mr. Day, chair-

man of the peace commissioners representing the United States at Paris at the time of treaty negotiations with Spain, under date of October 26, 1898, and signed by the then Secretary of State, John Hay; also copy of a portion of a telegram from the Secretary of State to Mr. Day under date of October 28, 1898.

Also I ask to have printed a copy of a letter written by Admiral George Dewey under date of October 3, 1898, to Commander A. D. Brown, then president of Norwich University.

All of these throw some light as to what was in the mind of the President and in the mind of the American naval commander in dealing directly with the situation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Vermont?

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

[Telegram]

OCTOBER 26, 1898.

Mr. DAY: The information which has come to the President since your departure convinces him that the acceptance of the cession of Luzon alone, leaving the rest of the islands subject to Spanish rule, or to be the subject of future contention, cannot be justified on political, commercial, or humanitarian grounds.

The cession must be of the whole archipelago or none. The latter is wholly inadmissible, and the former must, therefore, be required. The President reaches this conclusion after the most thorough consideration of the whole subject, and is deeply sensible of the grave responsibilities it will impose, believing that this course will entail less trouble than any other, and besides will best subserve the interests of the people involved, for whose welfare we cannot escape responsibility.

HAY.

[Telegram]

DEPARTMENT OF STATE,
Washington, October 28, 1898.

Mr. DAY: While the Philippines can be justly claimed by conquest, which position must not be yielded, yet their disposition, control, and government the President prefers should be the subject of negotiation, as provided in the protocol. It is imperative upon us that as victors we should be governed only by motives which will exalt our Nation. Territorial expansion should be our least concern; that we shall not shirk the moral obligations of our victory is of the greatest. It is undisputed that Spain's authority is permanently destroyed in every part of the Philippines. To leave any part in her feeble control now would increase our difficulties and be opposed to the interest of humanity. The sentiment in the United States is almost universal that the people of the Philippines, whatever else is done, must be liberated from Spanish domination. In this sentiment the President fully concurs. Nor can we permit Spain to transfer any of the islands to another power. Nor can we invite another power or powers to join the United States in sovereignty over them. We must either hold them or turn them back to Spain.

Consequently, grave as are the responsibilities and unforeseen as are the difficulties which are before us, the President can see but one plain path of duty—the acceptance of the archipelago. Greater difficulties and more serious complications, administrative and international, would follow any other course. * * *

HAY.

UNITED STATES NAVAL FORCE ON ASIATIC STATION,
FLAGSHIP "OLYMPIA",
Cavite, P. I., October 3, 1898.

Commander A. D. BROWN,
United States Navy.

MY DEAR BROWN: I wish to thank you most sincerely for your kind letter of August 2 received by the last steamer.

All the nice things you and other friends are saying about me has quite turned my head and I am now the vainest man in the Philippines, and that is saying a good deal.

The insurgents are now quiet, waiting, I suppose, to see what will be done by the commission in Paris. Indeed, we are all looking Parisward. I trust the entire archipelago will be retained by the United States. Any other arrangements will lead to no end of trouble.

I enclose an official letter to you in connection with asking State aid for the university.

Sincerely yours,

GEORGE DEWEY.

POLITICAL CONDITIONS IN CALIFORNIA—ADDRESS BY SENATOR
M'ADOO

Mr. LEWIS. Mr. President, I present to the Senate and make request that there be published in the CONGRESSIONAL RECORD an address delivered on January 25, 1936, by the junior Senator from California [Mr. McAdoo] over the radio to the constituency of California touching matters of government of serious import.

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

Ladies and gentlemen and fellow Democrats, this zero weather in Washington makes me doubly sorry that I cannot attend your barbecue today and enjoy the sunshine of your comradeship in our beautiful California. I felicitate you on this auspicious gathering. It evidences the enthusiasm and determination of a regenerated democracy.

I must advert to the recent significant developments in the Democratic situation in California, because they raise issues which must be met squarely and without hesitation.

A special meeting of the Democratic State Central Committee was called on short notice by its "Epic" chairman, Mr. Olson, to meet in Los Angeles January 17 for the purpose of selecting a delegation to the national convention in Philadelphia and for the adoption of resolutions concerning national policies. This unexpected move aroused Democrats throughout the State. There was no occasion for the meeting, because the State committee has no power to nominate a delegate ticket under our primary law; and the interjection of controversial platform issues into our Presidential primary would arouse needless antagonisms over questions which can be settled alone by the national convention. When the State committee met, the Olson plan was overwhelmingly repudiated. A resolution, drawn upon my suggestion, endorsing Franklin D. Roosevelt for renomination and requesting him to select a list of delegates to be entered in the May primary with his endorsement, was adopted.

This action of the committee is binding upon the State chairman any every member of the committee. It thereupon became Mr. Olson's duty to present to the President that resolution, and that one only, as the official expression of the State committee of the Democratic Party.

The next day following the action of the State committee a convention of the so-called Epic League was held in Los Angeles. State Chairman Olson was a member of and a party to the action of that convention. Its deliberations were concluded with the adoption of a resolution to name a list of 100 or more "Epics" pledged to the "production for use" program. Delegate Olson was requested, or directed, to submit this list of "Epics" to President Roosevelt with the request that he choose from it the 44 delegates from California. The resolution then proceeds: "Resolved, that President Franklin Delano Roosevelt be given until February 10, 1936, to accept a working majority of the candidates as determined by caucus in this convention, and that if this shall not be done by the President in the specified time * * *, a convention of all 'Epic' forces will be called for the purpose of selecting an independent 'Epic' delegation pledged to the support of other candidates as President and Vice President."

This is the first time in the history of America that any group of individuals has delivered an ultimatum in such offensive terms to any President of the United States. This ultimatum is not only ill-advised, but it is a direct challenge to every effort which leading Democrats have been making to effect, if possible, a basis of cooperation between all elements in the party. It is an affront to the President to demand that he perform the will of the "Epics" in California without regard to the real Democrats, who constitute the vast majority of the party; it is an insult to attempt to read all Democrats out of the Democratic Party.

You will observe that the action of the Democratic State Central Committee is diametrically opposed to the action of the "Epic" convention. How can Mr. Olson perform his duties as chairman of the Democratic State Central Committee and at the same time execute the will of the "Epics" as expressed in their recent convention? Did Mr. Olson visit the President as chairman of the Democratic State Central Committee, advocating the plan which that committee has adopted, or did he go as Delegate Olson of the "Epic" convention and press upon the President acceptance of the ultimatum of the "Epics"?

I wish now and here to say that Mr. Olson cannot act in this dual capacity with the consent of the vast majority of the Democrats of California. He must either be a Democrat or an "Epic." I do not believe in hyphenated parties or hyphenated citizenship. We are either Democrats, owing allegiance to our party as such, or we are "Epics", owing allegiance only to the "Epic" organization. We cannot be "Epic"-Democrats and "Epics" at the same time. The demand that "Epic" delegates be chosen by the President presents an issue which cannot be avoided. We may as well fight it out in the May primary, so that by November 1936 we shall have a united and cohesive Democratic Party, acting for the good of all the people instead of for any particular group or class, and capable of delivering the electoral vote of California to the nominees of the Democratic national convention in 1936.

Chairman Farley, at the meeting of the Democratic National Committee in Washington on Jackson Day, warned Democrats throughout the Nation that the political battle of 1936 would be one of the most bitterly contested in the history of America. I have no doubt that his statement is correct. The Democratic Party can win on true Democratic principles. It cannot win by shifting to any socialistic, communistic, or other doctrines which are alien to the basic principles for which Washington stood, for which Jefferson stood, for which Jackson stood, for which Lincoln stood, and for which Woodrow Wilson stood.

I notice that the claim is continually asserted by certain "Epic" leaders that they are themselves and that they also represent the liberal forces in California. They denounce all regular Democrats as reactionaries. This is, of course, a wild claim, looking at it either way. All my life I have been considered a liberal. I

have fought with the liberal elements of the Democratic Party against reactionaries of every kind and character. I was such a liberal that I voted for Sinclair for Governor of California, and I think it takes a liberal, or more, to do that. I have no sympathy with the effort of the so-called "Epic" leaders to proscribe those members of the Democratic Party who have borne the brunt of battle for Democratic principles these many years and who won the great Democratic victory in California in 1932, 2 years before the "Epics" were born. At that very time—1932—Mr. Sinclair was the Socialist candidate for Governor and was using every effort to defeat Roosevelt and to destroy the Democratic Party.

I urge upon Democrats everywhere and of every shade of opinion to pull together for the principles of true democracy. Let us repudiate those warring chieftains who are dominated by selfish ambitions and who would rule or ruin the party.

I have great respect for the rank and file of those who have identified themselves with the "Epic" movement. They are honest and earnest citizens like the rest of us. I appeal to them and to all Democrats to forget factional differences and to join in a united effort in support of the administration and of the nominees of the Philadelphia convention.

Let us now consider some of the great achievements of the administration during the past 3 years.

First of all, I would put the law under which all deposits of \$5,000 or less in national banks or member banks of the Federal Reserve System are insured so that depositors within that limit need not fear for the safety of their money. The savings of the people cannot be stolen from them by mismanaged banks or by the criminal operations of officers or directors of the banks. Thus by one piece of constructive legislation we have made secure the very foundations of our financial structure.

This law was not passed without the bitter opposition of every powerful interest in the United States, but public opinion—which represents the will of the people—was irresistible. That is the virtue of our form of government. The ultimate appeal is to the people. They make their decisions not through arsenals and violence but through the power of the ballot.

After making secure the depositors in banks the next step was to make farms safe from mortgage foreclosures. We strengthened the Farm Credit Administration and gave it power to make loans on farms with long maturities and at low rates of interest. This has resulted in saving thousands of farmers from the loss of their farms and has made it easier for them to pay the interest on their mortgages.

Another step was to save city and suburban homes from foreclosures, so the Home Owners' Loan Corporation was created. The homes of thousands of people have been preserved to them through the operation of this law. Like the farmers, city and suburban home owners have been refinanced at low rates of interest and on long time.

It was necessary to do more than save these homes. They needed to be modernized so that the owners and their families might live with a larger measure of comfort, convenience, and sanitation. Hence, the Federal Housing Administration was formed. Through its operations millions of dollars have been loaned for the installation of plumbing, refrigeration, and other modern appliances. The home owner and his family have been made more secure in the possession of their home and are now permitted to enjoy the blessings of modern facilities.

The Civilian Conservation Corps has taken more than a half million American youngsters out of the streets of our great cities, has enabled them to lead wholesome lives in the open air, and has trained them in useful occupations.

Great Government projects have been stimulated by Federal aid. In California, for instance, we have the All-American Canal now well under way. Its completion will give the farmers of the Imperial Valley independence of a foreign-controlled water supply and make them safe for all time against an insufficient irrigation system. The Government has supplied loans to the Metropolitan Water District, by means of which a 300-mile aqueduct, tunneling great mountains and stretching its useful length over valleys and deserts, will bring from the Colorado River an unlimited supply of water for the necessities of the Southland. The bureau of power and light of the city of Los Angeles was provided with a loan on reasonable terms to build a great high-tension line from the Boulder Dam to the city of Los Angeles. Thereby it has secured an ample supply of cheaply generated power for the millions of people south of the Tehachapi and for other millions yet to come. We have largely extended the seawall at San Pedro and will continue the work until it is finished. This will give us one of the finest protected harbors on the Pacific coast and will assure the adequacy and preeminence of this great port not only for mercantile vessels but for our great and growing Navy.

Work on the Central Valley irrigation project has been begun through money advanced under this liberal administration, thus making permanent the welfare of the inhabitants of the San Joaquin and Sacramento Valleys. Grants have been made for flood control in various localities throughout the State. Aid has been given to the construction of our magnificent highway system, but, more than all, the unemployed have been protected against want, and the general economic structure has been strengthened to such an extent that private industry will in the near future be able to absorb the redundant supply of labor.

Congress has appropriated six and one-half million dollars for our Federal building in Los Angeles. Work on this splendid structure will soon begin.

These are some of the many progressive and liberal things which have characterized Democratic control of the Government.

But our opponents will ask the American people this year to turn this administration out and to put a new and untried administration in. Upon what rational ground can they ask the people to do this? Would they stop the march of progress, now so well under way, and revert to the calamitous period over which the last Republican President presided? What do our opponents have to offer? What improvement can they suggest that they would make either in the legislation already enacted or in the policies to be pursued? There is no ground upon which they can make a successful appeal to the people. Stripped of all pretense, all oratory, and all frenzied utterances, what they say simply comes to this: "The Democrats have the offices and we want them." If this is their appeal, I predict that it will be rejected by an overwhelming vote of the American people.

What we are really trying to do in Washington is to reorganize, not destroy, our economic and social order by an intelligent understanding of human needs, human suffering, and human craving for a safe refuge from the affliction of disabled bodies and hungry souls.

We have marched far in the direction of this inspiring goal, which, after all, must be the aim of every humane government; but these great things do not "spring full-fledged from the brow of Jove." They come from the patient progress marked by toil, suffering, and sacrifice until the wonderful hinterland of happiness has been won. We must, therefore, in spite of temporary reverses in the courts or on the hustings, march proudly forward under the banner of democracy and progress. We invite all men and all women of liberal views to join us in a noble effort to complete the work so auspiciously begun by giving an additional 4 years within which to do it. I am confident that the future of America depends not upon a resurgence of reaction but upon an unswerving adherence to the policies of progress and the supremacy and exaltation of the Democratic ideal.

LEGISLATION IN AID OF DEBTORS—ARTICLE BY JUDGE GALSTON

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by a very distinguished Federal judge, Clarence G. Galston, concerning legislation in aid of the debtor.

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

SOME REFLECTIONS OF FEDERAL JUDGE CLARENCE G. GALSTON CONCERNING LEGISLATION IN AID OF THE DEBTOR

This paper is not intended as a technical article for lawyers but rather presents a consideration of the subject matter in its social aspects. Who is there that is not directly or indirectly affected by the social problems of the day? All important Federal legislation enacted and proposed during the last few years seeks to remedy the economic maladjustments which have threatened and still do threaten the social conditions of the Nation. Apart from the constitutional clouds enveloping them, statutes adopted during this period demonstrate to a marked degree how far we have advanced as a socially minded people. Certainly 25 years ago the function of government as then conceived by the lawmakers countenanced no such regulation of private undertaking or business as results from the National Recovery Act; no such effort to regulate agriculture as is embraced in the various statutes to aid the farmer; no such support of labor as is the aim of the national labor bill; no remote notion of insurance, such as is embraced in the proposed Social Security Act; no such relief measures as the public-works statute provides.

Such legislation, particularly the invalidated agricultural composition statute, challenges the attention of students of economics, as, indeed, do most of the laws which have been enacted during the last 2 years, and among the issues involved is the question whether relief to one economic group can be effected without visiting substantial distress on other groups.

An investor is not by any proper definition of the term necessarily one who is in the creditor class. Included in the investor group are those whose sole means of support may be a very limited fixed income. Those who hold obligations of farmers, of railroads, of owners of hotels and apartment houses, may themselves show a distressed balance sheet. Terms are relative. A creditor may be a very poor person indeed, and the invasion by operation of law of his contractual rights may cause burdens no less oppressive to him than those of the debtor, whom the law seeks to aid.

Effort to bring succor to any one depressed economic group requires the most rigid scrutiny. Lines of demarcation are shadowy indeed. It is doubtful whether there can be any general classification of citizens into debtors and creditors. Many belong in both groups. As between the so-called debtor and the so-called creditor there is no median line except as the terms express a relationship between two parties to a contract. If A is a debtor and B is a creditor of A, legislation that seeks to relieve A at the expense of B may so disaffect B as to impair his power to meet his obligations to C, D, E, and F. Each in turn becomes involved in the process and involves countless other persons.

Lawmakers who are faced with class problems have no simple task. Unfortunately it is just such class problems as are fundamental in our affairs today.

Political or social problems of this kind lead to an observation on the inexactitude of political science as contrasted with the natural sciences. Man-made law is likely to be imperfect. It would be marvelously strange were it otherwise. Those who make

the law, those who administer it, those who interpret it, those who seek to conform to it, those who violate it, are all human beings. Each has his prepossession, his bias, or prejudice, inherited or acquired, or both. It may be conscious bias or below the seat of consciousness. Each has his self-interest, conscious or otherwise. In the social sciences we find both the observer and the observed variable quantities. The constants are few. Consequently the gathering of social data and the interpretation thereof result in the widest differences of opinion. Could any more conclusive illustration be found than that afforded by the report of the National Crime Commission appointed by President Hoover? Here was a trained group of high-minded, intelligent, and truth-seeking people. It would seem that only euphemistically can the social sciences be so termed.

How is predictability possible among 125,000,000 people distributed over so vast an area as the United States, of diverse sectional, economic, social, educational, political, and religious interests? Nevertheless, in every city, town, or hamlet one can find cure-alls for the social ills—each one, of course, sounding more in disguised hope than in valid thought. Within limited communities such as existed in our early settlements where the church exercised a rigid control and the examples set by the elders were followed by the flock, predictability was possible. But in a complex civilization, highly organized, not only not homogeneous as was theirs but heterogeneous to the nth degree, variability, not fixation of standards predominates. Since the regeneration of mankind is not yet in sight, laws made by human minds to regulate the destinies of human beings cannot reasonably be expected to attain scientific perfection.

However earnest, well-meaning, and competent a legislative body may be, however resolute the effort to ascertain the facts before the enactment of the law, a consistently scientific technique cannot be developed to discover truth with any such assurance as the laboratory worker pursues in physical science. The philosopher in the natural sciences has to deal with physical elements and forces that are themselves free from bias, prejudice, motive, or any of those emotional states which distinguish human beings from the objects of the physical world. The chemist knows how the gases and metals will behave; and if his knowledge of them is not perfect, it is because of no fault of theirs. All oxygen is the same. There are no inherited traits and nothing by way of environment which distinguishes one atom of oxygen from another. The scientist deals with uniformity. Such is not the happy position of the social experimenter. Like the scientist, he starts with an hypothesis, but, unlike him, his hypothesis is tainted with an inherent bias. The sum total of his prior experience, his environment, and his inheritance indubitably affect his interpretation of human beings and their relationships to one another. Out of this may come at best only approximation to sound laws.

Of the sections of the laws for the relief of the debtor to which I shall presently refer, those, save that relating to agricultural compositions, resulted from studies of bankruptcy conditions, abuses, and defects under existing law made by many agencies. This procedure was proper in principle. Investigation committees consisting of a number of industrial and credit associations assisted the Solicitor General. If the enactments which followed fail in the objectives predicated on the findings of the investigators, it cannot be charged to lack of earnestness in the survey, but rather to the usual and infinite variety of difficulties encountered in obtaining perfect laws. A comprehensive bankruptcy act based on the present-day needs and designed to correct the abuses of creditor control of bankrupt estates remains still only a hope. Some of such abuses and inadequacies are revealed in the report of William J. Donovan, submitted in March 1930, to Judge Thomas D. Thacher on the administration of bankrupt estates. The theory of unlimited creditor control is the subject of caustic criticism in that document. Foremost among the recommendations made is the creation of the office of a permanent Federal bankruptcy commissioner with control over trustees of bankrupt estates. Thus the administrative functions would be centralized in the commissioner as in England they are centralized in the board of trade under the Inspector General in Bankruptcy. This would free the courts from administration burdens and leave them to perform judicial functions only.

The bankruptcy amendments enacted by the Congress in the sessions of 1933 and 1934 have provoked a more than usual amount of discussion. This results, I think, from a persistent thought that theretofore bankruptcy laws had been designed mainly to aid creditors, whereas in this legislation the objective is relief for the debtor.

Tracing as we do our fundamental law to England, we find that prior to the American Revolution, statutes in respect to bankrupts in England beginning with the first English bankruptcy act in 1542, and subsequent acts for 150 years, were concerned only with the criminal aspects of the bankrupt's activities and set up no adequate system for the administration of bankrupt estates. Pursuant to the terms of the first English bankruptcy act, the offender was commanded to return to the realm, and on his failure so to do all his goods, chattels and lands of every kind were ordered seized and distributed among his creditors. Not content with such provisions, Parliament, in 1623 decreed that pillory and the loss of an ear should be imposed upon a debtor who failed to show that his bankruptcy was owing solely to his misfortune. Voluntary petitions by the bankrupt were unknown to the law.

Surprisingly some marked advance is recorded as early as the Statutes of Anne of 1705 and 1711. These statutes permitted a bankrupt a discharge, but no general bankruptcy system had been

developed in England when the Constitution of the United States was adopted.

By virtue of the fourth clause of section 8 of article 1, power was vested in Congress "to establish . . . uniform laws on the subject of bankruptcies throughout the United States." Though this clause has been the source of legislation of extreme importance, curiously enough there is no record, or at least none that I have been able to find, of a discussion thereof during the deliberations of the Constitutional Convention; and only the briefest reference is found in the Federalist papers. In paper XLI there is this comment:

"The power of establishing uniform laws of bankruptcy is so intimately connected with the regulation of commerce, and will prevent so many frauds where the parties or their property may lie, or be removed into different States, that the expediency of it seems not likely to be drawn into question."

The first of our bankruptcy statutes was that of 1800. This was a law primarily directed against debtors and followed the teachings of the English bankruptcy acts. It was confined to traders, and provided only for involuntary, not voluntary bankruptcy. The act was short lived and was repealed in 1803. Not until 1841 did Congress again assert its prerogative as to this subject. During the intervening years the States dealt with insolvent debtors. The Federal act of 1841 also was short lived, but is interesting because there was some provision for a system for administering insolvent estates, and for the discharge of the debts of the bankrupt.

Again there was a long lapse of time before the Congress passed a bankruptcy act. That was the law of 1867. Under this act the bankrupt for the first time was privileged to effect a composition. The primary object of the act though was to secure a just distribution of the bankrupt's property among his creditors, and a release of the bankrupt from his obligations to his creditors was but a secondary consideration.

Then followed the present Bankruptcy Act of 1898, which was framed to correct many of the faults and limitations of the earlier statutes.

We come then to the amendments of 1933 and 1934, known as chapter 8 of the National Bankruptcy Act, and entitled, in terms to arouse our interest, "Provisions for the relief of debtors."

This chapter has to do with individual debtors, with agricultural compositions, with reorganizations of railroads engaged in interstate commerce, and, lastly, with corporate reorganization.

However multifarious the purpose behind this legislation may have been, it is notable for its frank concession that creditors should be concerned with the well-being of their debtors.

The chapter for the relief of the individual debtor became a law on March 3, 1933. Its novel features deserve attention. Any person, excepting a corporation, is permitted to file a petition stating that he is insolvent or unable to meet his debts as they mature and that he desires to effect a composition or an extension of time to pay his debts. The provision for extension is important, particularly so since the terms in respect to extensions may apply to all classes of creditors, secured as well as unsecured. The court will confirm the debtor's proposal for a composition or extension after it has been accepted by a majority in number of all creditors whose claims, if unsecured, have been allowed, or, if secured, are proposed to be effected by the extension, which number must represent a majority in amount of such claims, and if satisfied that it includes an equitable and feasible method of liquidation for secured creditors whose claims are affected and of financial rehabilitation for the debtor and that it is for the best interest of all creditors.

Observe the use of the term "debtor" instead of the term "bankrupt." The term "bankrupt" is discarded and the substituted phrase, "unable to meet his debts as they mature", employed. The object of the phrase was to avoid whatever stigma attached to the use of the term "bankrupt." At once the phraseology was seized upon as a ground for attacking the constitutionality of the act. It was said that while the Congress has power to establish uniform laws on the subject of bankruptcies, it has no power to pass laws for the aid of debtors who are unable to meet their debts as they mature, and hence that the act did not fall within the purview of the constitutional clause. In one of the earliest cases to reach the courts involving this question the court said:

"It is not necessary for us to say that mere unwillingness, or mere failure to pay his debts has ever been sufficient under our laws to entitle a debtor to the benefit of a bankruptcy act, but we do say that except under the act of 1867, inability to pay has always been recognized as a proper cause for adjudication, whether that inability were caused by a lack of assets or a lack of liquidity of assets (In re Landquist, 70 Fed. (2d) 929, at p. 931).

Thus the common-sense inference must be drawn that it is of no moment whether one who is unable to pay his debts as they mature be classified as a bankrupt or an insolvent, so long as the enactment in respect to persons so situated is uniform throughout the United States.

The subject was discussed also in *Continental Illinois Bank & Trust Co. v. Chicago, Rock Island & Pacific Railway Co.* (opinion delivered Apr. 1, 1935; not yet officially recorded), recently decided by the Supreme Court, and the same conclusion reached.

The provision for agricultural compositions, unlike the section of the act heretofore discussed, was a radical amendment of the bankruptcy statute. It was the subject of divergent views by various lower courts, but recently has been declared unconstitutional by the United States Supreme Court. The ground for the conclusion is readily understood. However broad the bankruptcy clause of the Constitution is, it is not unlimited in scope. The constitutional power is subject to the amendments to the Con-

stitution. Congressional authority to enact bankruptcy laws is thus tempered by the due-process clause. The act in question was in part retroactive in terms and purported to deprive the mortgagee of rights in specific property since as to mortgage debts it applied only to those existing prior to the enactment of the act. Mr. Justice Brandeis wrote:

"The bankruptcy power, like the other great substantive powers of Congress, is subject to the fifth amendment. Under the bankruptcy power Congress may discharge the debtor's personal obligation, because, unlike the States, it is not prohibited from impairing the obligation of contracts. Compare *Mitchell v. Clark* (110 U. S. 633, 643). But the effect of the act here complained of is not the discharge of Radford's personal obligation. It is the taking of substantive rights in specific property acquired by the bank prior to the act."

The opinion contains also this observation, which clearly shows that the Court passed only on the specific question involved in the case:

"But we have no occasion to decide in this case whether the bankruptcy clause confers upon Congress generally the power to abridge the mortgagee's rights in specific property. Paragraph 7 declares that 'the provisions of this act shall apply only to debts existing at the time this act becomes effective.' The power over property pledged as security after the date of the act may be greater than over property pledged before; and this act deals only with preexisting mortgages."

Nevertheless, the opinion concludes with this stirring admonition, after holding the act void:

"For the fifth amendment commands that, however great the Nation's need, private property shall not be thus taken even for a wholly public use without just compensation. If the public interest requires, and permits, the taking of property of individual mortgagees in order to relieve the necessities of individual mortgagors, resort must be had to proceedings by eminent domain; so that through taxation the burden of the relief afforded in the public interest may be borne by the public."

Perhaps of the recent-debtor-creditor legislation the most interesting as well as the most effectual is that which has come to be designated as 77B. That is the act which provides for corporate reorganization. Under preexisting law such reorganizations were effected through equity receiverships. That machinery was not wholly satisfactory. To avoid certain of its more pronounced defects, such as forced judicial sales of mortgaged properties, burdensome and expensive ancillary administration, bringing secured creditors within the fold were some of its main objects. The powers vested in the court are both considerable and extensive. It makes possible conservation of assets for junior creditors and shareholders and sets up new remedial practice. In the financial and industrial centers of the country the act has been generously, perhaps too generously, resorted to. One immediate effect has been to reduce the number of petitions in bankruptcy, for all corporations, small as well as the larger and more important organizations, have sought relief under its terms. This had led to much abuse, for debtors are prone to avail themselves of all maneuvers to stave off the fatal day of payment or bankruptcy. If the business is hopelessly insolvent, if there is no grounded expectation that creditors will fall in line, if there is no prospect for new funds, if conditions in the industry, immediate and prospective, menace further operations of an impoverished plant, the debtor should not delude itself, for in such circumstances not reorganization but liquidation is clearly indicated.

But in a proper case it is a very meritorious enactment, and when I say proper case I mean one in which the petition for relief is filed in good faith and with a reasonable expectation that a plan of reorganization can be offered which will prove satisfactory to two-thirds of each class of creditors involved.

There has been no adjudication by the Supreme Court as yet of its constitutionality, but what that Court is likely to say when that question is presented has perhaps been foreshadowed in a case recently decided by the Supreme Court (*Continental Illinois National Bank & Trust Co. v. Chicago, Rock Island & Pacific Railroad Co.*, decided Apr. 1, 1935), involving section 77 of the Bankruptcy Act, a statute for reorganization of railroad corporations, and which contains many similar provisions. In that case the factual question presented was whether a secured creditor, during the pendency of the reorganization proceedings under section 77, could be enjoined from the sale of collateral belonging to the railroad company and held by the creditor as security for a note issue. Starting from the major premise that the Federal Constitution vests Congress with the power to establish uniform laws on the subject of bankruptcies throughout the United States, the Court propounded to itself the question, "Does section 77 constitute a law on the subject of bankruptcies?" The opinion sets forth an historical consideration of cases bearing on this subject. It is recited that within the meaning of the constitutional provision bankruptcy and insolvency are convertible terms, and have been so recognized. The act under consideration, like that relating to the individual debtor, did not use the term "bankruptcy", but instead provided that "any railroad corporation engaged in interstate commerce may file a petition stating that the railroad corporation is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of reorganization." The Court found that since the Bankruptcy Act defines an "insolvent" as one whose assets, at a fair valuation, are not sufficient to pay his debts, it may be construed to include a debtor who, although unable to pay promptly, may be able to pay if time to do so be sufficiently extended. Thus by liberal construction it was held that section 77

is in effect an amendment to the Bankruptcy Act, and therefore within the power to Congress to enact.

So it is a fair assumption, based on the reasoning employed in the *Rock Island* case, that 77B also will be held to be an amendment of the Bankruptcy Act.

At first reading one perhaps is startled by the remedial possibilities of the act, but when the alternative which a creditor faces means ownership of the debtor's property and all its attendant problems and responsibilities, he may well believe it advantageous to avoid a forced judicial sale. After all, a plan of reorganization is nothing more than a composition. Even for a secured creditor to scale down his indebtedness may, in all the circumstances of a case, be a most wise decision. Resentment frequently is stirred when people seem to be getting something for nothing, as when a debtor is permitted to get a receipt in full for paying but a small percentage of his indebtedness; but it does not follow that the debtor is the only party benefited. The indirect benefits may well be worth the apparent sacrifice which the creditor makes. He foregoes a present satisfaction for future direct and indirect benefits. Creditors in business must have customers and to the extent that customers can be rehabilitated there is corresponding benefit to the creditor. In a practical way, too, creditors can aid themselves by participating in the management of the reorganized company. Most, or at least many business failures, like other failures in life, are the result of unwisdom, inexperience, incompetence, lack of management. Creditor representation in the reorganization may prove of substantial importance in overcoming such defects.

One of the weaknesses of 77B is the immense volume of administrative detail which it casts upon judges. Every important policy in the management of a corporation which is brought under its provisions may be and frequently is submitted to the judge for his determination. This is so whether the debtor remains in possession or whether a trustee is in control. The act is but a year old and nevertheless the business cares cast upon the judge who fathers the proceeding are vastly burdensome. New petitions multiply far beyond the number of pending petitions disposed of. Reorganizations take time. Most Federal judges, at least in the southern and eastern districts of New York, begin and end their day with administrative problems arising out of 77B proceedings. Such duties are not judicial in nature. The main function of a court should be to decide controversies and not to operate a business.

Nevertheless, judges are confronted daily with such purely business questions, as what the terms of a lease shall be, the salaries to be paid officers, whether and when and in what quantities commodities to be used in manufacture should be purchased, whether money may be borrowed and machinery bought, whether seasonable commodities held by a secured creditor as collateral should be sold and if so, under what condition. Equally numerous, and indeed greater in variety, are the business enterprises that come to the Federal courts on the wings of 77B. Thus we have a swing from dairies to breweries, coal yards, lumber, cement, wines and liquors, hotels and apartment houses, shoes, furniture, even kiddie shops have sought relief in our court. An administrative medium, even at the risk of setting up another bureau of control, would seem to be indicated as a wise expedient, providing always there be reserved the right of judicial review.

Another judicial function to be exercised is the consideration of the fairness of the plan proposed. This in part calls also for the exercise of a business judgment, even though the court will not desire to work out a plan itself nor hazard its own business judgment to supplant that of those who supply the capital for the new enterprise. However, since creditors of all classes and indeed all interested parties are given a free opportunity to be heard, the court is thus ordinarily provided with sufficient data with which to determine the question of fairness of the plan. Each case will present its own problem. The language of the act is clear. It forbids confirmation of a plan unless the court is satisfied that it is "fair and equitable and does not discriminate unfairly in favor of any class of creditors or stockholders."

As I indicated at the outset, this is not intended as a technical paper for lawyers, and in consequence no attempt was made to present a detailed analysis of the foregoing sections of the chapter in aid of debtors. An appraisal at the moment seems to be premature, though it may be said that the main objective of the legislation in many cases is being attained. There remains, however, the broader question suggested in the 1934 majority report of the committee on bankruptcy of the American Bar Association as to whether, in view of the ratio of debts to wealth in this country, in the effort to establish a national recovery, the relief afforded does more than ease restricted credits and distressed property and bring some readjustment, but without effecting with dispatch a debt reduction of significant proportions.

CAN WE PAY AS WE GO?—ADDRESS BY GOVERNOR LA FOLLETTE

Mr. COSTIGAN. Mr. President, on January 9, 1936, Wisconsin's Progressive Governor, Philip F. La Follette, discussed at the Town Hall in New York City, in the light of experiences in the State of Wisconsin, the important question of government fiscal policy which is being more and more currently debated, *Can We Pay as We Go?* I ask unanimous consent to have this address printed in the CONGRESSIONAL RECORD.

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

Mr. Chairman, ladies, and gentlemen, the State of Wisconsin has followed the pay-as-you-go policy for more than 80 years. It has met its responsibilities as generously as any. It has a public-school system from kindergarten through university; a public-health service second to none; a model system of highways. It pioneered in legislation protecting men and women from the hazards in industry and abolishing child labor. It originated and leads America in vocational education, which is an important factor in the outstanding technical skill of our workers. It led in agricultural research, education, and in establishing high standards of quality and purity, which are factors in Wisconsin's leading position as a dairy State. It pioneered with workmen's compensation, and was the first State to enact and put into operation unemployment insurance. It was the first State government to provide financial aid to help carry the burden of relief, and is among the first to secure approval of its plan for old-age pensions.

I cite these facts, not to prove Wisconsin the best State, but to show that a State that follows the pay-as-you-go policy can at the same time provide generously for the needs of its people. The State of Wisconsin has paid its bills out of each year's income. The State government operates on a cash basis. We have paid our bills and do not owe anyone a dollar of indebtedness.

Progressive Wisconsin is not a new convert to the idea of balancing the budget and paying as we go. We know out of long experience that it is a sound financial policy. But more, we know that it promotes honesty and efficiency, eliminates waste, and compels governments to face facts. Where the taxpayer gets his bill annually for the expenditures of his government he is deeply interested in that government. When it spends a dollar he knows it is his dollar, and he does not want it wasted. He is alert, and insists not only that there shall be no graft, but he insists that there shall be efficiency. He wants his money's worth.

The most effective cure for political pap in all its forms is a pay-as-you-go policy. It is no accident that a State like Wisconsin has perhaps the most efficient public service in America. Aside from thirty-odd administrative officers every employee of the State and its institutions is under civil service. But it does not stop with the State government. When citizens demand good government they demand it up and down. That is why municipal government has been out of partisan politics in Wisconsin for years. That is why our judicial system gives us an administration of justice that makes life and person safer there than in any other place in the United States. These things have come to pass, not because our politicians do not like political patronage. But political pap and good government do not go together. Our voters demand efficient government; and the voters, in this, as in most things, get what they demand.

But America as a whole has not followed this policy. Those governments that have not followed it cannot expect to attain it overnight. They must be prepared to pay the price. That price is willingness to levy and collect the taxes each year to pay that year's bills. Those governments that have piled up debts "cannot have their cake and eat it, too." For years States like Wisconsin have been ridiculed and assailed because we did raise the taxes to pay our bills. We were charged with being radical, unfriendly to business, and driving industry out of the State. It is only natural that we are pleased today when a great leader of American industry says this about Wisconsin:

"Because of its honest government, wise use of taxing powers, and natural advantages, Wisconsin is one of the most attractive States in the Nation for manufacturers. Wisconsin has paid its way as it has gone, and there has been no scandal, graft, or corruption. . . . If Wisconsin continues to use its tax power wisely, it will find itself advantageously situated in comparison with other States."

We who pay as we go face facts. We cannot evade thinking by borrowing. When our State raises a dollar to meet the problems of the depression we have to dig down and bring up a dollar in cash. We cannot issue bonds, or give our note to a banker. We cannot postpone or evade thinking about the problems of unemployment by mortgaging the future to buy groceries and fuel for unemployed.

In order to pay cash, there must be enough income to meet the bills. The Government's income comes from taxpayers. As the depression has eaten into the income of our taxpayers, so it has immediately reduced the revenues of the Government. States like Wisconsin are constantly aware that the only way to improve the State's income is first to improve the income of taxpayers. We cannot deceive ourselves by borrowing. We know today that we have just about reached the bottom of the tax barrel. We cannot go on in the future, as we have in the past, taking more and more out of our citizens' flattened pocketbooks to maintain millions of other human beings and billions of dollars worth of resources in idleness. We cannot borrow, so we are compelled to face the difficult and complex problem of unemployment. If we are to have balanced Government budgets, our people must first have the income to balance their own budgets.

All the wealth we have ever had or ever will have comes from the labor of man applied to our natural resources. We cannot create wealth by printing presses or waving a wand. Wealth comes from work, and poverty from idleness.

Since 1929 America has tolerated enforced idleness for millions of men and women and billions of dollars worth of material resources. This unemployment of human and material resources has cost us over one hundred and fifty billion dollars in lost income. But on top of that, we have had to pay doles out of our decreased income to support this unemployment. We are a rich country, but we are not rich enough to carry the cost of unemployment, either in terms of dollars or in terms of human character. Another way must be found.

The only way out—short of bankruptcy—is putting our resources to work creating greater wealth. How can it be done? The conservative claims these resources will go back to work when governments balance their budgets. "Restore confidence and capital will flow back into productive enterprise and put us all at work."

There is lack of confidence abroad in America. But its source is not loss of the gold standard, nor unbalanced budgets. The real cause is the undermining of confidence of millions of Americans in their own ability to earn their own living. Ten million unemployed—40,000,000 men, women, and children—who for over 6 years have lived in the richest land on earth, only to be told "we will feed you, but we have no work for you to do." That is the cancer that eats at the confidence of the American people. Give back to our people, and particularly to our younger men and women, faith in themselves, in their usefulness to our country, and faith in their own ability to find a place in our life, and you thereby restore their confidence in themselves and in the future of the Nation they inhabit.

We must turn our backs on trying to get rich by having less. We need more, instead of less. The Brookings report demonstrates that we had no overproduction even in 1929. To have supplied the American people with a modest standard of living in that year, we would have had to increase by three times the production of consumable goods. Today the backlog of unsupplied wants is enormous. Supplying the minimum needs, let alone increasing our standard of living, would today swamp every resource we have.

Our great economic objective should be to increase the total production of wealth in America. There is no sound reason why our national income should not be one hundred billions a year in 1937—that means doubling our income of today. But it can come only by all of us going back to work. Not raking leaves or digging ditches, but productive work which when completed leaves something needed and useful. There is more than \$100,000,000,000 of that kind of work waiting here in America—a job for every able-bodied person that needs one for years to come.

But equally, if not more important, we must turn our backs on the whole idea of something for nothing. We must return again to the wise and sound policy that America owes no able-bodied person a living, but that we do owe every able-bodied person a real chance to earn his own living. We must provide generously for old-age pensions, and a far broader and more adequately supported system of education for our youth. But for all the rest of us, it must be back to work. Not a penny of public money to support able-bodied persons in idleness, but millions to provide them with useful work. Thus, and thus alone, can we balance our budgets.

How will such a plan be paid for? A year ago I made a business proposition to the taxpayers of Wisconsin. That offer still stands. We are ready to launch a program. First, that will provide every able-bodied person with a chance to earn his own living from useful work at decent wages; second, that will finance the share to be paid by local units of government out of their current income without incurring a dollar of debt; third, that will completely wipe out the whole system of relief; fourth, that will provide an adequate and generous system of old-age pensions; fifth, that will not increase the taxation of our present incomes by a single dollar; sixth, the only tax of which will be based on increased income. If we make the taxpayers more money, they will pay a small slice of the extra money into the common pot to pay for it. It is a pay-as-you-go program—one that will pay for itself from the wealth and business it creates.

Thus you will see that I am convinced that this policy applies to extraordinary, as well as to ordinary expenditures of governments, though naturally the period for balancing an extraordinary expenditure must be longer than for ordinary. To make this policy effective it must be imbedded in the Constitution itself.

The deep underlying principle which supports "pay as you go" is moral responsibility, not responsibility for just dollars and cents but responsibility for the material and spiritual consequences of public policies. A deep sense of moral responsibility makes men formulate policies they believe in sufficiently not only to win with but to go down to defeat for. "Gold is tried in the fire, and acceptable men in the furnace of adversity." It is such men who can say in the face of adversity: "Neither the clamor of the mob nor the voice of power will ever turn me by the breadth of a hair from the course I mark out for myself, guided by such knowledge as I can obtain and controlled and directed by a solemn conviction of right and duty."

ADDRESS BY SECRETARY ICKES ON PUBLIC WORKS PROGRAM

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the *RECORD* an address delivered last night by Hon. Harold I. Ickes, Secretary of the Interior and Administrator of Public Works, before the Town Hall meeting

at the Shoreham Hotel in this city on Why I Favor a Program of Public Works.

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

WHY I FAVOR A PROGRAM OF PUBLIC WORKS

During the years that America was skimming the cream from off its rich natural resources it acquired a happy-go-lucky attitude toward life that has become traditional. We were taught to believe that the morrow would always take care of itself. We should trust entirely in the Lord, or what passed for the Lord in our materialistic minds. If one accumulated a greater share of wealth than a sound social system should permit anyone to have and to hold, what mattered it? It was notorious that in America it was only three generations from shirt sleeves to shirt sleeves and the poorest man under the flag might aspire in his turn to own a private yacht and send the women of his family abroad to buy a face lift of culture and a permanent wave of music and the arts. The rich man was to be looked up to and emulated; the poor man had only himself to blame.

When hard times befell we were not greatly concerned, because there were new lands just beyond to be had for the taking; fresh forests waiting for the woodsman's ax, undiscovered mines to be searched for and developed. But then came the day when it was forced upon the consciousness of even the most unregarding that our physical frontier had vanished into the western horizon; the shock of the discovery that our resources, rich and varied though they were, were not inexhaustible. Nor was this the whole of the depressing prospect. Our inventive genius outran even our incredible industrial expansion. The result was bitter competition for jobs of which there were fewer than composed the army of eager claimants for those jobs. With no new lands to turn over to the fast-growing farm population, to say nothing of the technological unemployed, where was work to be found for the hands, increasing in number every year, that eagerly reached out for work?

One of the gravest and most pressing problems that we face today is that of the standing army of our unemployed. No longer may we trust to luck unless we choose recklessly to laugh in the very face of inevitable disaster. We must find some means of supplying employment for those who are able and willing to work and thus sustain our population on a basis that approximates our supposed American standard of living. We must take an inventory of our national assets and on the foundation of that inventory plan for the future development of our America so as to make the best possible use of all our resources for the greatest good of the people.

I make this suggestion with not a little misgiving, because it has not been the American way. He who ventures to suggest the advisability of planning for the future is taking his very life into his hands. It simply is not done in the best American circles. We must reverse our forefathers and they never planned. When they had devastated one forest, they merely moved on to another. When they had exhausted the fertility of a farm in one section, there was always another farm a little farther on to be had for the taking. As I say, they never planned; they merely exploited. Ergo, we should not plan. Moreover, certain foreign countries have taken to planning and that makes it un-American for us to do likewise. It may be objected also that planning involves the use of our mental processes, and that implies a "brain trust." We have been properly ridiculed for drafting the brains of specialists to help us solve our social and economic problems. That is, too, un-American. Brains should be used not to help Government but to get what they can out of Government!

However, there are certain stark facts that confront us which, whether we relish it or not, are forcing a realistic tempering of the traditional American optimism that every citizen who is willing to work can find employment at a satisfactory job that will yield him and his family a comfortable living, which implies also a standard American education for his children, some modest luxuries, and a reasonable degree of leisure.

With the depletion of our natural resources there has gone hand in hand a sharp curtailment of opportunities for employment on the farms, in the mines, and in the factories. Year after year, due to improved processes, more produce and goods are being turned out with less human labor. The result is what has come to be known as technological unemployment. It has been estimated that in 1929, which was supposed to be the peak year of American prosperity for all time, there were in this country between two and two and a half million men ready and willing to work who could find no work to do. There seems to be no limit to the output of American inventors and technicians. And it is reasonable to suppose that, as time goes on, there will be more and more men unable to find employment for technological reasons.

What do we propose to do for these men? Without even making a struggle in their behalf, shall we endure the building up in this country of a permanent class to which we shall grudgingly dole out a bare living? Or shall we seriously address ourselves to the problem of creating worthwhile employment for all the men and women of America who want to sustain themselves by their own efforts in the honorable and traditional American manner?

It may not be the only way out, but to my mind, one of the soundest and most statesmanlike undertakings in which we could engage would be a system of useful public works, which, while taking up the slack in employment, at the same time would add

to our national assets. Obviously, such a program should not be undertaken unless it could be kept free of politics. The nature, the size, the extent, and the location of the projects should be determined by the best brains the country contains solely on the basis of the facts, unaffected by prejudice, or uninfluenced by those who possess power.

There should be no logrolling in making up the list of projects, no trading for parochial benefits after the manner in which our tariff laws have been written. That ancient and dishonorable institution, the American pork barrel, should be rolled down the precipice of public disapproval to burst its staves beyond repair on the hard rocks of a scientific and objective determination of what undertakings should have priority for the greatest good of the country as a whole. Projects should be built by the Federal Government, either on its own account or on some fair basis of cooperation with States or local communities or other beneficiaries, but wherever Federal money is given or loaned there should be strict Federal supervision to the end that a dollar in value shall be forthcoming for every dollar spent. All projects, insofar as possible, should be self-liquidating.

Personally I favor a program of public works in a time of unemployment, because, both socially and economically, it is much to be preferred to the dole. I hope that never again will America have to resort to direct relief in order to supply its unemployed employables with food and shelter and clothing. The dole is destructive of morale. Insidiously, it weakens the moral fiber, tending to develop a class whose sense of pride and personal integrity is permanently undermined. Not only is direct relief objectionable as a social measure, it is economically unsound. It does not pay for itself, to say nothing of earning a return upon the sums laid out. It merely keeps men and women and children from starving or freezing to death, because we are too humane, for the time being at least, to permit that.

When America decided on direct relief she had no other choice. We knew that we were in a desperate situation economically; that undetermined millions of people were unemployed; that banks were crashing to the right of us and to the left of us, carrying down with them the savings of many a depositor who, given those savings, could have gone along for at least another lap on his own economic power, but we merely sat and talked about our wonderful American initiative and resourcefulness, hoping—oh, so desperately hoping—that the last factory would not close nor the final bank fail before a new administration had come into power which we might hold responsible, in some degree at least, for the catastrophe that had overwhelmed us.

When that new administration did come into power, to its credit be it said that it lost no time in going to the rescue of communities that had exhausted their resources in taking care of their unemployed. We have done our best to see to it that no one went hungry in the United States. The cries of anguish that have gone up in the land have not so much been outbursts caused by the pangs of hunger, as they have been symptoms of economic sciatica which has affected the pocket nerves of the wealthier classes called upon to share their excess riches with those who in more fortunate times had by their labor and services contributed to the accumulation of those riches.

It has always seemed to me that one of the greatest failures in statesmanship in American history was that of not having ready a comprehensive and well-matured plan of useful public works and a determination to put that plan into effect as soon as we could hear the thunder of the depression upon the rocks. Senators WAGNER, LA FOLLETTE, and COSTIGAN, among others, had, I believe, been urging upon the floor of the Senate the formulation and adoption of such a program before and just after the full force of the economic hurricane struck us in the fall of 1929, but the administration in power, through ineptness or failure to grasp the real situation, proved to be unequal to the occasion.

There are sincere people who object that public works cannot stem the tide of such a depression as swept over the country in 1929. They say that England tried the plan and failed, and that we have attempted it only to discover its inadequacy. I express no opinion as to what may or may not have happened in Great Britain, because I have no first-hand knowledge of the facts, but so far as the United States are concerned, I have no hesitation in saying that the public-works theory has not failed here. It has never really been tried. We have dabbled with public works; we have done some wishful thinking about public works, but the principle has never been given a trial on a scale commensurate with our needs and adequate to the situation. Notwithstanding, I believe that our program, tentative though it has been, has more than justified itself.

In June of 1933 the National Industrial Recovery Act appropriated \$3,300,000,000 for public works. From the Emergency Appropriation Act of 1934, \$396,500,000 more were made available. In the spring of 1935 Congress drew on the Treasury for a further sum of \$4,800,000,000, of which \$445,047,762 went for public works. In addition to these congressional appropriations we have a revolving fund into which has gone money received from the sale through the Reconstruction Finance Corporation of bonds taken by the Public Works Administration in making loans for local projects. Already we have sold about \$302,638,000 worth of such bonds. This money has been available for additional loans on other local projects to create more employment.

I might interject here that we have made a profit for the Government of more than \$4,750,000 on the bonds that have been sold thus far. I might say also that the investment bankers who purchased these securities through the Reconstruction Finance Corporation and paid this \$4,750,000 profit to the Government could

have bought them at the original price paid by us if they had had a little more of that confidence in the future of America which they insist is so essential to recovery.

It would appear from the foregoing figures that P. W. A. has appropriated and allotted for investment during the past 2½ years a total sum of \$4,444,000,000 in round numbers. But this is not quite the true story. While Congress appropriated or made available sums totaling this amount the customary and usual appropriations for permanent improvements for the various departments of the Government were withheld, with the result that it was necessary to give them large allocations out of P. W. A. funds. Then, too, we were called upon to provide for the administrative expenses of many of the emergency agencies that were set up to fight the depression.

The fine C. C. C. program of the President originally was largely financed out of P. W. A. funds, and in the fall of 1933 he drew on us for \$400,000,000 for the Civil Works Administration. At the outset \$238,000,000 were transferred to the Navy for the ship-building program on which it is engaged in order to bring our fleet up to treaty parity. All told, approximately \$1,183,000,000 went to C. W. A., C. C. C., T. V. A., the Farm Credit Administration, and other recovery agencies, reducing the total sum available to P. W. A. from \$4,444,000,000 to about \$3,261,000,000.

Nor is this all. Subsequently it became necessary to impound out of our unappropriated and unobligated balances another \$310,000,000 in order to finance the Federal Emergency Relief Administration pending the passage of the Emergency Relief Appropriation Act of 1935. This left us a balance of approximately \$2,951,000,000. Through the sale of borrowers' securities and the release of a small portion of impounded funds the net result is a final sum of about \$3,000,000,000 for 2½ years, or an average of \$1,200,000,000 a year, for the real public-works program.

Of course, a billion dollars a year looks like a good deal of money, but when it is considered in connection with what was customarily spent on the average for new construction in the United States during the years just prior to the depression, it is truly insignificant.

The total volume of construction work in normal times in the United States is not definitely known, but various experts have estimated that in the peak years of the 1920's from eleven to fifteen billions of dollars was the annual outlay. Let us be conservative and call it twelve billions. These twelve billions during the depression fell off to a sum of from three and a half to four billion dollars annually, which means a shrinkage in outlay for construction work of, let us say, \$8,000,000,000 a year. Contrast this \$8,000,000,000 with the average of \$1,200,000,000 spent annually under the public-works program. Or, to tell the story in gross sums, we have \$30,000,000,000 spent in 2½ years prior to the depression as against about twelve billions for a like period during the depression.

Am I not right, on the basis of these figures, in suggesting that the public-works theory has never really been tried, and therefore cannot have failed in the United States? Yet some people have expected this sum to pulse through the arteries of trade in the same volume and with the same reinvigorating effect as the eleven to fifteen billions of dollars whose place it has been trying so bravely to fill. It was like sending out a tugboat to capture the Atlantic fleet. Instead of siphoning enough money into the channels of trade through the construction of substantial public works to do a recovery job we have been using an eye dropper. And the resulting drop in the eye to the indiscriminating has seemed to be as big as a house.

I anticipate that through the minds of some of you there may be running the thought that conveniently I am ignoring the large sum of money allocated for the work-relief program under the act of 1935. I have not overlooked this important factor. I will even admit that some of this money has gone for public works, but, generally speaking, only a small part of it has been spent for public works of the type that I have in mind. About \$928,000,000 of the \$4,800,000,000 appropriated in 1935 were allocated for direct relief, while more than \$1,000,000,000 of this sum have been, or are being, spent on projects which are fully justified although they may not come within the classification of public works under discussion. The allocation of every cent of this money was proper and in the public interest. It represents a necessary and justified investment in character and morale.

As I have already said, if the Nation should determine upon a policy of public works in times of unemployment, it should plan ahead. Careful advance planning and the maintenance of a skeleton organization that can be expanded to meet any need will mean that if, unhappily, we are called upon to endure another depression, the idling engine can be thrown into high gear instantly. Delays that were unavoidable because of lack of preparedness when the present program was undertaken in 1933 need not impede the speedy undertaking and carrying out of public-works programs in the future. We must not repeat the experience of 1933, when, without a single plan, mature or immature, and without an organization, the national administration was suddenly called upon to undertake a program of public works practically overnight.

Considering the difficulties that confronted us, we are entitled to feel proud of the record that we have made. So far, disbursements under the first program total approximately \$1,900,000,000, and it is estimated that some 3,400,000 man-years of direct and indirect employment have been created. It is to be remembered that these figures do not include the money spent and the vast amount of work created under the programs of C. C. C., C. W. A., and T. V. A.

Practically all of the 15,000 Federal projects included in the first public-works program have been completed. Large projects such

as the Columbia River Basin development, Casper-Alcova, and Fort Peck Dam remain on the dwindling list of uncompleted undertakings. Considerably more than half of the 4,000 non-Federal projects undertaken under this same program have been completed and are in use. The \$200,000,000 worth of railroad rehabilitation and equipment construction is 95 percent finished.

The remaining projects under the first program are being pushed to completion rapidly as our new program, including 4,166 non-Federal projects and 37 additional slum-clearance and low-rent housing projects, is getting quickly under way. With respect to 4,149 of the new non-Federal projects and the 37 housing undertakings, construction contracts had been let on January 16 last, or they were being advertised for bids. These call for an expenditure of approximately \$849,000,000.

Although our current program is somewhat smaller than the first, it will, nevertheless, result in over three-quarters of a billion dollars worth of construction.

I am confident that any fair-minded and impartial critic, after studying the record, would say that the public-works job of this administration has not only been well and honestly done but that, considering all the circumstances, it has been expeditiously carried out.

I say this, conscious though I am of certain hypercritical editorial writers, many of whom have never built a chicken coop, who have pounded out on their typewriters sage and informed opinions of the shortcomings of the Public Works Administration. I reflect also that politicians out of office and eager to get back in have joined in a loud chorus of "red tape" without going to the trouble to discover how little they knew about what was going on. Then there have been the critical chiselers, the grafters, and the corner-cutters who resented the loss of opportunities for illicit profits that are implicit in "haste makes waste" operations.

I conceived it to be one of my principal duties as Public Works Administrator to perform the tasks assigned to me in such a manner as to convince the people of the country that Government is able to build a great series of public works covering practically every county in the United States, not only in a workmanlike manner but substantially free from scandal. The result has been that communities that had come to regard corruption and graft and chiseling as inseparable from public construction have learned that such work can be as honestly and economically done by the public as by any prudent businessman. If we are to adopt the principle of public works during depression periods as a fixed policy of government, it was well worth proving, as we have done, that the taxpayers' money that goes into public works can be economically and honestly spent.

One of the most significant outgrowths of our present public-works program has been the institution by the President of what in effect is a national planning board. The name of this valuable instrumentality is the National Resources Committee. The heart and nerve center of that committee is an advisory board, of which that able, devoted, and distinguished citizen of Washington, Mr. Frederic A. Delano, is chairman. Another member is Dr. Charles E. Merriam, of the University of Chicago, and until he resigned recently, Dr. Wesley C. Mitchell, of Columbia University. Two new members are Messrs. Beardsley Ruml and Henry S. Dennison. Mr. Charles W. Eliot, 2d, has served as executive officer of this board.

I know of no agency of Government that has done more effective and outstanding work than this advisory board—and all without any blaring of trumpets. Under its leadership, there have been set up in every State except two, as well as in Alaska, planning committees that are working in close cooperation with the national committee. The result is that if and when there shall be occasion in the future for undertaking a public-works program, at least a comprehensive and carefully considered general national plan will be ready. I go so far as to express the hope that henceforth no public work will be undertaken anywhere by the Federal Government until it has been approved by this national planning body, not only as to necessity and social importance, but as to priority. The days of the discredited pork barrel in the United States ought to be at an end forever.

According to the economists, the reason for, or the immediate result of, an economic depression is the stagnation of money in the circulatory system of commerce. Money is to trade and industry what blood is to the human body. An economic embolism means an immobile patient under the care of doctors and nurses. In order to cure the patient it is necessary to absorb the embolism and restore that normal and healthy circulation, without which business will continue to lie flat on its back.

Although recognizing this principle in the abstract, some timid statesmen and economists nevertheless insist that the Nation must not help to restore circulation, at least to the point of transfusing health-giving currency and credit from its own sounder body. Their reasoning seems to run along this line: Business must be stimulated; only the circulation of money can stimulate business; banks and private individuals possessing funds refuse to make use of them; the Government alone has both the money and the will to stimulate business; therefore the Government must not spend any money for this purpose, but, on the contrary, must keep at all times strictly within its budget.

One of the outstanding defenders of this illogical theory has been Mr. Lewis W. Douglas, former Director of the Budget, for whom I have a very genuine respect and personal regard. In his official capacity he did all he could to oppose the public-works program; and about a year ago, in a speech before the Wharton School of Finance and Commerce of the University of Pennsylvania, he said: "The huge obligations entered into on account of

public works, even if no further appropriations for public works are made, will continue for many years to constitute tremendous drains on the Federal Treasury."

Imagine a board of directors of a great corporation declaiming against the expenditure of money for the building of a badly needed fabrication plant because the obligation, if entered into, "would constitute a tremendous drain upon the resources of its treasury." This is not merely *laissez faire*; it is economic sclerosis. Needed or useful capital expenditures constitute assets and not liabilities. And at what better time can capital be invested in permanent improvements than in a period of depression, when it is comparatively cheap to build and when the employment of men will contribute to economic recovery?

If an investment in a permanent improvement constitutes an economic burden, then no addition to plant equipment in private ownership would ever be justified. As a matter of fact, the pursuit of this doctrine to its logical conclusion would inhibit not only additions to the plant but the initial building of the plant itself. It would mean that a man should not deposit money in a bank because the banker might lend it to an industrialist to increase the operating capacity of his factory. The only sound course to pursue would be to tie it up in the traditional sock and hide it under the mattress.

Many billions of dollars could properly be spent in the United States on permanent improvements that would add to our assets. Such spending would not only help us over depression periods, it would do much for the health, well-being, and prosperity of the people. I am unable to believe that providing an adequate water supply for a municipality or putting in a sewerage system is a wasteful outlay of money. Money spent in such fashion as to make our people healthier and happier human beings is not only a good social investment, it is sound from a strictly financial point of view. I can think of no better outlay, for instance, than money invested in education and health. In our first program, more than 24 percent of the 4,000 non-Federal projects were educational buildings, while in our present program the percentage is in excess of 50. Had it not been for public works, school construction in this country, already far below normal requirements, would indeed be in a sorry state today. Sound and well-trained minds in sound bodies would add more to the actual prosperity of this country, measured purely in money values, than anything else I can think of at the moment.

If we admit the theory that during a time of depression it is necessary to keep money pulsing in order to bring about a return of prosperity; and if the situation is such that, as has been the case during the last few years, only public monies, whether National, State, or local, are available to supply the circulation without which health cannot be restored to our economic system, then I submit that there is no choice except for the people en masse to do what individuals cannot or will not do. They must invest in the future of America. If America has the economic resiliency that we believe it to have, there is little risk in such adventuring, provided that we are reasonably prudent.

And if public moneys are to be put into circulation, always, of course, within the bounds of reason, I am convinced that the soundest, safest, and most beneficial manner in which this can be done is through a Nation-wide building program. There are several arguments that can be made for public work which, as it seems to me, are conclusive for this type of project, on the assumption that the Nation should undertake at all to join issue with a depression by directly stimulating employment.

In the first place, well-planned and built and worth-while public works constitute valuable assets. Directly or indirectly, they will yield a return to the community. In a very real sense, they will be self-liquidating. Even in those cases where they do not make an equivalent return in actual dollars and cents, such projects as waterworks, sewerage systems, schoolhouses, hospitals, and others that could be enumerated, do pay out handsomely, even if indirectly, through the beneficial services that they render.

Another advantage of the types of public works that are under discussion is the widespread stimulation to employment that they give. The value to the Nation of a project cannot be measured alone in terms of the actual employment at the site. The most ephemeral type of project may, while it is in progress, employ at the site a large number of men as compared with, let us say, a bridge or a schoolhouse. However, the aggregate of those employed, directly and indirectly, in building a bridge or a schoolhouse may be as large as, or larger than, the number put to work on a temporary project. It is the indirect employment which is one of the chief values of and justifications for substantial public works, as compared with unsubstantial construction. And the product is a permanent addition to the real wealth of the Nation.

Take the Pennsylvania Railroad project, for instance. Here was a straight loan to the Pennsylvania Railroad of approximately \$70,000,000 at 4 percent (be it noted in passing that the major portion of the securities taken by the Government for this loan was subsequently sold by us at a profit of more than \$2,000,000). This project consisted of finishing the electrification of the line from New York to Washington and of certain other portions of the road, of building new electric locomotives and freight cars, of changing old locomotives from passenger to freight, and of relining the old Union Tunnel in Baltimore. The project was completed in about 22 months. The direct employment numbered 15,000 men. The indirect employment probably ran to at least 30,000 men. The total employment, both direct and indirect, was scattered among 15 States.

Steel had to be fabricated, stone had to be quarried, concrete had to be manufactured, cars had to be built, trees had to be made

into lumber, copper had to be melted into transmission lines, electric locomotives had to be built, and all of these materials and the final products into which they were transformed had to be transported from points of origin to final destinations.

A similar story could be told of every project of a substantial character that is built. The benefits percolate into many communities in widely separated States. We think of the great Boulder Dam as local to Nevada, yet many millions of the money that have gone into the construction of that record-breaking project have been expended in States lying east of the Mississippi River.

Another fortunate result flowing from a public-works program is the stimulation that it affords to the producers' goods industries. If, as economists seem to agree, the measure of the success in overcoming a depression is the measure of the quantity of producers' goods that are manufactured, then it stands to reason that whatever has the effect of stimulating the heavy-goods industries will, more quickly than anything else, bring us out of a depression. It is a well-known fact that the greatest stimulation that can be afforded to the heavy-goods industries results from the construction of projects calling for materials for the production of which those industries must be drawn upon or for machinery and tools required to produce those materials.

A public-works program has all of the attributes required to stimulate business and industry and thus make a frontal attack upon a depression. It also has social qualities of a high order. It puts money into circulation; it creates permanent and valuable assets in return for the money expended; it has a tonic effect upon the production of producers' goods; it gives men employment at worth-while jobs; it increases Federal revenues. In addition to providing work directly at the site, it calls back to factory and quarry and railroad still other men to produce and transport the materials that are used at the site. Its benefits are widely diffused. I submit that there is nothing else that can be undertaken by the Government that is so well calculated to put an end to a depression as is a carefully planned and executed program of public works. But enough money must be spent to give a real stimulation.

There is hardly any limit to the amount of money that can legitimately and wisely be spent on public works in this country over a series of years. I will not pause to dwell on the need in every part of the land for schools, for sewerage systems, for new or improved waterworks, for power plants, or for public construction of other sorts. But if I may, I will refer briefly to certain types of monumental public works that can be done on a national scale.

Three magnificent superhighways could be built from the Atlantic seaboard to the Pacific coast unmarred by billboards, hot-dog stands, or indiscriminately located service stations. These longitudinal highways could be bisected by three or four similar ones running from Canada to the Mexican border, or to the Gulf coast. The westernmost of these North-South highways, with the consent of and in cooperation with our neighbor, Canada, could extend into Alaska. And, strange as it may seem, the best opinion is that this road would be open to travel for the greater part of the year. Similarly, one or two of these highways, if Mexico and our other neighbors farther south were willing, could stretch across Mexico and the countries of Central America down to the Canal Zone.

And why not consider lighting our highways? This would permit safe hauling of heavy freight at night and provide less dangerous traffic conditions in the winter months when the days are short.

I have long desired to see the elimination of every grade crossing in the United States, excepting only those on insignificant spur and branch lines that are scarcely ever used. Here indeed is an enterprise to engage the interest of the richest nation in the world. In these days of heavy motor traffic on many thousands of miles of improved roads radiating into every nook and corner of the United States, the question of grade crossings is one of grave public concern; all the more so since our railroads, in order to meet the competition of airplanes and motor trucks and busses, are putting on lighter and faster trains.

It stands to reason that, as motor vehicular traffic increases and additional light and fast trains are put into service by the railroads, our grade crossings will become sources of even greater danger than they are at present. Our casualty list grows longer every year until it has become a matter of major importance. Nor should grade-crossing elimination be restricted to junctures between highways and railroads. In many parts of the United States where vehicular traffic is unusually heavy there should be grade separation at highway crossings. Not only would there be a precious saving in human life flowing from a separation of grade crossings, there would be a notable resulting economy in dollars and cents, to say nothing of the saving in time.

There are other great projects to be undertaken. The United States, in cooperation with local authorities, could enter upon a program for the correction of stream, lake, and coastal waters pollution. What a wonderful thing it would be if once again our streams were so pure that fish could live in all of them, that our children could swim without danger of contracting loathsome diseases, and that a dependable supply of uncontaminated water for domestic uses would be available. We could renew our forests more rapidly than we have done so far. Hundreds of millions of dollars are required for erosion correction and control. What remains of the public range requires careful attention if we are to maintain flocks and herds to supply our needs. (Of course, if our natural resources had been wisely and prudently used, it would not be necessary for us now and in the future to tax ourselves until it hurts in order to repair the ravages that are the direct

result of uncontrolled and ruthless exploitation by selfish and greedy men). Large sums of money could profitably be spent on flood control and on river and harbor improvement. Not the pork-barrel type of project but improvements that are needed and which will yield returns to the country in the future, both social and economic.

In the arid West there are still waters running to waste that can be impounded and used for the irrigation of immensely rich soil that is capable of furnishing homesteads for hundreds of thousands of happy and prosperous American families. That it will be necessary, in support of a sound national economy, sooner or later, to irrigate every acre of land in the United States which, if put under water, will yield profitable crops to the farmers, is not to be doubted. The fact that it is expedient now to restrict farm production is, in my judgment, only a temporary measure forced upon us as the result of past economic imprudences. If we are going to raise our standard of living—and that is something that we must and will do if we are to realize the ideal of America—we will need more food and not less food; more clothing and not less clothing; more shelter and not less shelter. This will mean that the land will be called upon to produce whatever it is able to produce to advantage, and this in its turn will mean more irrigation projects, especially in the great West.

When we consider irrigation we naturally think also of hydro-electric power. Great national projects for the production and distribution of power are something to which the Government can turn its hand in the future for the benefit of the people. Other Boulder Dams remain to be built. The many-sided Tennessee Valley experiment can be reproduced in varying degrees and on different scales in widely separated parts of the country.

Transcending in importance even great transcontinental highways or reclamation projects, or in fact any of the types of public works already referred to, would be a program of low-cost housing undertaken in all parts of the country. I can think of nothing in the way of building that would be so fully worthwhile or which would have such a quick regenerating effect upon stagnating business. I have been, and continue to be, more interested in low-cost housing than in any other phase of public works. It might be said that the nature and the extent of the housing that America provides for those in the lowest-income groups is the real measure of our civilization. We talk about building power projects here and there as yardsticks with which to measure the reasonableness of the charges of private plants. In a true sense, the insanitary, disease-breeding, vice-ridden, and fetid slum areas that can be found in every part of the United States is a measuring rod, and a shocking one at that, of man's inhumanity to man in a supposedly civilized and humanitarian country. For my part I would not take it amiss, if, during the next depression, every cent of the large public-works funds that we ought to appropriate should go into decent houses for those in the lowest-income groups. I am confident that such an investment would prove, from every point of view, to be the soundest that as a people we have ever made.

In fact, as I have indicated, there is practically no limit to the worth-while physical improvements that can be made in this country. But I want to repeat that any program of public works should be carefully planned in advance. It should be free from politics. It should be grounded firmly upon the principle of the greatest good to the greatest number of the people. I hope that we will never go through another depression, especially such a one as that from which, as I trust, we are now emerging. But there have been depressions, many of them, in the past, and there may be others in the future, to bring us to our knees for our economic sins.

My own belief is that if we return to the old happy-go-lucky system of laissez faire we may expect other depressions that will be our just due. But we may at least hope that there is wise enough statesmanship and sufficient general intelligence in this country to profit by the experience of the recent past so that we will be prepared to meet them wisely and with courage. And in my opinion, we will not meet them wisely unless we have fully prepared our blueprints for a comprehensive and far-flung program of useful public works. Nor will we meet them with courage unless we are prepared to spend sums of money adequate to the need. We may not always be able to prevent fires, but at least we can keep them from spreading if we have trained and experienced firemen, up-to-date equipment, and a ready and sufficient supply of water.

ELECTRIC RATES IN WEST VIRGINIA

Mr. HOLT. Mr. President, I present certain data relative to electric rates in West Virginia, which I ask may be published in the RECORD.

There being no objection, the paper was ordered to be printed, as follows:

ELECTRIC RATES IN WEST VIRGINIA

WEST VIRGINIA

Estimated annual revenue, \$19,733,946. Estimated annual saving under T. V. A. rates, \$6,955,093. Estimated annual saving under Tacoma rates, \$8,272,874. Estimated annual saving under Ontario rates, \$8,805,681.

BARBOUR COUNTY

Estimated annual revenue, \$217,073. Estimated annual saving under T. V. A. rates, \$76,517. Estimated annual saving under Tacoma rates, \$91,002. Estimated annual saving under Ontario rates, \$96,862.

BERKELEY COUNTY

Estimated annual revenue, \$315,743. Estimated annual saving under T. V. A. rates, \$111,298. Estimated annual saving under Tacoma rates, \$132,366. Estimated annual saving under Ontario rates, \$140,891.

BOONE COUNTY

Estimated annual revenue, \$276,275. Estimated annual saving under T. V. A. rates, \$97,385. Estimated annual saving under Tacoma rates, \$115,820. Estimated annual saving under Ontario rates, \$123,280.

BRAXTON COUNTY

Estimated annual revenue, \$256,541. Estimated annual saving under T. V. A. rates, \$90,429. Estimated annual saving under Tacoma rates, \$107,547. Estimated annual saving under Ontario rates, \$114,474.

BROOKE COUNTY

Estimated annual revenue, \$276,275. Estimated annual saving under T. V. A. rates, \$97,385. Estimated annual saving under Tacoma rates, \$115,820. Estimated annual saving under Ontario rates, \$123,280.

CABELL COUNTY

Estimated annual revenue, \$1,045,899. Estimated annual saving under T. V. A. rates, \$368,673. Estimated annual saving under Tacoma rates, \$438,462. Estimated annual saving under Ontario rates, \$466,701.

CALHOUN COUNTY

Estimated annual revenue, \$118,404. Estimated annual saving under T. V. A. rates, \$41,737. Estimated annual saving under Tacoma rates, \$49,637. Estimated annual saving under Ontario rates, \$52,834.

CLAY COUNTY

Estimated annual revenue, \$157,872. Estimated annual saving under T. V. A. rates, \$55,649. Estimated annual saving under Tacoma rates, \$66,183. Estimated annual saving under Ontario rates, \$70,445.

DODDGE COUNTY

Estimated annual revenue, \$118,404. Estimated annual saving under T. V. A. rates, \$41,737. Estimated annual saving under Tacoma rates, \$49,637. Estimated annual saving under Ontario rates, \$52,834.

FAYETTE COUNTY

Estimated annual revenue, \$828,826. Estimated annual saving under T. V. A. rates, \$292,156. Estimated annual saving under Tacoma rates, \$347,461. Estimated annual saving under Ontario rates, \$369,839.

GILMER COUNTY

Estimated annual revenue, \$118,404. Estimated annual saving under T. V. A. rates, \$41,737. Estimated annual saving under Tacoma rates, \$49,637. Estimated annual saving under Ontario rates, \$52,834.

GRANT COUNTY

Estimated annual revenue, \$98,610. Estimated annual saving under T. V. A. rates, \$34,780. Estimated annual saving under Tacoma rates, \$41,364. Estimated annual saving under Ontario rates, \$44,028.

GREENBRIER COUNTY

Estimated annual revenue, \$414,413. Estimated annual saving under T. V. A. rates, \$146,078. Estimated annual saving under Tacoma rates, \$173,730. Estimated annual saving under Ontario rates, \$184,919.

HAMPSHIRE COUNTY

Estimated annual revenue, \$138,138. Estimated annual saving under T. V. A. rates, \$48,693. Estimated annual saving under Tacoma rates, \$57,910. Estimated annual saving under Ontario rates, \$61,640.

HANCOCK COUNTY

Estimated annual revenue, \$315,743. Estimated annual saving under T. V. A. rates, \$111,298. Estimated annual saving under Tacoma rates, \$132,366. Estimated annual saving under Ontario rates, \$140,891.

HARDY COUNTY

Estimated annual revenue, \$118,404. Estimated annual saving under T. V. A. rates, \$41,737. Estimated annual saving under Tacoma rates, \$49,637. Estimated annual saving under Ontario rates, \$52,834.

HARRISON COUNTY

Estimated annual revenue, \$888,028. Estimated annual saving under T. V. A. rates, \$313,024. Estimated annual saving under Tacoma rates, \$372,279. Estimated annual saving under Ontario rates, \$396,256.

JACKSON COUNTY

Estimated annual revenue, \$177,606. Estimated annual saving under T. V. A. rates, \$62,605. Estimated annual saving under Tacoma rates, \$74,456. Estimated annual saving under Ontario rates, \$79,251.

JEFFERSON COUNTY

Estimated annual revenue, \$177,606. Estimated annual saving under T. V. A. rates, \$62,605. Estimated annual saving under Tacoma rates, \$74,456. Estimated annual saving under Ontario rates, \$79,251.

KANAWHA COUNTY

Estimated annual revenue, \$1,795,789. Estimated annual saving under T. V. A. rates, \$633,004. Estimated annual saving under Tacoma rates, \$752,832. Estimated annual saving under Ontario rates, \$801,317.

LEWIS COUNTY

Estimated annual revenue, \$256,541. Estimated annual saving under T. V. A. rates, \$90,429. Estimated annual saving under Tacoma rates, \$107,547. Estimated annual saving under Ontario rates, \$114,474.

LINCOLN COUNTY

Estimated annual revenue, \$217,073. Estimated annual saving under T. V. A. rates, \$76,517. Estimated annual savings under Tacoma rates, \$91,002. Estimated annual saving under Ontario rates, \$96,862.

LOGAN COUNTY

Estimated annual revenue, \$670,954. Estimated annual saving under T. V. A. rates, \$236,507. Estimated annual saving under Tacoma rates, \$281,278. Estimated annual saving under Ontario rates, \$299,393.

M'DOWELL COUNTY

Estimated annual revenue, \$1,026,165. Estimated annual saving under T. V. A. rates, \$361,717. Estimated annual saving under Tacoma rates, \$430,189. Estimated annual saving under Ontario rates, \$457,895.

MARION COUNTY

Estimated annual revenue, \$769,624. Estimated annual saving under T. V. A. rates, \$271,288. Estimated annual saving under Tacoma rates, \$322,642. Estimated annual saving under Ontario rates, \$343,422.

MARSHALL COUNTY

Estimated annual revenue, \$453,881. Estimated annual saving under T. V. A. rates, \$159,990. Estimated annual saving under Tacoma rates, \$190,276. Estimated annual saving under Ontario rates, \$302,531.

MASON COUNTY

Estimated annual revenue, \$236,807. Estimated annual saving under T. V. A. rates, \$83,473. Estimated annual saving under Tacoma rates, \$99,275. Estimated annual saving under Ontario rates, \$105,668.

MERCER COUNTY

Estimated annual revenue, \$690,688. Estimated annual saving under T. V. A. rates, \$243,463. Estimated annual saving under Tacoma rates, \$289,551. Estimated annual saving under Ontario rates, \$308,199.

MINERAL COUNTY

Estimated annual revenue, \$236,807. Estimated annual saving under T. V. A. rates, \$83,473. Estimated annual saving under Tacoma rates, \$99,275. Estimated annual saving under Ontario rates, \$105,668.

MINGO COUNTY

Estimated annual revenue, \$434,147. Estimated annual saving under T. V. A. rates, \$153,034. Estimated annual saving under Tacoma rates, \$182,003. Estimated annual saving under Ontario rates, \$193,725.

MONONGALIA COUNTY

Estimated annual revenue, \$572,284. Estimated annual saving under T. V. A. rates, \$201,727. Estimated annual saving under Tacoma rates, \$239,913. Estimated annual saving under Ontario rates, \$255,365.

MONROE COUNTY

Estimated annual revenue, \$138,138. Estimated annual saving under T. V. A. rates, \$48,693. Estimated annual saving under Tacoma rates, \$57,910. Estimated annual saving under Ontario rates, \$61,640.

MORGAN COUNTY

Estimated annual revenue, \$98,670. Estimated annual saving under T. V. A. rates, \$34,780. Estimated annual saving under Tacoma rates, \$41,364. Estimated annual saving under Ontario rates, \$44,028.

NICHOLAS COUNTY

Estimated annual revenue, \$236,807. Estimated annual saving under T. V. A. rates, \$83,473. Estimated annual saving under Tacoma rates, \$99,275. Estimated annual saving under Ontario rates, \$105,668.

OHIO COUNTY

Estimated annual revenue, \$828,826. Estimated annual saving under T. V. A. rates, \$292,156. Estimated annual saving under Tacoma rates, \$347,461. Estimated annual saving under Ontario rates, \$369,839.

PENDLETON COUNTY

Estimated annual revenue, \$118,404. Estimated annual saving under T. V. A. rates, \$41,736. Estimated annual saving under Tacoma rates, \$49,637. Estimated annual saving under Ontario rates, \$52,834.

PLEASANTS COUNTY

Estimated annual revenue, \$78,936. Estimated annual saving under T. V. A. rates, \$27,824. Estimated annual saving under Tacoma rates, \$33,092. Estimated annual saving under Ontario rates, \$35,223.

POCAHONTAS COUNTY

Estimated annual revenue, \$157,872. Estimated annual saving under T. V. A. rates, \$55,649. Estimated annual saving under Tacoma rates, \$66,183. Estimated annual saving under Ontario rates, \$70,445.

PRESTON COUNTY

Estimated annual revenue, \$335,477. Estimated annual saving under T. V. A. rates, \$118,254. Estimated annual saving under Tacoma rates, \$140,639. Estimated annual saving under Ontario rates, \$149,697.

PUTNAM COUNTY

Estimated annual revenue, \$197,339. Estimated annual saving under T. V. A. rates, \$69,561. Estimated annual saving under Tacoma rates, \$82,729. Estimated annual saving under Ontario rates, \$88,057.

RALEIGH COUNTY

Estimated annual revenue, \$769,624. Estimated annual saving under T. V. A. rates, \$271,288. Estimated annual saving under Tacoma rates, \$322,642. Estimated annual saving under Ontario rates, \$343,422.

RANDOLPH COUNTY

Estimated annual revenue, \$276,275. Estimated annual saving under T. V. A. rates, \$97,385. Estimated annual saving under Tacoma rates, \$115,820. Estimated annual saving under Ontario rates, \$123,280.

RITCHIE COUNTY

Estimated annual revenue, \$177,606. Estimated annual saving under T. V. A. rates, \$62,605. Estimated annual saving under Tacoma rates, \$74,456. Estimated annual saving under Ontario rates, \$79,251.

ROANE COUNTY

Estimated annual revenue, \$217,073. Estimated annual saving under T. V. A. rates, \$76,517. Estimated annual saving under Tacoma rates, \$91,002. Estimated annual saving under Ontario rates, \$96,862.

SUMMERS COUNTY

Estimated annual revenue, \$236,807. Estimated annual saving under T. V. A. rates, \$83,473. Estimated annual saving under Tacoma rates, \$99,275. Estimated annual saving under Ontario rates, \$105,668.

TAYLOR COUNTY

Estimated annual revenue, \$217,073. Estimated annual saving under T. V. A. rates, \$76,517. Estimated annual saving under Tacoma rates, \$91,002. Estimated annual saving under Ontario rates, \$96,862.

TUCKER COUNTY

Estimated annual revenue, \$157,872. Estimated annual saving under T. V. A. rates, \$55,649. Estimated annual saving under Tacoma rates, \$66,183. Estimated annual saving under Ontario rates, \$70,445.

TYLER COUNTY

Estimated annual revenue, \$138,138. Estimated annual saving under T. V. A. rates, \$48,693. Estimated annual saving under Tacoma rates, \$57,910. Estimated annual saving under Ontario rates, \$61,640.

UPSHUR COUNTY

Estimated annual revenue, \$197,339. Estimated annual saving under T. V. A. rates, \$69,561. Estimated annual saving under Tacoma rates, \$82,729. Estimated annual saving under Ontario rates, \$88,057.

WAYNE COUNTY

Estimated annual revenue, \$355,211. Estimated annual saving under T. V. A. rates, \$125,210. Estimated annual saving under Tacoma rates, \$148,912. Estimated annual saving under Ontario rates, \$158,502.

WEBSTER COUNTY

Estimated annual revenue, \$157,871. Estimated annual saving under T. V. A. rates, \$55,649. Estimated annual saving under Tacoma rates, \$66,183. Estimated annual saving under Ontario rates, \$70,445.

WETZEL COUNTY

Estimated annual revenue, \$256,541. Estimated annual saving under T. V. A. rates, \$90,429. Estimated annual saving under Tacoma rates, \$107,547. Estimated annual saving under Ontario rates, \$114,474.

WIRT COUNTY

Estimated annual revenue, \$78,936. Estimated annual saving under T. V. A. rates, \$27,824. Estimated annual saving under Tacoma rates, \$33,091. Estimated annual saving under Ontario rates, \$35,223.

WOOD COUNTY

Estimated annual revenue, \$651,220. Estimated annual saving under T. V. A. rates, \$229,551. Estimated annual saving under Tacoma rates, \$273,005. Estimated annual saving under Ontario rates, \$290,588.

WYOMING COUNTY

Estimated annual revenue, \$236,807. Estimated annual saving under T. V. A. rates, \$83,473. Estimated annual saving under Tacoma rates, \$99,275. Estimated annual saving under Ontario rates, \$105,668.

SOIL EROSION AND ITS CONTROL IN THE UNITED STATES

Mr. HAYDEN. Mr. President, I ask to have printed in the CONGRESSIONAL RECORD an address entitled "Soil Erosion and Its Control in the United States", delivered by Dr. Walter C. Lowdermilk, associate chief of the Soil Conservation Service, at the Third International Congress of Soil Science in London, England, on August 7, 1935.

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

Soil wastage from accelerated erosion has been heralded in a dramatic way by unprecedented dust storms in the United States during the spring months of the past 2 years. Gigantic clouds of dust have been blown aloft out of the Great Plains region, blotting out the sun at midday, and, as an ominous yellow pall, have swept eastward over a front of hundreds of miles up to 10,000 feet in height. For the first time in history dust clouds blown out of the farm fields of western Kansas, Texas, Colorado, Oklahoma, and Nebraska have repeatedly cast a yellow gloom over cities of the Atlantic seacoast. The dust cloud of May 11, 1934, was observed 300 miles offshore in the Atlantic. Choking dust storms arising from wind erosion of unprotected soils of the Great Plains paralyzed traffic, interrupted train service, made life intolerable, even to taking toll of human lives caused by "dust pneumonia." Newspapers carried startling accounts of the necessity of burning street lights during the day, of the blocking of roads with drifted soil, and of blowing soil out of fields down to plow depth. These repeated dust storms on such a gigantic and fearsome scale have been effective as never before in calling the attention of the American people to the problems of soil wastage in erosion by wind and by water.

The wastage of the basic and indispensable resource of the country—the soil—has become one of the most important problems confronting the Nation. Within a short period of 300 years the agricultural and plains grazing lands have been transformed from their pristine fertility to a state of progressive and menacing depletion as a result of accelerated and unrestrained soil erosion. The economic and social aspects of this tragic transformation have been tremendous. The acceleration of erosion in the East and in the South, in the North and in the West, has exacted an enormous cost to the Nation, as measured by soil depreciation and reduced crop yields alone; and has carried with it consequences of first importance to the permanence of investments in billions of dollars in river navigation, water power, municipal water-supply reservoirs, irrigation, agriculture, and grazing. Accelerated erosion has combined with and speeded up runoff of surface water from bared and cultivated slopes to accentuate flood peaks and to augment the cutting and transporting power of stream flow. Equally significant has been the transformation of fertile soils by the sorting action of flood flows into sterile overwash sands on alluvial bottom lands and into troublesome sediments in stream channels and reservoirs.

It is my purpose in this paper to examine in a broad way the problem of soil erosion or man-induced erosion and its control in the United States. The subject falls naturally into three parts: first, a review of the condition of the Americas when the English colonists cleared their first corn fields; second, the present condition of the land after three centuries of agricultural exploitation; and, third, measures that are being taken to meet the menace and challenge of soil erosion to the people of the United States.

I

By one of the most remarkable facts of history the North American Continent, as well as South America, was isolated from the Old World during the long and tedious rise of its civilizations and was preserved in pristine beauty and fecundity, in waiting for the establishment of new nations and a new civilization.

The structure of the North American Continent was vast, extending 3,000 miles from east to west, and from the frozen wastes of the Arctic to the luxurious forests of the Tropics. More than a third of the land comprised the great central valley of the Mississippi River, which Adams calls the most spacious habitation for human life to be found in the world. Of the area confined within the limits of the United States embracing nearly 2,000,000,000 acres, nearly one-half, or 820,000,000 acres were covered with primeval forests of great density. A squirrel might have leaped from bough to bough for a distance of a thousand miles and have seen scarcely a flicker of sunshine on the ground, so contiguous were the tree crowns and dense the foliage. The giant Sequoia trees of the Pacific coast, some with 4,000 annual rings, are the oldest living things in the world. Great mountain ranges flanked the valleys and rose in lofty peaks to the zone of perennial snows.

Nearly a third of the land area was occupied by broad expanses of grasslands, across which roamed great herds of buffalo and antelope and furnished the red men with happy hunting grounds prior to the white man's arrival. Absolute desert spread over only 2.5 percent of the area. The remainder of the land 405,000,000 acres, was occupied by open woodland, mountain waste, and water surface. Buried deep under the soils were fabulous riches of coal and iron, silver and gold, copper and oil. And a half-billion acres of virgin soils plenteous in the accumulated fertility of centuries were awaiting the plow. The few small clearings and irrigated patches cultivated to the hitherto-unknown crops of maize, to-

bacco, and sweetpotatoes were little indication of the potentialities of the land in huge crop production.

To the English colonists three centuries ago this was the land of promise; its resources exceeded the fondest dreams of an immigrant people. Except in an insignificant way the aborigines of North America had done little to cultivate the soil or to change the primeval character of vast expanses of the land surface and its vegetation. The coverage of vegetation and the soils protected by it were natural responses to long processes of interdependent soil and plant development under favorable climates. The streams, abundant in fish, bore oceanward the residue of precipitation waters that flowed gently from drainages of unbroken stands of vegetation. Such streams ran clear except in floods, when channel and bank erosion furnished the major burden of silt. Channel cutting and bank erosion generated soil creep down vegetated slopes and, supplemented by solution, served to sculpture and wear down the land with the leisure of geologic processes.

Where, however, comparatively rapid differential land uplift had occurred or within climatic zones too rigorous or too arid to support a complete coverage of vegetation, storm waters swept from unprotected surfaces substantial quantities of erosional debris into drainage streams. Processes of erosion proceeded in these instances at more rapid rates than elsewhere throughout the land. Streams such as the Missouri and the Colorado ran muddy throughout most of the year. The vast extent of soils suited to agriculture, however, had with few exceptions been built up under unbroken mantles of forest, woodland, or grass vegetation.

In the broad expanses of the country, from semitropical to boreal climates, from humid to arid zones, there spread before the eager colonists and settlers an infinite variety of rich promises and rewards for their efforts. By far the larger area was completely covered with vegetation ranging from grasses to dense forests. Such coverage had in the long period of interdependence of soil formation and plant succession protected the land surface from rain wash and favored the absorption of rain and melting snow by deep soils honeycombed and made porous by the burrowing of subterranean animals and insects and by plant roots. Little or no surface washing of soils occurred, and the slow process of soil formation had developed a wide variety of profiles of different ages.

Certainly under such conditions the processes of erosion, which the writer has termed "geologic norms of erosion" (1934), had not proceeded at rates in excess of those of soil formation. Beneath the protecting coverage of vegetation lay the nourishing soils, of varying depths, which were the products of intricate processes of soil formation during thousands of years. This fact is of fundamental importance in considering problems of soil conservation in long-time planning of land use. Erosion had not exceeded soil formation under these natural and little-disturbed conditions: The soil was maintained despite the geologic process of erosion.

II

Into this pristine continent entered the colonists and settlers with a burst of energy that began a transformation of the earth's surface at a rate never before equaled, and with it the creation of a civilization of fabulous wealth. There were reservoirs of population in Europe which supplied in a comparatively short time millions of vigorous and daring people to clear away the forests and to cultivate the soil at an astonishing rate in their westward march of agricultural occupation. It was no steady infiltration into undeveloped regions but a rapid advance over a wide front by farmers and stockmen with their plows and herds. Frontiers were pushed farther and farther westward at a pace that eliminated planning or thought of the effect of this occupation upon the sustained utility of the abundant resources that everywhere swept away to the horizon. The American people were engrossed in subduing the "wilderness", in felling the forest, in slaughtering the buffalo, in breaking the sod of the prairies and, in turn, the short-grass plains of the West. In his eagerness the settler became wasteful, thoughtless, and lost sight of his stewardship of the newly occupied continent.

Confronted by apparently limitless resources there developed in the minds of the colonists and succeeding generations an attitude to develop and exploit the land as rapidly as possible with little regard for the consequences. This became the typical American attitude, heedless and unplanned land exploitation, without regard for continued or sustained use. If land "wore out", there was new land to clear in the West. The impelling motive in exploitation of resources, moreover, was complex and contained to a major degree the lure of large gains at low costs and with comparatively little effort. This early belief in the limitless expanse and resources of the new-found continent has persisted too long and played a villainous role in the wasteful practices of land use which now have become a recognized menace to continued national welfare.

The agricultural occupation of the land is completed. When President Franklin D. Roosevelt, by Executive order of November 26, 1934, withdrew the remaining public domain from homestead entry he brought to a close an era in American history, an era of land settlement and exploitation. All the good lands of the Nation are occupied. The frontier of new lands was pushed westward, ever westward, until it dissolved in the waters of the Pacific. And a new frontier now appears in the conservation of lands under cultivation.

Withal, it is only necessary here to call attention in this era of land exploitation to the significant changes in rate of erosional processes occasioned by the clearing of vegetation, the breaking of the soil with plows, and the heavy consumption of the forage

herbage by rapidly multiplying herds. Soils, which had been thoroughly protected through thousands of years of time by unbroken mantles of vegetation and had for this reason been weathered to fine textures, high organic contents, and good fertility, were suddenly exposed to the dash of customary torrential rains and to the blasts of winds over extensive areas. There began under these conditions a rate of erosion which was accelerated far above the rates that hitherto obtained. The significant fact of this period is that the rate of soil removed by rain wash and wind blasts greatly exceeded, and still does exceed, the rate of soil formation over vast areas—a sure process of soil destruction. Topsoils have been literally washed away, leaving raw, comparatively unproductive, unabsorptive, and intractable subsoil exposed at the surface, such as is conspicuous throughout the major agricultural soil provinces of the Nation, as the Piedmont Plateau, the areas of glacial and loessial soils, much of the Atlantic and Gulf Coastal Plains province, the Great Plains region, and the greater part of the crop and grazing areas of the West. Moreover, concentration of run-off has cut enormous gullies through topsoils (A horizons) into underlying materials (B and C horizons). These gullies are cutting headward and laterally into valuable farms, pasture, range, and forest lands, disgoring erosional debris upon alluvial bottom lands and into drainage channels. So enormous has been the work of accelerated water erosion as to reduce and destroy the productivity of millions of acres of farm and grazing lands of densely populated agricultural regions of the United States within the past century.

The first inventory on a national scale of the condition of the land as to erosion was made as a reconnaissance erosion survey by the Soil Conservation Service in 1934, under the immediate direction of Glenn L. Fuller, in charge of erosion surveys. The erosion map prepared from the reconnaissance shows the condition and extent of soil erosion, or accelerated erosion, besides the dominant soil types, the character of topography as expressed in degree of slope and present land use. Three general types of erosion were recognized, namely, (1) sheet erosion, including rill erosion; (2) gully erosion; and (3) wind erosion. No one type of erosion occurs alone; it was necessary to show conditions of the land as combinations of these major types of erosion. Gully erosion is easily noted; sheet erosion is less conspicuous but more wide-spread. The degree of sheet erosion is determined by the amount of truncation of the original soil profile. It was thus necessary to reconstruct the original soil profile from relict areas or from former soil surveys to determine the amount of loss of topsoils or a horizon of the profile.

For purposes of mapping conditions of the land as to erosion were classified into nine categories represented by numerical symbols. They are:

Condition of land as to erosion

Erosion symbol:

1. Little or no soil erosion; less than 25 percent of the topsoil lost.
2. Moderate sheet erosion, representing loss of 25 to 75 percent of topsoil.
3. Severe sheet erosion, representing loss of more than 75 percent of the topsoil.
4. Moderate wind erosion, representing small amounts of topsoil removed, accompanied by local accumulations, such as hummocks.
5. Severe wind erosion, where major amounts of surface soil are removed, usually associated with sandy hummocks.
6. Extreme wind erosion, representing losses of soil and drifting too severe for cultivation.
7. Land cut with occasional gullies.
8. Land cut with frequent gullies.
9. Land rendered useless for further cultivation by gully.

In the arid and desert regions of Western States conditions were found where erosion was designated in a generalized statement, such as—

- A. Mesas, canyons, badlands, rough mountain land.
- R. Barren mountain tops. Areas above timber line.
- W. Scab lands, shallow soils with frequent rock outcrop.

Conditions representing combinations of these nine categories were shown by grouping of the appropriate symbols. In this manner 26 separate classifications were recognized for purposes of mapping.

Certain difficulties were encountered in the arid regions where it was hard to distinguish between the normal process and an accelerated phase of erosion. As regions are more intensively mapped, such differences will be more accurately delineated on subsequent maps.

The field survey was made by counties and plotted on county base maps. These were assembled by States, which, in turn, were assembled and combined into a generalized national map (fig. 1).

The results of the erosion survey are summarized in table 1.

TABLE 1.—Summary of erosion conditions in the United States by classes (based on erosion reconnaissance survey, 1934,¹ by Soil Conservation Service of the Department of Agriculture)

	Acres	Percent
Erosion class symbols (major classes with combinations):		
1.....	578,167,570	30.3
17.....	94,450,249	5.0
18.....	16,533,701	.8
2.....	98,103,194	5.1

¹ The Erosion Reconnaissance was made under the immediate direction of Glenn L. Fuller, Head, Division of Physical Land Surveys.

TABLE 1.—Summary of erosion conditions in the United States by classes, etc.—Continued

	Acres	Percent
Erosion class symbols (major classes with combinations)—Continued		
27.....	297,134,916	15.6
28.....	174,826,467	9.2
3.....	6,763,146	.4
37.....	60,762,160	3.2
38.....	108,927,631	6.7
9.....	4,177,738	.2
4.....	124,438,724	6.5
24.....	18,882,626	1.0
47.....	16,306,130	.9
48.....	1,271,394	.1
247.....	43,232,142	2.3
248.....	16,910,280	.9
247.....	3,953,190	.2
348.....	9,020,688	.5
5.....	54,818,134	2.9
25.....	5,927,316	.3
35.....	192,390	(¹)
57.....	5,777,072	(¹) .3
58.....	278,692	(¹)
257.....	2,640,644	.1
258.....	7,229,015	.4
357.....	248,698	(¹)
308.....	2,424,019	.1
6.....	8,702,527	.5
67.....	78,375	(¹)
68.....	420,875	(¹)
W.....	10,049,727	.5
A.....	130,252,535	6.8
R.....	4,602,127	.2
Total.....	1,907,721,392	100.0

¹ Less than one-tenth of 1 percent.

² Exclusive of large cities and water area.

Of the three major types of erosion, sheet erosion was found to be the most extensive, occurring on 857,306,000 acres, in varying degrees of severity. The survey revealed that on 192,300,922 acres or 10.1 percent of the total area, an average of more than three-fourths of the topsoil (A horizon), including some subsoil (B horizon) in places, had been washed or blown away. The major part of this great area has been rendered unsuitable to further tillage under prevailing systems of agriculture. Consequent reduction in land productivity has converted former good lands into a submarginal status.

Moderately eroded lands, from which one-fourth to three-fourths of the topsoil had been washed or blown away comprised a vast area of 665,006,000 acres, or 34.9 percent of the total land area. Much of this land is still good agricultural land, but cultivated areas and heavily grazed lands on slopes are rapidly losing additional topsoil.

Gullying or trenching superimposed on normal land surfaces was found to be widespread. Severe gullying of frequent and deep trenching on agricultural cut-over forest, heavily grazed and abandoned lands was found on more than a third of a billion acres, whereas 4,177,738 acres were destroyed for further cultivation and crop production by gullies.

Wind erosion, which has developed to menacing proportions in the western plains States was recorded on a little less than a third of a billion acres. Land seriously damaged by the action of wind comprised 79,735,800 acres. In this region "dry farming", overgrazing, accompanied by periodic drought, favor active wind erosion. Fallowed lands are sometimes blown away to the depth of plowing by one wind storm. The wind-blown soils are sorted by the wind; the fine and fertile particles are carried aloft and blown beyond the area in great dust clouds or "black blizzards", whereas the coarser and sand particles are left behind to form drifts and hummocks. All together 9,201,700 acres of land have been essentially destroyed for cultivation by the spectacular phenomenon of wind erosion.

Other consequences of national importance follow in the train of soil wastage from accelerated erosion. In regions of wind erosion, sand drifts, the residue of wind-sorted soils, overwhelm good land, roads, fences, orchards, and houses. Such regions are menaced with the ultimate development of wandering sand dunes. The control of wind erosion within the grassland plains is, however, not as formidable a problem as that of water erosion throughout the more humid regions.

Accelerated water erosion in removing the physical body of the soil also extracts plant nutrients. It is estimated by Lipman (1934) that the losses of plant nutrients in the processes of accelerated erosion exceed those extracted by crop plants. Maintenance of the integrity of the soil becomes in this way one of the prerequisites of conserving soil fertility.

Further consequences of accelerated erosion appear as troublesome outwash debris, sediments, and increased flashiness of flood flows. Deposition of erosional debris on bottom lands in reservoirs and in stream channels impairs land productivity and the utility of water resources. The covering of formerly rich bottom lands with silt and sands excavated from eroding slopes of tributary watersheds has impoverished important areas in the East as well as in the West.

Silting of reservoirs is taking place at exorbitant and ominous rates in agricultural and grazing regions where accelerated erosion is active. Serious inroads have already been made on developed

water power, municipal water power, and irrigation reservoir storage. The irrigated agriculture of the West is seriously menaced by the rapid rate of silting of great reservoirs as a result of extensive acceleration of erosion on overgrazed range lands of tributary drainages.

Shoaling of river channels with sorted erosional debris interferes with the orderly development of water courses. River grades are steepened and flow lines elevated. Increasing volumes of sediments are progressively delivered downstream into succeeding streams of the general river system. The capacities of stream channels are thus reduced and accentuate hazards of overflow.

Accelerated erosion tends to increase frequency and height of flood flows through the increased volume and flashiness of run-off and decreased discharge capacity of alluvial channels. The volume of run-off is increased by reduced permeability of eroding soils and lessened time of possible percolation. Flashiness of run-off is developed by gully systems which increase time of concentration of torrential flow. Increased surface run-off takes place at the expense of replenishment of underground waters, and impairs ground-water supply.

In general, accelerated erosion proceeds at rates in excess of soil formation; it destroys the integrity of soil profiles, and aside from the production of troublesome erosional debris lowers the aggregate productivity of land. Soil nutrients are removed from the soil in suspension and in solution in the surficial run-off, and the cultivability of fields is destroyed by the riddling effect of gullies. Most significant is the insidious nature of the process of accelerated sheet and gully erosion by water which all too soon reaches a stage where the value of the land will not pay for the control of erosion on it. Thus, eventually, the problem passes beyond the resources of the individual landowner. Erosion unabated becomes a concern for the community, the State, and the Nation.

III

Accelerated erosion has not thus advanced in its devastating work on land without notice and study. As early as 1835 an observer deplored the progressive destruction of loessial soils in Louisiana cultivated to cotton without safeguards against erosion and their consequent abandonment (1835). Shaler (1896), McGee (1911), and Glen (1911) of the Geological Survey described the effects of acceleration of erosion upon the utility of land and upon the shoaling of stream channels. Bailey (1917) in a book entitled "The Holy Earth" pleaded for the recognition of a responsibility for preserving the productivity of the land from wastage by erosion. Bennett early called attention in Soil Survey Reports to the necessity of recognizing the effects of soil erosion in changing the character of soil profiles and as well as in depletion of soils and their productivity (1913, 1921, 1928, 1934, etc.). Students of the problems of conservation initiated a movement for the conservation of natural resources at the beginning of the present century which supported by numerous experimental studies has grown to national proportions and has made possible the act of Congress of April 27, 1935, by which soil erosion is recognized as a national menace, and the Soil Conservation Service was created a bureau of the Government to coordinate all activities for the prevention and control of soil erosion. And most fittingly H. H. Bennett was made chief of the Bureau to carry out a national program of soil conservation for which he had worked for more than two decades.

Experimental studies, which have grown from small beginnings, have played a major part in establishing scientifically a series of measurements of soil and water wastage due to soil erosion. Among these, the studies of Sampson and Weyl on grazing lands (1918), Duley and Miller on agricultural soils of Missouri (1923), of the writer in China (1926, 1927, 1929, etc.), of Dickson (1929), and Conner (1930) on Texas farm soils have established experimental methods and practice which have disclosed that erosion processes are far more active and destructive than had been suspected. In 1929 Bennett established in the Bureau of Chemistry and Soils a series of erosion experiment stations in 10 typical regions of the United States. The results from these experimental installations have been instrumental in establishing the urgent need for control measures, and for the initiation of a national program of erosion control and soil conservation. A summary of these results is shown in table 2 (1935).

TABLE 2.—Comparison of erosion and run-off from 12 widely separated important soil types

Soil and location	Slope	Clean-tilled crop		Thick crop		Averages for periods covered by data
		Soil loss	Water loss	Soil loss	Water loss	
		Tons per acre	Percent precipitation	Tons per acre	Percent precipitation	
Shelby silt loam, Bethany, Mo.	8.0	60.8	27.4	0.3	7.7	1931-33.
Shelby loam, Columbia, Mo.	3.7	19.7	30.3	.3	12.5	1918-31.
Colby silt clay loam, Hays, Kans.	5.0	13.2	17.5	.004	.04	1930-33.
Kirvin fine sandy loam, Tyler, Tex.	8.8	19.1	20.0	.2	1.5	1931-33.
Nacogdoches fine silt loam, Tyler, Tex.	10.0	6.1	15.4	.02	1.4	July 1931-33.
Vernon fine sandy loam, Guthrie, Okla.	7.7	28.1	14.2	.04	1.5	1930-33.

TABLE 2.—Comparison of erosion and run-off from 12 widely separated important soil types—Continued

Soil and location	Slope	Clean-tilled crop		Thick crop		Averages for periods covered by data
		Soil loss	Water loss	Soil loss	Water loss	
		Tons per acre	Percent precipitation	Tons per acre	Percent precipitation	
Marshall silt loam, Clarinda, Iowa.	9.6	44.6	12.5	1.3	6.5	June 1932-33.
Clinton silt loam, La Crosse, Wis.	16.0	59.9	19.2	.003	2.9	1933.
Ablene clay loam, Spur, Tex.	2.0	6.1	12.8	1.6	5.8	1926-33.
Houston blackclay, Temple, Tex.	4.0	12.0	11.6	0	0	1931-33.
Cecil clay loam, Statesville, N. C.	10.0	13.8	9.3	.7	5.5	1931-33.
Palouse silt loam, Pullman, Wash.	30.0	31.2	29.8	.4	.3	July 1931-33.

¹ Hard fallow (no continuous clean-tilled crop).

Average results show grass approximately 65 times more effective with respect to soil conservation than a clean-tilled crop on same kind of soil having the same slope; and approximately 5 times more effective with respect to conservation of water.

The Soil Erosion Service was established in September 1933 under the office of the Secretary of the Interior to administer a grant made by the Federal Emergency Administration of Public Works for erosion-control activities. In April 1935 this Bureau was transferred to the Department of Agriculture, and renamed the Soil Conservation Service, and with it consolidated all activities of the Federal Government in erosion control on agricultural lands.

The objectives of the program devised and undertaken by the Soil Conservation Service are: (1) To demonstrate that the impoverishment and destruction of remaining areas of good agricultural land by continuing soil erosion can be controlled; (2) to conduct investigations and research relating to the character of soil erosion and the preventive measures needed; and (3) to lay the foundation for a permanent national erosion-control program of adequate scope to meet the acute land crisis created by wasteful methods of land utilization.

To these ends the Service has established and is actively prosecuting research and demonstration projects on a national scale. Investigations and research into the character of soil erosion and methods of control are being conducted at 12 regional erosion experiment stations. Field work of demonstrations is in progress on 40 erosion-control projects in representative watersheds of the major geographic and agricultural regions of the country where destructive soil erosion is prevalent and a critical factor in land use. Thirty-seven of these projects are essentially demonstrational in character and involve private lands. The remaining three are complete land rehabilitation and utilization projects and are located, for the most part, on land owned by the Federal Government.

The three complete land-rehabilitation projects cover an aggregate area of 35,700,000 acres in highly erodible Southwest, most of which is Federally owned. These projects involve, respectively, 16,000,000 acres on the Navajo Indian Reservation in Arizona and New Mexico; 3,200,000 acres on the watershed of the Gila River in the same States, and 11,500,000 acres on the watershed of the Rio Grande in New Mexico.

The Navajo project covers lands which contribute vast quantities of silt to the Boulder Reservoir on the Colorado River, being impounded by the great Boulder Dam, now nearing completion, and involves the preparation and application of comprehensive erosion-control, land-use, and range-control measures. It also involves reorientation of the entire agricultural-economic system of the 45,000 Navajo Indians. Completion of the work now well under way on this project will require several years. The Gila River project involves seriously eroded lands which are contributing vast quantities of silt from overgrazed range lands of the Gila River drainage to the Coolidge Reservoir. The Rio Grande project covers the most densely populated and highly productive region of New Mexico, where serious erosion threatens to force abandonment of large areas. The Elephant Butte Reservoir is being silted up at a disquieting rate with erosional debris washed out of the Rio Grande watershed, and menaces the social security of a large population dependent upon stored irrigation water.

The demonstration projects form the nucleus of the present Soil Conservation Service program. Varying in size from 25,000 to 200,000 acres each, they now cover a total of 4,000,000 acres and portions of 31 States. Each demonstration project area includes a complete drainage unit, wherein the full responses in control of flood flows and silting may be observed. Each project area has been selected with careful consideration of the representative nature of its soil and erosion problems and is typical, in this respect, of the entire region in which it is located. The 4,000,000 acres actually covered by demonstration projects on privately owned land are representative of approximately 75,000,000 acres of surrounding country, and erosion-control measures applied within the limited project areas may therefore be applied generally with efficiency to the eroding parts of this large segment of the Nation's farm land.

The plan of the erosion-control program of the Soil Conservation Service is to bring to bear all necessary technical specialties upon solutions to problems involved in erosion control and soil and water conservation. Solutions to the complex problems of an eroding area must be an evaluation of important factors and a balancing and coordination of the measures of control. The solution must be a composite one. The needs of the land determine the specialists and their activities to be marshalled and coordinated. No single line of attack is adequate. Each demonstration project, accordingly, is staffed with agricultural experts, including soil technologists, agronomists, agricultural engineers, farm-management specialists, foresters, range-management specialists where needed, and in some instances game-management specialists. The work of the project staff is coordinated by the project director, so as to develop a balanced program of erosion control. Both vegetative and mechanical measures are used in accordance with the peculiar needs and adaptabilities of each separate parcel of land.

The second step involves the preparation of a comprehensive, practical plan for the control of erosion and reduction of floods and silting over all the lands within the watershed areas. This plan is based on the physical and chemical characteristics of the soils involved, the slopes, the climate, the vegetation, adaptable crops and the agricultural practices of the area, and applies tested methods of control chosen for their particular adaptability to the particular situation. In the detailed plans careful consideration is given to needs of the farm as an economic unit in order that the property owners or operators may not suffer financial loss and that their cooperation may be obtained.

The plans for the program of control measures are based upon aerial photographic maps of the entire working area, such as can be enlarged to scales generally of 10 inches equal 1 mile for use in the field. The enlarged photographs are used as base maps, on which are mapped the field survey of four items, namely, (1) soil type, (2) slope of fields by classes, (3) condition of soil erosion, and (4) type of use. These surveys show the distribution by fields of the soils, slope gradients, and different degrees of erosion by classes, as well as the susceptibility of the cultivated, idle, forested, and grassed areas to future erosion. With these physical facts in usable form a practical farm plan is prepared in conference with the farmer for putting into effect the major control measures of soil conservation.

On a basis of carefully prepared land-use plans, 5-year agreements are entered into between the property owners or operators and the Government, whereby the owners or operators agree to carry out the land-use practices advocated by the Soil Conservation Service and to contribute certain labor and materials necessary for construction and installation of control devices, such as check dams, strip crops, terraces, contour furrows, new fences, and relocated fences. Fields too steep for safe cultivation are taken out of cultivation and seeded down to pasture or planted to forest wood lots. In return for these undertakings by the owners or operators the Government agrees to lay out the work, to provide supplementary labor and material (which the farmer cannot supply) needed to put the cooperative program into operation, and to furnish seed, trees, and shrubs, as the farmer may not be able to furnish, for the planting of areas taken out of cultivation because of their highly erodible character and consequent dangerous relation to good lands lying below.

Upon the completion of the cooperative agreements actual field work is got under way, and the plans are put into effect as rapidly as local climatic and agricultural conditions permit.

In view of the serious menace of erosion wastage to national welfare and of the complex nature of the problem, it is gratifying to report that at last the opportunity has arrived for initiating a national program of soil conservation, involving erosion prevention and control. It is one of the most important steps in conservation of natural resources taken by the Government of the United States since the establishment of national forests and the Forest Service.

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TAXATION—ADDRESS BY FORMER GOVERNOR MURRAY

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD an address by former Governor Murray, of Oklahoma, on the subject of taxation.

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

My motives and the sentiments with which I confront you are best expressed by that matchless orator Ben Hill:

"Who saves his country saves all things; and all things saved bless him. Who lets his country die lets all things die; and all things dying curse him."

The Association for Economy and Tax Equality was organized with a view of uniting, if possible, the multitudes of factions and supporters of plans and thus making practical a movement calculated to serve the best interests of the land.

We have made nine announcements of principles, but all of the nine surround the questions of honesty, tax economy, and constitutional government. When the American people shall have been enabled to accomplish these things, other reforms will inevitably and naturally follow.

This declaration of principles goes to the vitality of all questions that confront the people.

NO MONEY, NO PENSIONS

We hear much said about old-age pensions and social security; but how are you going to provide for these things without money; and how can the money be had except through taxation; and how much money from the taxes will be left so long as one bureau out of many spends a million dollars to get to the relief clients only \$300,000—where will any money be left for such social security?

Of what use to provide homesteads if they are to pay a tax that takes them away?

I hear one say, "Let the Government make it."

To use their term "inflation", which means merely making cheap the American dollar; and while a reasonable inflation could serve a good purpose, the trouble would be as it always has been, that they would follow the example of the man who found that one pill was good for his system, and took the whole box of pills.

HAPPENED IN GERMANY

That's what happened in Germany when the mark became so worthless since the war; that's what happened with the Confederate dollar, long before it was apparent that the Confederacy would fall; it was founded on nothing of value.

That was the trouble with the Continental money after the American Revolution, when so much of it was issued that it grew so cheap in comparison with the value of property and necessities of life, that it required \$250,000 of it to buy the supper for four men and nearly as much to buy a pair of boots.

The paper money was termed the "Continental damn", and it was so worthless that until this day if you want to express the utter worthlessness of anything, you can do so by saying: "It is not worth a Continental damn."

Its disturbance of business and wreck of enterprise caused a group of merchants and other intelligent citizens to meet at Annapolis prior to the adoption of the present Constitution.

TO MAKE MONEY

They soon learned what ought to be done and could be done, but were prevailed upon by a lawyer, who knew that the wisest method would be to get some constituted authority before any measure should be proposed; and they merely asked the Continental Congress to authorize the Thirteen States, or Colonies, to send delegates to a convention to revise the Articles of Confederation, which was but the written Constitution of that Government.

The Continental Congress did so, and the result was the present United States Constitution. And that Convention thought they had planned whereby the mistake of finance could not be repeated by providing in our Constitution that "Congress shall have power to stamp money"—no; "to print money"—no; "to make money."

No; the Constitution didn't say either, because the makers of the Constitution knew that you couldn't make property by law, and that the only way to make property was a combination of labor, management, and creative nature cooperating.

What the Constitution said is this: "Congress shall have power to coin money and regulate the value thereof and of foreign coin."

"Coin" has a specific meaning and implies metal. What metal? Another clause of the Constitution states what metal, providing "no State shall make anything in payment of debts except gold and silver."

That is the Constitution, and that meaning was not to coin one and speculate in the other by purchase.

PACKED WITH POLITICIANS

Moreover, the Constitution was made in view of the then existing banking system, which were the Scotch banks, that could issue bank currency redeemable on demand in coin and backed by something of value, and, not as now, based upon public or private debts. But, alas, when the Supreme Court of the United States (the only time) was packed with politicians, between 1865 and '70, the decisions on this question for 75 years were overturned, and that has given us financial trouble ever since.

As stated before, a reasonable inflation of money, which merely means the lowering of the value so that it would be of the same value when a debtor went to pay as when the debt was made, is wholesome and just. But to go beyond that means wrack and ruin to business, to private enterprise, particularly to the laboring man and those holding salaried positions and to those who have invested their life savings to give them something in their old age.

WRACK AND RUIN

To all these it means wrack and ruin and a cost of living beyond their capacity to pay. And later, as in the case of Germany, which tried the experiment after the World War, found that they must needs return to a sounder principle of finance, and in doing so brought trouble upon themselves. That would be our experience did we attempt to embark upon the principle, for any purpose, of printing money to meet the situation.

We may coin money, because the coin is limited by nature, but we cannot print money, because there is no limit to the amount of paper or of the capacity of the printing press; and it would wreck all hope of prosperity as well as that little that now exists.

GROW CHEAP

The money would grow so cheap that it would start a speculation, because men would buy anything, even a dog, to get rid of it. So, in government, the only safe way to do anything or to work any reform requiring money is to obtain that money by taxation; and to have such taxes for the purpose the Government must needs be operated on the lowest possible expense, consistent with justice and efficiency.

And here I wish to state that no one denies or ought to deny that the aged and the needy should be cared for; and it's the duty of the Government to aid the people to aid themselves and not become the manager of the people's business or mamma and papa to them.

Permit me to say in black letters:

The greatest danger to the prosperity of any country is to "monkey" with the solvency or stability of its money and currency.

Last 5 years of the Old Deal compared with first 5 years of the New Deal

OLD DEAL					NEW DEAL				
					<i>Labor</i>				
Unemployment.....	Apr. 1, 1930	3,188,000			Unemployment.....	Apr. 1, 1933	13,178,000		
	Apr. 1, 1933	13,178,000				Dec. 1, 1935	9,177,000		Decline 30%
					<i>Agriculture</i>				
Cotton.....	Mar. 1, 1930	15.10 cents per pound			Cotton.....	Mar. 1, 1933	5.90 cents per pound		
	Mar. 1, 1933	5.90 cents per pound				Jan. 1, 1936	11.35 cents per pound		Advance 92%
Wheat.....	Mar. 1, 1930	\$1.16 per bushel			Wheat.....	Mar. 1, 1933	48 cents per bushel		
	Mar. 1, 1933	48 cents per bushel				Jan. 1, 1936	101.5 cents per bushel		Advance 111%
Corn.....	Mar. 1, 1930	88.40 cents per bushel			Corn.....	Mar. 1, 1933	24.12 cents per bushel		
	Mar. 1, 1933	24.12 cents per bushel				Jan. 1, 1936	60.87 cents per bushel		Advance 152%
					<i>Industry</i>				
Industrial production... Jan. 1, 1930	110.4				Industrial production. Jan. 1, 1933	61.4			
(Index: 1926=100%) Jan. 1, 1933	61.4					Jan. 1, 1936	92.9		Advance 51%
Steel production..... Jan. 1, 1930	2,903,012 gross tons				Steel production..... Jan. 1, 1933	861,034 gross tons			
(Month ending) Jan. 1, 1933	861,034 gross tons					(Month ending) Jan. 1, 1936	3,081,000 gross tons		Advance 257%
Auto registration..... Jan. 1, 1930	161,830 units				Auto registration..... Jan. 1, 1933	55,105 units			
(Month ending) Jan. 1, 1933	55,105 units					(Month ending) Jan. 1, 1936	235,000 units		Advance 323%
					<i>Commerce</i>				
Wholesale prices..... Jan. 1, 1930	92.5				Wholesale prices..... Jan. 1, 1933	61.0			
(Index: 1926=100%) Jan. 1, 1933	61.0					(Index: 1926=100%) Jan. 1, 1936	81.0		Advance 33%
Total exports..... Jan. 1, 1930	\$3,843,000,000				Total exports..... Jan. 1, 1933	\$1,675,000,000			
(Year ending) Jan. 1, 1933	\$1,675,000,000					(Year ending) Dec. 1, 1935	\$2,228,000,000		Advance 33%
Total imports..... Jan. 1, 1930	\$3,061,000,000				Total imports..... Jan. 1, 1933	\$1,450,000,000			
(Year ending) Jan. 1, 1933	\$1,450,000,000					(Year ending) Dec. 1, 1935	\$1,993,000,000		Advance 37%
					<i>Securities</i>				
Listed stocks..... Mar. 1, 1930	60.52				Listed stocks..... Mar. 1, 1933	15.20			
(Average) Mar. 1, 1933	15.20					(Average) Jan. 1, 1936	35.62		Advance 134%
Listed bonds..... Mar. 1, 1930	96.19				Listed bonds..... Mar. 1, 1933	74.89			
(Average) Mar. 1, 1933	74.89					(Average) Jan. 1, 1936	91.85		Advance 22%
					<i>Public utilities</i>				
Power production..... Jan. 1, 1930	7.87 billion kilowatt-hours				Power production..... Jan. 1, 1933	7.14 billion kilowatt-hours			
(Month ended) Jan. 1, 1933	7.14 billion kilowatt-hours					(Month ended) Jan. 1, 1936	8.50 billion kilowatt-hours		Advance 19%

To eliminate seasonal differences where they are a factor, the corresponding months in calendar years are used

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2283) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. ROBINSON. Mr. President, when the Senate was last in session, an amendment to the bill having been agreed to by the Senate by an overwhelming vote, the Senator from Oklahoma [Mr. GORE] moved to postpone indefinitely the further consideration of the bill. At that time I suggested to him that the Senate might desire to proceed with the

To increase the value of money when pay day of a debtor arrives, above its value when the debt was made, is unjust and means confiscation; and it is equally unjust and confiscatory when the value of that money is made cheaper on pay day than when the debt was created.

RECOVERY UNDER THE NEW DEAL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial and a table accompanying it from the Capital Times, of Madison, Wis., of Friday afternoon, January 24, 1936.

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

[From the Capital Times, Madison, Wis., of Jan. 24, 1936]

FACTS FOR THE FAKERS

If you have that congested feeling that comes from a mental diet too rich in canned Hoover and devitaminized Hearst, we suggest that you try, for a change, the table printed in the adjoining columns as a sure-fire antidote.

The treatment will clear your system, no matter how many forced feedings of elephant (G. O. P. and Liberty League) "baloney" you may have unwittingly found yourself forced to undergo.

To complete the cure, we suggest that you cut the table out, paste it in your hat, or fold it and slip it gently into your lower right-hand vest pocket.

Whenever some interested gentleman with an armful of axes to grind tells you how much better it was under Hoover and how much the New Deal has hurt you, flip out the clipping and wave it briskly in his face.

With a little practice you ought to be able to stop his flow of invective before he can finish saying "balance the Budget" or "tax eating."

The Capital Times is indebted to the New York Post for the figures and are assured by that newspaper that it vouches for the accuracy of every figure in the adjoining table comparing the New Deal and the Old Deal. The table was prepared with the aid of expert statisticians.

No one is claiming that the Roosevelt administration is a 100-percent, flawless success, but when these old dealers come hawking their wares and tell of the promised glories of a new old deal under Hoover, Landon, Knox, or another of the pack, this interesting array of facts provides an answer that can't be beat.

bill, it might desire to reconsider its action on the amendment, or it might desire to recommit the bill.

I now yield to the Senator from Oklahoma.

Mr. GORE obtained the floor.

Mr. O'MAHONEY. Mr. President—

Mr. GORE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. At the last session of the Senate, when this bill was under consideration, and the motion of the Senator from Oklahoma was pending, I sought an opportunity to move that the measure be recommitted. The

motion was declared out of order at that time; but since the Senator from Oklahoma has withdrawn the motion which was then pending, I now move that the bill be recommitted to the Committee on Inter-oceanic Canals.

The VICE PRESIDENT. The question is on the motion of the Senator from Wyoming.

The motion was agreed to.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.—
CONFERENCE REPORT

Mr. LOGAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Company of America, Incorporated, A. S. Postnikoff, trustee, having met, after full and free conference, have agreed to recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the amount inserted by the Senate, insert the following: "\$900,000"; and the Senate agree to the same.

M. M. LOGAN,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.
AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
WILLIAM A. PITTENGER,
Managers on the part of the House.

Mr. LOGAN. I move the immediate consideration and adoption of the report.

Mr. KING. Mr. President, will the Senator from Kentucky indicate the difference between the two bills?

Mr. LOGAN. The House passed a bill allowing the sum of \$968,000. The Senate adopted an amendment cutting the amount down to something less than \$700,000. In the conference it was discovered that in making the calculation of deductions the Senate had made an error of something like \$200,000, which I am frank to admit. The \$68,000 was cut off, and the conferees agreed that \$900,000 was as near as we could get to the correct amount which should be allowed.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

ESTABLISHMENT OF AIR CORPS TECHNICAL SCHOOL

The VICE PRESIDENT. Under the unanimous-consent agreement heretofore entered into, the Chair lays before the Senate the special order, being Senate bill 3398.

The Senate proceeded to consider the bill (S. 3398) to establish the Air Corps Technical School, and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps, which had been reported by the Committee on Military Affairs without amendment.

Mr. COSTIGAN obtained the floor.

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

Mr. COSTIGAN. I yield.

Mr. DIETERICH. In order that the entire subject matter may be considered, I desire to say that during the last session of Congress I gave notice that I would offer an amendment to the bill for the Air Corps Technical School. I should like now to have unanimous consent out of order to offer the amendment, so that it may be considered with the bill.

The VICE PRESIDENT. Without objection, the amendment will be received.

Mr. COSTIGAN. Mr. President, I ask that the bill be read.

The Chief Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to establish in or near Denver, Colo., the Air Corps Technical School and to accept on behalf of the United States, free from encumbrance or conditions and without cost to the United States, for use as a site for the Air Corps Technical School, the title in fee simple to 640 acres of land, more or less, within the city limits of the city of Denver, Colo., including the property known as the Agnes (Phipps) Memorial Sanitarium, together with existing buildings and equipment located thereon; and also, a tract of land within the State of Colorado, suitable for use as an aerial gunnery and bombing range by the Army Air Corps: *Provided,* That in the event a donor is unable to perfect title to any land tendered as a donation, condemnation of such

land is authorized in the name of the United States, and payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Illinois [Mr. DIETERICH], which will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

That the Secretary of War is hereby authorized and directed to use whatever appropriations are available to repair, improve, and equip the present Air Corps Technical School located at Rantoul, Ill., to render it adequate to provide the necessary training. This direction to include the construction of permanent buildings and quarters for officers and enlisted men and the necessary equipment to carry on such training.

Mr. COSTIGAN. Mr. President, the bill read at the desk is of importance to the country as a whole. The bill was favorably reported, without amendment, by the Committee on Military Affairs of the Senate. The chairman of that committee, the distinguished Senator from Texas [Mr. SHEPPARD], has indicated his willingness to make a statement at this time on the pending measure.

Mr. SHEPPARD. Mr. President, legislation providing for the removal of the Air Corps Technical School from its present location at Rantoul, Ill., is the outgrowth of extensive and prolonged study and investigation by the War Department.

The Secretary of War, in communicating with the Senate Military Affairs Committee on March 13, 1935, stated in part that in order to obtain an intelligent estimate of the factors involved he had appointed a board of Air Corps officers and directed them to make a comprehensive survey of all localities involved. After personally investigating some 86 different sites in all sections of the United States, this board came to the conclusion that the present location at Rantoul, Ill., was unsuitable as a location for the Air Corps Technical School, and that the best location for the school it could find, after investigating these 86 sites, was Denver, Colo.

After receiving the extensive report of the board of Air Corps officers, a subcommittee of the Senate Military Affairs Committee, of which the Senator from Indiana [Mr. MERRON] was chairman, gave the matter further study. Hearings were held on two different occasions. Representatives of interested parties were notified of these hearings. War Department representatives and several members of the board of officers were present for questioning by any who were not satisfied with the board's findings.

Following these hearings, the testimony obtained, the board's report, and the subcommittee's report were carefully considered by the Military Affairs Committee. It is readily seen, therefore, that this matter has not been undertaken in haste, but that on the contrary it has been approached through deliberation and a careful weighing and analysis of all the factors involved.

The War Department was called upon to submit legislation embodying the recommendations of its board. This proposed legislation was received from the War Department, and was given to the Senators from Colorado for introduction, inasmuch as the proposed location of the school is in their State. The Senators from Colorado did not initiate this move. In reporting favorably Senate bill 3398 to the Senate on August 12, 1935, your committee pointed out that the subcommittee had found nothing to impeach the findings of the board of Air Corps officers, and that the subcommittee's report had been adopted by the committee.

The bill under consideration authorizes the Secretary of War to establish in or near Denver, Colo., the Air Corps Technical School, and to accept on behalf of the United States, free from encumbrance or conditions, and without cost to the United States, for use as a site for the school, the title to some 640 acres of land, more or less, within the city of Denver. The bill further authorizes the Secretary of War to accept a tract of land within the State of Colorado suitable for use as an aerial gunnery and bombing range by the Army Air Corps. The measure carries a proviso that in the event a

donor shall be unable to perfect title to any land tendered as a donation, condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as may be condemned, together with the cost of suit, shall be made by the donor.

In summarizing its reasons for concluding that Denver is suitable as a location for the Air Corps Technical School, the Board listed these features:

First. Large, modern city.

Second. Good site, which will be presented to the Government, together with several valuable buildings.

Third. Excellent climate and recreational facilities.

Fourth. Good location for training in altitude flying.

Fifth. Good strategical location.

In its findings on the present location the Board pointed out that there is no bombing and machine-gun range in connection with the present site at Rantoul, and that the expense of securing one within a reasonable distance of Rantoul is prohibitive. In its findings on Denver the Board pointed out that it was stated an extensive area could be acquired for a nominal sum within a few miles from the proposed site of the school. Such a range is essential to the proper operation of an institution of this character. The Board further found climatic features of the present location to be unsuitable for the training to which the school is devoted.

The Senate Committee on Military Affairs, after careful consideration, came to the conclusion that the recommendation of the Board of Officers should be carried out, and reported the bill favorably to the Senate.

Mr. COSTIGAN. Mr. President, I ask unanimous consent that, following the remarks of the Senator from Texas [Mr. SHEPPARD], the report of the Committee on Military Affairs with respect to the pending bill may be incorporated in the RECORD.

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

The Committee on Military Affairs, to which was referred the bill (S. 3398) to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps, having considered the same, report favorably thereon with a recommendation that it do pass.

On March 13, 1935, the War Department transmitted to the Senate Military Affairs Committee report of a board of Air Corps officers recommending that certain property in Denver, Colo., be acquired by the War Department and that the Air Corps Technical School be located thereon. The board concludes that Chanute Field, Rantoul, Ill., is unsuitable as a location for the Air Corps Technical School, and that the best location which it has been able to find is at Denver, Colo.

Following receipt of this report of the board of Air Corps officers a subcommittee of your committee took the matter under consideration and held hearings. The subcommittee reported that it found nothing that would impeach the findings of this board of officers. The subcommittee's report was adopted by your committee, and it was directed by the committee that the War Department be notified of this action. Under date of August 7, 1935, the War Department submitted draft of S. 3398, along with the following letter:

AUGUST 7, 1935.

HON. MORRIS SHEPPARD,
Chairman Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: In accordance with your letter of May 24, 1935, there is transmitted herewith a draft of bill to consummate the report of the board of Air Corps officers on the location of the Air Corps technical school.

There is no existing law permitting the acceptance by the United States of a donation of land for the purpose for which this property is to be used.

This bill, if enacted into law, would enable the War Department to secure a suitable site, without cost, for the eventual establishment of long-needed Air Corps Technical School facilities.

Sincerely yours,

GEORGE H. DERN,
Secretary of War.

S. 3398 provides that the Secretary of War is authorized to establish in or near Denver, Colo., the Air Corps Technical School. It further authorizes him to accept on behalf of the United States, free from encumbrance or conditions and without cost to the United States, for use as a site for the Air Corps Technical School, the title in fee simple to 650 acres of land, more or less, within the city limits of the city of Denver, Colo., including the property known as the Agnes (Phipps) Memorial Sanitarium, together with existing buildings and equipment located thereon. The bill also authorizes the Secretary of War to accept a tract of land within

the State of Colorado, suitable for use as an aerial gunnery and bombing range by the Army Air Corps. The measure carries a proviso that in the event a donor is unable to perfect title to any land tendered as a donation condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. THOMAS of Utah. I wish to ask the Senator from Colorado a question, if I may. The Senator is familiar with the Wilcox bill which was passed last year, introduced into the House by Representative WILCOX, of Florida, and which I had the honor to introduce in the Senate. That bill provides for the establishment of air bases throughout the United States, and leaves with the War Department, or the War Department's experts, the selection of these bases. I wish to ask whether the pending bill in any way will interfere with the free selection of those bases on the part of the War Department's experts? Will it cause or tend to cause the War Department to look more kindly toward Denver, for example, for one of the bases which must be set up in the Rocky Mountain area? Is there any connection between the two bills?

Mr. COSTIGAN. So far as I am informed, the answer to the Senator from Utah is unequivocally in the negative. However, since the chairman of the Senate Committee on Military Affairs is in the Chamber, it would appear advisable, for the sake of the legislative record, that the same inquiry be addressed to him, if he is willing to respond.

Mr. SHEPPARD. Mr. President, I shall state that there is no connection between the two measures, and that the selection of Denver as a site for the school will have no bearing on the selection of an air base, in my judgment.

Mr. THOMAS of Utah. Mr. President, I should like merely to say that that was the understanding which I had when we considered the two bills in the Committee on Military Affairs, and, as the Senator from Texas [Mr. SHEPPARD] has said, there is no reason for a connection between the two.

Mr. COSTIGAN. Perhaps the attention of the Senator from Utah should be redirected to the provision in the Wilcox bill carrying a general designation of consideration of some possible base in the intermountain region or Rocky Mountain area. I think I correctly quote language with reference to one possible Air Corps base. In referring to that it should be said that the answers already made to the Senator from Utah have been made in the light of that language and remain the same.

Mr. President, the bill before the Senate is one with reference to which the sponsors of the measure, my able colleague from Colorado [Mr. ADAMS] and myself, have been treated with exceptional courtesy. It should be and is acknowledged. The measure was reported to the Senate last August, and because of the crowded condition of the calendar of the Senate at that time, following a generous suggestion by the Senator from Wisconsin [Mr. LA FOLLETTE], assented to by the leader of the Democratic side of the Chamber, the Senator from Arkansas [Mr. ROBINSON], the measure was set down, by unanimous consent, for consideration on the third day of the present session.

Mr. LEWIS. The Senator will not omit the opposition of both Senators from Illinois.

Mr. COSTIGAN. The Senator from Illinois, I believe, suggests that there was no dissent from that agreement on the part of the Senators from Illinois.

Mr. LEWIS. But opposition to the measure.

Mr. COSTIGAN. Of course; but as is shown by the unanimous-consent agreement, there was no expressed opposition from any source to setting down the measure for the third day of the session. Since that time the measure, by further unanimous consent, has been kept before the Senate in a preferred position. This gives the measure first place at this time.

Acknowledgment should also be made to the chairman of the Senate Committee on Military Affairs [Mr. SHEPPARD] for his valued statement today. One clear inference from

that statement is that this is a measure not merely of importance to the State of Colorado but of primary importance to the efficient development of the Air Corps of the War Department of the United States.

An investigation of the record will disclose that the conclusion thus drawn from the statement of the Senator from Texas is amply confirmed. The remarks of the able chairman of the Military Affairs Committee derive added value from the circumstance that the technical committee of the Air Corps, which, unanimously, after extended investigation, reported in favor of the selection of Denver as a site for Air Corps Technical School purposes, selected some six cities, including two in the Senator's State, as possible sites suitable for the purposes of such a school, but awarded priority, for reasons summarized, to Denver.

As already indicated by the Senator from Texas, sponsorship of the pending measure became an official responsibility of the Senators from Colorado because of the location thus recommended. It was not due to any initiation of the investigation or other efforts on their part to advance, except by routine official communications, consideration of the merits of the city of Denver.

Mr. President, without unduly emphasizing the grave national intimations with respect to actual warfare abroad given by the President in his opening address to the Congress, it must now be apparent to all interested Members of the Senate and House of Representatives that new national reasons not known last summer when the unanimous-consent agreement was entered into may now be urged for action on the pending bill as promptly as is reasonably possible.

The bill is designed to establish the Air Corps Technical School and to acquire certain land in the State of Colorado to be used for a site for that school and for an aerial bombing and gunnery range for the Air Corps. It is stated in the letter of Secretary Dern to the Military Affairs Committee, which appears in the report on the bill, that—

There is no existing law permitting the acceptance by the United States of a donation of land for the purpose for which this property is to be used.

The bill now before the Senate is designed to authorize such an acceptance in accordance with the recommendation of the Senate Committee on Military Affairs. It has become necessary to enact some such law if the report is to be given effect and if the War Department is to be put in a position to secure without cost a suitable site at Denver, as strongly recommended by the War Department, for the eventual establishment of long-needed Air Corps Technical School facilities.

It may be added in further preliminary explanation of the exact text of the bill under consideration that on May 21, 1935, by a vote of 39,395 to 15,085, the tax-paying electors of Denver, at a duly held election at which this was among the submitted questions, authorized and approved the issuance of \$750,000 par value of municipal bonds to enable the city of Denver to secure and donate without cost to the United States title in fee simple to some 640 acres of land within the city limits, including the property known as the Agnes Phipps Memorial Sanitarium, together with existing buildings, equipment, and railroad spur connections, all located on this land, and also a tract of land within the State of Colorado 10 miles square, in other words, a hundred square miles, suitable for use as an aerial bombing and gunnery range by the Army Air Corps. It should be added that the special election at which these bonds were voted was held following publication of the recommendations in the report of the committee of officers of the Air Corps, and the references of that report to the Senate Committee on Military Affairs.

In the hearings on the bill no question was raised with respect to the readiness of Denver, or the legality of the steps taken by it, to comply with the necessary conditions precedent for the acceptance of the proposal by the War Department and for compliance with the conditions expressed in the pending measure.

As already stated, the bill is the legislative result of the report transmitted to the Senate Military Affairs Committee

on March 13, 1935, by a technically equipped and impartial board of Air Corps officers recommending such action, for the reason that Chanute Field at Rantoul, Ill., is deemed unsuitable as a location and that the best location the board has been able to find, after extended and exhausted personal inspection and corroborative inquiries in many parts of the United States, is at Denver.

That report, which contains detailed comparative findings, was prepared by four Army Air Corps officers, Lieutenant Colonel Yount, Lieutenant Colonel Dargue, Major Lyon, and Captain Trunk, the last named a member of the board without a vote. The board, by direction of the Secretary of War, was appointed in February 1934 by the Chief of the Air Corps School to make a thorough study of the location of that school as one of the Air Corps' most important activities.

At the subcommittee hearing on that report it was developed by members of the Senate Military Affairs Committee that members of the technical War Department committee, after their appointment for that service almost 2 years ago, personally inspected some 57 different localities in many parts of the United States, and examined reports on many additional localities before making its carefully considered recommendation in favor of Denver.

When the report by the War Department, which was painstakingly considered and checked for some months after it was received by the War Department, was brought to the attention of the Committee on Military Affairs of the Senate in March 1935, a subcommittee of three able members of the Military Affairs Committee—the Senator from Indiana [Mr. MINTON], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Vermont [Mr. AUSTIN]—was assigned the task of holding hearings on the report. At those hearings the Senator from Indiana [Mr. MINTON] usually presided, and he and other members of the subcommittee carefully interrogated witnesses. Hearings were held before the subcommittee on June 24, July 10, and July 25, 1935, following which the subcommittee unanimously reported to the Senate Committee on Military Affairs in favor of the findings of the board of Air Corps officers, and the Military Affairs Committee as a whole later favorably reported the pending measure to the Senate.

The bill submitted to the chairman of the Senate Military Affairs Committee by Secretary of War Dern is the one now before the Senate.

At the hearings of the Senate subcommittee objections to the report were raised by Representative DOBBINS, of Illinois, who represents the congressional district in that State in which during the World War Chanute Field, near Rantoul, Ill., was established to give the type of training now planned to be given under more favorable and up-to-date conditions at Denver through the authorized establishment there of the Air Corps Technical School. In addition to Representative DOBBINS, the resourceful Senators from Illinois urged an unfavorable in lieu of the present favorable report from the Senate Military Affairs Committee. These colleagues in both Houses of the Congress expressed dissent from the proposal to transfer this important technical Air Corps training school from the State of Illinois to the State of Colorado.

Representative DOBBINS in particular assailed the report at length because of his faith in the merits of Chanute Field, his conviction that it had been, in effect, unfairly and discriminately treated by the War Department in its report, and because the comparative advantages thus found of conditions in Denver for the future location of the school were deemed by him to be exaggerated and in part due to prejudice against Chanute Field and to what he contended were special inducements held out by Denver to persuade the War Department to make its recommendations.

The Senate subcommittee which heard the testimony last summer unanimously reported in favor of the official findings and the Senate Military Affairs Committee, as already appears, supported the conclusion that there was shown—I quote the words of the report—

Nothing that would impeach the findings of this board of officers.

In consequence, on August 12, 1935, the distinguished chairman of the Military Affairs Committee [Mr. SHEPPARD] submitted the report of the full committee to the Senate. It was ordered printed, is before the Senate, and includes a favorable submission by Secretary of War Dern of the bill now before the Senate, sponsored, as already stated, by the Senators from Colorado. The Senate Military Affairs Committee in its report recommends that the pending bill be passed without amendment.

Mr. President, attention should now doubtless be first called to the comparative conclusions and summaries of the board of Air Corps officers, referred to by the chairman of the Military Affairs Committee in his preliminary statement, reciting known unsatisfactory conditions for important technical training at Rantoul, and present and the contrasted advantages of Denver, the proposed site of the school.

The Rantoul summary and conclusions are printed in part I at pages 35 and 36 of the hearings of the subcommittee of the Senate Military Affairs Committee.

I read, beginning on page 35 of the first part, or pamphlet, of the printed hearings, the following:

IX. SUMMARY

Chanute Field is the present home of the Air Corps Technical School. The field is a mile square, with good soil suitable for heavy foundations but with rather poor drainage due to the very flat character of the country all about. Much additional expense would be necessary to drain this field properly. The natural surroundings are excellent, the terrain is generally very level, there are few obstacles to flight, and there is plenty of room to the south and east for the expansion of the field if necessary. There is no bombing and machine-gun range and the expense of securing one within a reasonable distance is prohibitive. The field is now owned by the Government.

The climate in this section is very poor for the operations of the Air Corps Technical School. The reduced visibility, due to dense and light fog and haze, and to rain and snow, interferes a great deal, particularly in the execution of photographic machines. The unsatisfactory climatic conditions were commented upon in all departments of the school. Chanute Field is in a section where there are great extremes of temperature both winter and summer, the thermometer recording temperatures in the winter well below zero, with an average of 38 days continuously below freezing, and in the summer going many times to over 100, with 60 days having temperatures over 90. The humidity is high, making the cold weather very penetrating and the hot days of the summer very uncomfortable. Many days are lost as far as flying operations are concerned, and it is seldom the school year comes to an end without the omission of some of the scheduled flying missions.

Morale at Chanute Field is exceedingly low, and many of the conditions creating this situation would remain even though the fine new construction of a permanent school were placed at this location. While the low morale may in small part be due to the very dilapidated condition of the buildings on the field, other conditions in this vicinity over which the War Department has no control are believed far more responsible. Living conditions are unsatisfactory; recreational facilities are lacking; there is little exchange of civic and social courtesies with the people in the neighboring towns, the interest of these towns, and particularly of Rantoul, is primarily for their own economic purposes. The location is isolated in the great open prairie land of Illinois. Rantoul is too small a town to properly absorb an institution approximately equal in population to its own size. It is obvious many of these conditions will not change and will always be adverse to good morale.

The transportation facilities at Rantoul are very limited, other towns and cities are too far away to be readily accessible; health suffers somewhat on account of the temperature, climate, and rapid changes of weather; schools are good but limited.

The water is exceedingly hard and a source of great annoyance both in the home and in the conduct of some of the work in the course. Electricity service is very poor and it cannot be wholly depended upon for precision work in the school; other fuels except hard coal are available at fairly reasonable prices.

The geographical location of Chanute Field is good in relation to other Air Corps stations, recruiting areas, and supply points. It is also a good strategical location for a school.

The conclusions of the War Department's official board, printed immediately following the foregoing detailed references to Rantoul, are as follows:

Chanute Field, Rantoul, is considered unsuitable as a location for the Air Corps Technical School. The following principal reasons taken together lead to this conclusion:

- (a) Rantoul is too small to properly absorb an institution of this kind which has almost as large a population as the town itself.
- (b) A poor climate that interferes seriously with the conduct of flying operations in the course of instruction at the school.

(c) Very poor morale conditions which are in great part not subject to change.

(d) Relatively poor transportation facilities.

(e) Utilities not entirely satisfactory.

In contrast to this summary—which is read, not as testified to from the personal knowledge of the Senate sponsors of the measure but as part of the official findings recorded in the committee hearings—there should also be mentioned the corresponding findings of that committee with respect to Denver. Perhaps the following conclusions, at the end of the detailed discussion of conditions in Denver, printed on pages 40 and 41 of part 1 of the hearings of the subcommittee, should be here read:

Denver is a fine city of 300,000 inhabitants, which the board is certain would take a great interest in the school and would cooperate fully in its support. The type of citizenry is exceptionally high, with the percentage of American-born considerably above average.

Every type of cultural advantage is at hand and readily available.

Recreational facilities are exceptional due to the progressive attitude of the city and to its close proximity to the Rocky Mountains.

The site proposed is excellent and sufficiently close to the city to afford the personnel all of its advantages.

The climate affords all changes of season, and while it has its cold periods in winter it should not interfere materially with flying operations. The summer climate is good. The altitude has its advantages and its disadvantages as stated in paragraph VI 4. It is thought that the advantages outweigh the disadvantages. There is practically no fog or haze and normal visibility is very great due to the high altitude.

Denver is not particularly well located with respect to other Air Corps stations. It is 700 miles from the present center of Air Corps population.

Denver has a very low annual rainfall. This is compensated for by an adequate water supply which is furnished at a reasonable rate and which makes irrigation inexpensive. The soil is fertile when irrigated.

The cost of living, including foodstuffs, servants, and rentals, is average. Building materials and labor are average.

Schools and religious facilities are considerably above average. In fact, they appear to be superior.

All utilities are available and reasonable in cost.

Rail transportation facilities are excellent. Switching facilities to the site would be furnished by the city.

Communications are on a par with other cities of the same size.

Denver has every attribute to make it popular with the commissioned, enlisted, and civilian personnel pertaining to the school.

Paragraph VI, 4, referred to in the summary just quoted from the printed hearings, is also printed on page 40 of those hearings, preceding the summary.

The board's conclusions with respect to Denver to be compared with those with respect to Rantoul are as follows (hearings, p. 41):

Denver is considered suitable as a location for the Air Corps Technical School for the following reasons, which, taken together, lead to this conclusion:

- (a) Fine, large, modern city.
- (b) Good site which will be presented to the Government, together with several valuable buildings.
- (c) Excellent climate and recreational facilities.
- (d) Good location for training in altitude flying.
- (e) Good strategical location.

Senators here will have noticed the reported absence at Rantoul and existence at Denver of an available adequate bombing and aerial gunnery site. There was no offer for Rantoul of such a site; but the record sets out the offer and availability of such a site at Denver, its personal inspection by Captain Brophy, and a report thereon by him to The Adjutant General in Washington. That report will be found at the end of the second part of the printed hearings before the Senate subcommittee, accompanying its report to the Senate. It is at page 42, and I ask that it may be here incorporated in the RECORD without reading.

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Without objection, it is so ordered.

The report is as follows:

OFFICE OF THE AIR CORPS INSTRUCTORS,
COLORADO NATIONAL GUARD, LOWRY FIELD,
Denver, Colo., December 29, 1934.

To: The Adjutant General, Washington, D. C.

1. The following information anent bombing and gunnery range for proposed Air Corps Technical School, Denver, Colo., is hereby submitted:

- (a) Description of range:
- (1) Size, 10 by 10 miles.

- (2) Location, approximately 12 miles east by southeast of proposed site of school; 19 miles from city of Denver.
- (3) Terrain, slightly rolling prairie land.
- (4) Approach to range, no obstructions.
- (5) Emergency landing fields, at least four available on range.
- (6) Approach from school, several lanes over uninhabited area, with good emergency fields.

(b) Terms.

The terms upon which bombing and gunnery site can be obtained cannot be stated at this time. I have contacted the chamber of commerce of the city of Denver, and they advise me that they will immediately take the matter under consideration and notify me as soon as possible what they will do toward providing this land to the Government. Because of their action with regard to the present site of Fitzsimons General Hospital and their proposed tender of land for the location of the Air Corps Technical School, it is my belief that the city of Denver will provide the gunnery and bombing range without expense to the Federal Government. The chamber of commerce reply anent the subject of terms relative to gunnery and bombing range will be forwarded immediately upon its receipt.

2. After both an aerial and a ground survey of the proposed gunnery and bombing range I am convinced that same is adequate and provides all requirements for its purpose.

NORMAN D. BROPHY,
Captain, Air Corps,
Instructor, Forty-fifth Division Aviation,
Colorado National Guard.

Mr. COSTIGAN. So significant, according to the testimony, is a proper bombing and aerial gunnery site, and so serious is its continuing unavailability at Rantoul, that it can hardly be too emphatically stressed. The facts are laden with enormous potential consequences. And there is no dispute about the facts.

Answering a question on this subject propounded by the Senator from Indiana [Mr. MINTON], Colonel Yount, when testifying before the subcommittee, discussed its importance for the Air Corps Technical School. Indeed, his statement on the nature of any instruction given by the school, for fuller understanding of the pending measure, doubtless ought to be detailed at this point in my remarks. I read from page 52 of the second part of the published hearings:

Senator MINTON. What do they do at these schools?

Referring to the Air Corps Technical Schools.

Colonel YOUNT. The exact curricula for this school is the training of officers and enlisted men in care of, operation, maintenance, and repair of Air Corps equipment. It is not a flying school, excepting that there is considerable flying which is incident to the curriculum and the testing of the equipment.

The exact courses which are taught there for officers are aircraft engineering, both airplanes and engines; armament; communications, principally radio; photography; special maintenance engineering; and certain other courses for officers of the National Guard.

For enlisted men the courses are airplane mechanics; aircraft armaments, which have to do with the question of machine guns and bomb racks and releases; and aircraft welders; and sheet-metal workers; parachute riggers; photographic and radio mechanics; and supply and technical clerks.

Senator MINTON. What is the personnel of the field?

Colonel YOUNT. For the next year—it has been very depleted during the past year, due to the very dilapidated condition of the buildings—the next year they have planned to train about 600 students. Of these, 250 will be especially enlisted out of the extra enlisted personnel recently authorized by Congress, and about 350 especially selected men sent from other Air Corps stations.

When the field was built, I believe it called for 86 officers and around 1,000 enlisted men.

Then, referring more particularly to the precise activities of the institution:

This school is considered one of our most important schools, and one for which we have a crying need at the present time. The question of technique is becoming so important, the question of training and having trained officers and enlisted men on every field who are thoroughly familiar with this equipment, is of the highest importance.

In fact—

And there is no more important statement in the report than this:

In fact—

Said Colonel Yount—

it involves the lives of men, and so the War Department naturally is very anxious that this matter should be settled so that we can go ahead wherever the school may be located and carry out this course of instruction which we consider to be one of our most important.

The Senator from Vermont [Mr. AUSTIN] at this point in the testimony propounded, and the witness answered, another question:

What particular part of that curriculum is affected by the location of the school?

Colonel YOUNT. The particular parts of the curriculum which we feel are affected by the location of the field are the courses in photography and the course in armaments.

Of course, in photography, as given at the present time, at Chanute Field, there is considerable lacking, due to the fact that we have a great deal of foggy, hazy, rainy weather, when it has been impossible to carry out the curriculum.

As far as the flying is concerned, in practically all of these courses, we have a very thorough theoretical course, in classrooms and in the laboratories, and this classroom and laboratory work is followed by practical demonstrations in the air.

Of course, photography can't be more than half taught on the ground. The men must be taken into the air to teach them the use of the apparatus. As far as our armament is concerned, we feel that the greatest thing which is lacking at Chanute Field is a possibility of a bombing field and a machine-gun range. Up to the present time, the course of instruction has been purely theoretical, and men have been taught how to build or put together the various pieces of armament apparatus, machine guns, sights, etc., on the ground, but they have not had an opportunity to take that apparatus into the air and actually test it under service conditions.

I trust that Senators who are listening realize the import of this particular statement of Colonel Yount, a technically qualified expert on Air Corps problems. One of the reasons, he asserts, calling imperatively for the removal of this school from its present site to a more favorable location, is that under present conditions this important branch of the school's activities, involving the lives of men, is on a theoretical basis due to the lack of a bombing and gunnery field such as has been offered voluntarily to meet the needs of this school by the city of Denver, by vote of the taxpayers, and without cost to the Federal Government.

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Colorado yield to the Senator from Illinois?

Mr. COSTIGAN. I yield to the Senator from Illinois.

Mr. DIETERICH. It is proposed in the Senator's bill to permit the Government to accept a grant of 640 acres of land. Is that correct?

Mr. COSTIGAN. That is part of the proposal.

Mr. DIETERICH. Are any further areas of land offered by the city of Denver so far as the Senator's bill is concerned?

Mr. COSTIGAN. On lines 3 and 4, page 2, the Senator from Illinois will find this description, in part, of what the War Department is authorized to accept from the city of Denver:

Also, a tract of land within the State of Colorado, suitable for use as an aerial gunnery and bombing range by the Army Air Corps.

Mr. DIETERICH. But that has nothing to do with the donation that is offered by the city of Denver through its chamber of commerce, has it? Furthermore, that is not a definite location. Am I correct on that point?

Mr. COSTIGAN. A definite location is reported upon, as already indicated to the Senator from Illinois, as inspected and, so far as the personal inspection permitted, approved by Norman D. Brophy, captain of the Air Corps, under date of December 29, 1934, in a letter addressed to The Adjutant General. As already stated, I may say to the Senator from Illinois, the letter will be found on page 42 of the printed hearings.

Mr. DIETERICH. I do not desire to interrupt the Senator any further, but I wish to be clear on that point. At present the Government owns a 640-acre tract at Rantoul, upon which its present equipment is located. The bill authorizes the Government to accept a similar tract in or near Denver. So far as the bombing range is concerned, it is as indefinite in Colorado as it is in Illinois.

Mr. LEWIS. Mr. President—

Mr. COSTIGAN. I yield to the Senator from Illinois.

Mr. LEWIS. I call the attention of the Senator from Colorado to the fact that the testimony of the witness, Colonel Yount, when referring to the prospects of both flying and bombing, is based upon technical conceptions only.

There has been no real attempt at flying in the field at Rantoul. He merely draws a deduction as to the prospect of what might follow from what he assumes are the conditions around him. May I not ask whether it is not equally true as to Colorado that no attempt has been actually put afoot to try the matter out? It is a mere technical conception on the part of this officer, his judgment as to how one locality might operate as against another, but is not based upon actual experience.

Mr. COSTIGAN. If the Senator from Illinois [Mr. LEWIS] refers at this moment to actual bombing operations in Illinois and in Colorado, what he says is obviously true; but if an intimation is attempted to be given to the Senate that there is some doubt about the unavailability of the field at Rantoul or the availability of a suitable site at Denver, the record clearly does not sustain that intimation.

Moreover, as already stated, we have the affirmative testimony of a highly qualified expert, Colonel Yount, as to the importance of such a site. We have, in addition, the admission in the record of the absence of such a site made by Representative DOBBINS in the hearings before the committee on June 24. I read from page 14 of the printed hearings, beginning with a question by the Senator from Indiana [Mr. MINTON]:

Senator MINTON. Well, there was some question or comment about a bombing field. You didn't touch on that.

The statement was addressed to Representative DOBBINS who was appearing at that time before the committee in opposition to the report. The printed record proceeds:

Congressman DOBBINS. Yes. A bombing field would be available, I think, at Denver, at an expense that would be a very great advantage over the cost of any bombing field that could be provided in the vicinity of Rantoul. In fact, the cost would be prohibitive in getting a 10-square-mile area in Rantoul. It would cost between five and ten million dollars to clear off and take the habitations away from an area of land 10 miles square in the vicinity of Rantoul, and I think it would be prohibitive.

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

Mr. COSTIGAN. I yield.

Mr. DIETERICH. But there was no location of an aerial bombing field inspected by this board of Army Air Corps officers in Colorado.

Mr. COSTIGAN. A representative of the board, as already stated, inspected an area and reported in favor of it.

Mr. DIETERICH. That is not described in the bill, is it?

Mr. COSTIGAN. There is no description of a particular tract of land. There is, however, a very definite authorization to the Secretary of War by the terms of the measure to accept 640 acres of land, more or less, within the city limits of Denver, together with existing buildings and equipment, also a tract of land within the State of Colorado suitable for use as an aerial gunnery and bombing range by the Army Air Corps.

Perhaps, in view of the questions raised by the Senators from Illinois, a reference to the language used by Captain Brophy should be made more definite by reading at least a portion of it. The entire statement will be found printed at page 42 of the hearings, and by unanimous consent has already been ordered printed in the RECORD of my remarks.

Under date of December 29, 1934, to repeat, Captain Brophy wrote as follows to The Adjutant General:

1. The following information anent bombing and gunnery range for proposed Air Corps Technical School, Denver, Colo., is hereby submitted:

- (a) Description of range:
 - (1) Size, 10 miles by 10 miles.
 - (2) Location, approximately 12 miles east by southeast of proposed site of school; 19 miles from city of Denver.
 - (3) Terrain, slightly rolling prairie land.
 - (4) Approach to range; no obstructions.
 - (5) Emergency landing fields; at least four available on range.
 - (6) Approach from school; several lanes over uninhabited area, with good emergency fields.
- (b) Terms.

The terms upon which bombing and gunnery site can be obtained cannot be stated at this time. I have contacted the chamber of commerce of the city of Denver, and they advise me that they will immediately take the matter under consideration and notify me as soon as possible what they will do toward providing this land to the Government. Because of their action with regard to the present site of Fitzsimons General Hospital and

their proposed tender of land for the location of the Air Corps Technical School, it is my belief that the city of Denver will provide the gunnery and bombing range without expense to the Federal Government. The chamber of commerce reply anent the subject of terms relative to gunnery and bombing range will be forwarded immediately upon its receipt.

2. After both an aerial and a ground survey of the proposed gunnery and bombing range I am convinced that same is adequate and provides all requirements for its purpose.

This report should be supplemented by further reference to the vote of the taxpayers of Denver on May 21, 1935. The question was submitted to the taxpaying electors in the following words:

Shall the city council of the city and county of Denver issue negotiable interest-bearing bonds of the city and county of Denver, in the sum of \$750,000, for the purpose of acquiring or contributing to the acquiring of such lands, buildings, and building sites and railway trackage as may be necessary and selected by the War Department of the United States for the location of its proposed Army Air Corps Technical Training School and its proposed bombing field, or either of them, should both not be located in or near the city and county of Denver, as as is in the judgment of the mayor and his cabinet and the city council may be deemed necessary in cooperation with the Federal authorities, such bonds to be issued and sold only when and as the Federal Government shall comply with its agreed part of the undertaking, hereinbefore described, and such bonds to bear interest at a rate not to exceed 4 percent per annum payable semiannually to mature as follows.

There follows a specification of five different groups of bonds, which I shall ask to have incorporated in the RECORD at this point without reading.

THE PRESIDING OFFICER. Is there objection?

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

1947	\$75,000
1948	75,000
1949	75,000
1950	75,000
1951	75,000
1952	75,000
1953	75,000
1954	75,000
1955	75,000
1956	75,000

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

Mr. COSTIGAN. I yield.

Mr. DIETERICH. Some of the lands to be acquired are located within the corporate limits of the city of Denver. The aerial bombing tract may not be located within the corporate limits of the city of Denver. I wish to direct the attention of the Senator from Colorado to the question I am propounding. Does he, as an eminent attorney from Colorado familiar with its laws, consider that this is a proper municipal purpose for which to bind the taxpayers, in order to raise this fund for the city of Denver, and has there ever been a test of whether or not they could do that? Has there been any similar case which would indicate that it was within their corporate power to levy a tax upon the property of the city of Denver for the purpose of giving it to the Federal Government for some air activity?

Mr. COSTIGAN. The city and county of Denver, so called by virtue of its exceptional and self-governing municipal organization, authorized by an amendment to the Colorado constitution some years ago, purchased and has long controlled with similar authority various tracts of land some miles from Denver known as the Denver Mountain Parks. Very large powers have been given to Denver, and it is my judgment—confirmed, I think, by the judgment of attorneys who have inquired into the authority for such action in passing on the validity of bonds—that there is no valid legal or constitutional objection to the particular bonds authorized by vote of the taxpaying electors at the election in May 1935, to which reference has been made.

Mr. ADAMS. Mr. President, will my colleague yield to me for an inquiry?

Mr. COSTIGAN. I yield.

Mr. ADAMS. I gather from the interrogatory of the Senator from Illinois [Mr. DIETERICH] that his only concern in the matter is lest the city of Denver should be unable to provide the site for the bombing field. Other than that, he would have no objection. Could he not be told of the ade-

quate assurances and guarantees by responsible citizens of Denver to that effect, even though there should be some legal question as to the city's rights?

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

Mr. COSTIGAN. I yield to the Senator from Illinois for the purpose of answering the inquiry of my colleague.

Mr. DIETERICH. With the indulgence of the senior Senator from Colorado, I might say, in order to disillusion the junior Senator from Colorado, that what he mentioned is not my only concern, and I expect to state briefly and plainly what the concern of Illinois is in trying to prevent the chambers of commerce of the State of Colorado from buying an institution which is now located in Illinois. That is the principal concern which Illinois has in this matter.

Mr. COSTIGAN. Mr. President, the record will be searched in vain, in my judgment, for any affirmative or other support of the implications conveyed in the last statement made by the Senator from Illinois.

Before I continue I should say that my attention has just been informally drawn to the fact that certain Members of the Senate did not hear the detailed statement with respect to the vote of Denver taxpayers on the question submitted concerning the issuance of bonds authorizing the purchase of the land for use in part as a bombing field. I therefore repeat that on May 21, 1935, bonds in the total amount of \$750,000 par value were authorized to be issued by Denver for the purposes repeatedly specified, and that the vote of the taxpaying electors, who, pursuant to our self-governing home-rule amendment to the Colorado Constitution, determine such questions, was 39,395 in favor and 15,083 against; approximately two and a half times as many voting in favor of this bonded obligation as voted against, all qualified voters being taxpaying electors.

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

Mr. COSTIGAN. I yield.

Mr. DIETERICH. The Senator says that the vote was confined to taxpaying citizens of the city of Denver. Is there a law providing that those who are not property owners are not permitted to exercise their right of franchise on whether or not the city should do such a thing?

Mr. COSTIGAN. The provisions of the constitutional amendment giving home rule to Denver, and the Denver charter provisions adopted in conformity, are construed as requiring a vote of taxpaying electors in such instances, and such a vote was had. So far as known, until now, there has been no technical question raised, if one is now raised, as to the validity of these proceedings. Of course, the War Department is under no obligation to accept, and it is certain that it would not accept, other than fee-simple title to land which is or may be tendered under the provisions of the pending measure, if it becomes law.

What I have been endeavoring to say on the subject of the bombing field is that the unchallenged testimony of technically highly equipped officers of the Air Corps discloses the value in addition to theoretical training in this important field of aerial preparedness. It also discloses an admission by the Representative from the part of Illinois in which Rantoul is located of the absence of any suitable available location there for these purposes. The prohibitive cost is specified by him.

It ought without that admission to be obvious to anyone familiar in general with conditions in the vicinity of Rantoul, Urbana, and Champaign that those communities are located in a rich agricultural region of the great State of Illinois, and that, even if such an area as a gunnery site were available at moderate cost, there would be special dangers to people in that vicinity involved in the use of such a site which would not attach to available far-stretching, largely unoccupied lands in the vicinity of but outside of Denver. There it is possible to segregate a tract of land 10 miles square and to safeguard individuals in that vicinity.

Pictures which I have here for the inspection of any Senator who cares to inspect them illustrate the nature of the considered site in the vicinity of Denver.

Surely some of the questions presented by the Senator from Illinois with respect to problems heretofore undis-

puted may well surprise members of the Committee on Military Affairs who have followed the testimony so far given and are familiar with the careful and specific reasons assigned by the War Department for the removal of the Air Corps Technical School from its present site in Illinois.

Lest there be further similar questions presented hereafter, there should be definite reference to the opening statement of Representative DOBBINS at the first hearing of the subcommittee. Representative DOBBINS in his opening statement frankly gave the following information, which is of importance not only for what it says but also for its implied support of the accuracy of much of the final report of the officers' committee.

I quote on page 2 of the printed proceedings from that statement of Representative DOBBINS:

Champaign County is in a flat, plain country, and the location at Chanute Field is characteristic of the rest of the country.

It was established during war times as a practice field, and then developed as a technical school about 14 or 15 years ago. The improvements there are the greatest drawbacks—old wartime buildings—both as to housing and technical construction. They have had two bad fires within the last 5 years which have depleted the technical facilities of the school.

In considering the student personnel of the field, it runs at present, I think, about 600—a maximum figure, I think, has been something like 1,000 students. I think instruction is given not only to mechanics, enlisted or drawn from civil life, but also the official personnel of the Army.

The first agitation for moving of the school was with reference only to the question of Dayton, Ohio, where, as you know, a considerable amount of Air Corps activity is centered. There was quite a contest between the Illinois people and the Ohio people on that question for several years. The result of that conflict was that the improvements in the field were not made.

In 1932 something like a million dollars was appropriated for new construction. Advertisements for bids were taken and had been received, and contracts were about to be let, when in the winter of that year, in December, the appropriation was canceled and the funds appropriated for that purpose were covered into the general appropriation for the Army, without specification being made as to how it was to be expended. From that time to this the need for improvements to the field has increased. In 1934, early last year, the War Department was understood to be the sponsor of a resolution, which was introduced by Representative McDuffie in the House of Representatives, proposing the creation of a special commission to study, to make a study, of different locations and report upon a proper location for that school.

The resolution was not adopted, but while pending this special board, whose report is before you, was created by order of the Secretary of War for three Air Corps officers. They were to prepare a report on each of the places visited, and continued their survey for 6 or 8 months, visiting, I think, over 100 locations—up in that neighborhood, at any rate.

It must then be evident that for many years there has been substantial dissatisfaction among those responsible for the administration and development of the Rantoul school over conditions prevailing at Chanute Field and in that vicinity; that various efforts have been made from time to time to find a more suitable location; that extreme precautions have been taken to determine a present suitable location for such a school, and that finally, and as a result of detailed, country-wide inspection, such a location is now unanimously favored at Denver.

I think, Mr. President, that there is little else that needs to be said unless new reasons for subsequent discussion should develop.

Summarizing what I have been endeavoring to say, the history of this school discloses that after years of evident dissatisfaction, in February 1934, continuous efforts by the War Department to find a more suitable location than Rantoul were renewed. The deficiencies in training facilities and other factors making for lowered morale; the climatic, photographic, necessary aerial training, and other limitations of the present site, not faced at the proposed new location, the detailed and careful tests applied in seeking new and better conditions have been specified.

The ability and impartiality of the Army officers pledged on their honor to investigate and report fairly on other possible sites with a view to securing the most suitable of such sites, the care which was exercised by superior Army officers through some 5 months to check the accuracy of the report before it was submitted to the Senate, the review of the merits of the case by the Senate Military Affairs Committee,

the patient examination by the members of that committee of the testimony and arguments presented in favor of retaining the school at the present site at Rantoul, and the final approval for Senate consideration of the steps taken by the War Department, including the pending measure, are all part of the record.

I need not add to what I have said any special emphasis on the pressing importance, as well as the scientific justification of the pending bill. Those features have been sufficiently reviewed. Even those members of this body who with special conviction passionately resent civilization-destroying wars, their multiplied cruelties, and their futilities, may well recognize in such a measure as this more efficient safeguards than have heretofore had first place in the help given by the Congress to the Air Corps Technical School. This is not a new problem, but the pending measure has the value of providing more adequate treatment of existing responsibilities.

The pending bill, therefore, comes before the Senate with an up-to-date emphasis which few will care to dispute. The scientific evidence of technicians who support it justifies the conclusion that unless it is acted on with reasonable promptness, the cost of delay or defeat will be national and will be paid in relatively inadequate training and efficiency and in the lives not only of Army fliers but also those who depend on their trained knowledge and skill. The warning has been authoritatively sounded and with special reference to this anticipated legislative proposal. The evidence is conclusive; the findings have been made with unusual deliberation by competent witnesses on the basis of appropriate tests, minutely and expertly applied and checked by Members of the Senate who are exceptionally qualified to determine credibility. It is hoped that favorable action on the pending bill will no longer be deferred.

Mr. DIETERICH obtained the floor.

Mr. LEWIS. Mr. President, if my colleague will yield—

Mr. DIETERICH. I yield.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Ninety-five Senators having answered to their names, a quorum is present.

Mr. DIETERICH. Mr. President, I believe I can say without any impropriety that I have not been given to quarreling with any agency of the Federal Government in the matter of performing the duties which devolve upon it. If I felt that this investigation had been made as fairly, as openly, and as thoroughly as the senior Senator from Colorado [Mr. COSTIGAN] represented that it was, I should not be here talking to this body now.

If I felt that there had been exhibited a desire to find the location in the United States most suitable for the establishment of this institution, one that would take into consideration everything necessary to be taken into consideration in order that the institution might give thorough and efficient training to that class of citizens who during war must be learned and skilled in the matter of aviation and in the

matter of those destructive forces which aviation carries in the war, I should not be talking to this body at this time.

If I felt that my own State had not been discriminated against—not by the United States Senate but by some subordinate officer to whom perhaps the flat prairies of Illinois did not appeal, those prairies which produce the men and produce the goods and pay the revenues in their just proportion to this Government—if I did not believe there was a discrimination of that kind I should not be talking to the Senate today. I should not ask the indulgence of your time and attention.

Rantoul Field was established shortly after the World War. The activities of Kelly Field, in Texas, were moved to Illinois. Sufficient land was acquired, and at that time temporary buildings were either in existence or were constructed for the purpose. It is an established institution of that State.

I realize that it is rather difficult to get Senators who are not very much interested in the establishment of institutions of this kind—possibly because their own States have not had the opportunity to have similar institutions established there—to take any other course than to say, "If a proper board has been appointed, if a Federal investigation has been made, if the proposed site has been investigated in the proper manner, we do not care to disturb the situation." I realize that is the ordinary logic which moves a Senator in the discharge of his duties.

I say to the Senate here and now that I am not given to suspicion. I am not given to charging bad faith to anyone. I am one of the last persons in the world who would raise his voice to charge anyone with bad faith in any agency of his Government, especially in those agencies of defense of his Government. There are some things connected with this proposal, however, which were not brought in by any Member of the Congress. When chambers of commerce become ambitious to build up their communities, become ambitious to have institutions taken from somewhere else and brought to them, they sometimes do things which are not in accordance with the line of ethics pursued in the Congress of the United States.

The question which presents itself to the Senate is this:

Here is an institution, established in one State, which is sought to be removed from its present location and established in another State. It is not a question of finding a location for an institution which is not in existence, the building of which is only contemplated. It is a question of taking an institution away from a State. If it were the establishment of a new institution, the question would be altogether different.

True, conditions at Rantoul Field are not good. Why that field was not properly prepared for a flying field, no one except those who had to do with the expenditure of the appropriations can tell. Appropriations have been available year after year to correct the drainage of that field, about which this commission complained, and to erect at the field permanent buildings to take the place of those whose decay and depreciation is said to have caused a bad morale. The appropriations were made, and the money was lying in the Treasury, but no appeal could induce the authorities to do for this field what they should have done, and what they expect to do if the proposed field is established in Denver.

I had some concern about this matter when I first came to Congress. It is a matter which was discussed in Illinois. It was involved in a scheme of politics which I was never able to see through, never was able to fathom, never was able to understand. When I went to the War Department, which had charge of these activities, when I came here as a Representative at large from Illinois, I tried to get them to spend the available appropriations and place that field in a proper condition for the purposes for which it was intended.

I was told by the Department that they intended to consolidate these activities; they intended to move this field to Dayton, Ohio, where other air activities were located, so that when men attended this technical school they could have the benefit of the additional and broad training in fly-

ing which was going on at the Dayton field. I was told that they wanted to do that as a matter of economy. It was a matter of raising the efficiency of the field.

When they told me that, they had no quarrel with me, because I said, "If this will render the training of these men more efficient, if it is a matter of consolidating these activities, if it is a matter of economy, I am big enough to go back to my people and tell them that they need not hope to retain an institution in the State of Illinois when those considerations are against it"; and I told them that.

That, however, evidently is not what was in mind. Up to that time, not one finger had been raised to condemn or impeach this field. Up to that time, so far as anyone could gather from that Department of the Government, the field was absolutely suited for the activities for which it was intended so far as climate, terrain, and everything else was concerned.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. DIETERICH. I yield to the Senator from Nebraska.

Mr. NORRIS. I desire to make an inquiry concerning a matter which has impressed me since listening to this debate. Prior to the debate I knew nothing about the questions at issue or about this bill.

The matter which has impressed me seems to me important. I may not be sufficiently informed to be right in regard to it; but it is this: For the school, and for the theoretical work connected with it, and possibly some flying, a section of land probably would be sufficient; but to put it into practice for the bombing and the shooting and the other work connected with the practical application of the theoretical work, as I understand, a very large tract of land would be required; so that somewhere in the vicinity of the school there should be a large field, I should think 25 or 30 miles square, for use in practice operations.

I am wondering, first, if my conclusion is right. If it is not, what I have suggested has no application to this case; but if it is, it is very important that this field be located somewhere where a large tract of land could be acquired without prohibitive expense; and it seems to me it would necessarily have to be located in the vicinity of the mountains, or other public lands, or other places where land would not be too expensive. Can the Senator from Illinois give us some information on that point?

Mr. DIETERICH. Yes; I think I can.

I realize the truth of what the Senator from Nebraska has said. That argument was brought up in connection with the matter of removing the field to Denver, Colo.

No complaint was ever made, while the appropriations were available, that there was not sufficient space for conducting the training in these bombing operations. This is a new thing that has come in. It is not even necessarily connected with this training school. The matter of perfecting the men in flying, the matter of training them in the art of bombing, has nothing whatever to do with this school. That can be carried on in the State of Illinois. It can be carried on 200, 300, or a thousand miles away; and under the present bill it is indicated that its location in the State of Colorado is not necessarily near this school where the men are taught the technical, mechanical construction of airplanes and air equipment.

That is my answer to that question. This is the first time the War Department has said that these two particular activities, these two institutions, should be located close together. The conclusions drawn in the report—and I am going to call attention to the report—say that the necessary land could not be obtained around the present field except at prices that would be prohibitive. That is a mere conclusion. I do not know whether or not a tract of land 10 miles square is required. So far as I know, they have not such a tract of land anywhere. I do not know the price of land in Colorado. I understand that they are going to issue bonds and donate the land to the Government. It is not for me to complain about that; but I wish to say to Senators that this

is the first time this important activity of the Government has been put up at auction, to be given to the locality which furnishes, in dollars and cents, the best inducements; and that proposition was not made to us in order that we might avail ourselves of it.

Why locate this field at Denver? Why not locate it at Pueblo, Colo., where the terrain is much more suitable for the purpose? Why not locate it at Colorado Springs? Why not somewhere else? Why not down in the fields of Kentucky? Why not in Missouri, among the Ozark Mountains, where they can find space a thousand times more centrally located? Why Colorado? Why Denver?

The fact is that the irresistible entertainments of the Chamber of Commerce of Denver are responsible for the removal of this field, and I shall go into that, and when I do, I go into it with reluctance. When I say that the irresistible entertainments of the Chamber of Commerce of Denver are the cause of this removal I am saying it advisedly and I am not using reckless language or thoughtless language. I am going to show the Senate why I say that and why I have a right to say it.

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

Mr. DIETERICH. I yield.

Mr. COSTIGAN. Without raising, but reserving, any question as to the accuracy of statements newly made by the Senator from Illinois, in view of the inquiry by the Senator from Nebraska, I think it proper to ask, because it is believed nothing not heretofore cited has been testified to with respect to reasons for earlier efforts to move the Air Corps school from Rantoul to Dayton, Ohio, whether at that time any reference was made to the availability of Dayton, Ohio, for bombing or aerial gunnery purposes?

Mr. DIETERICH. I do not want the Senator to argue his case again in my time, but if he doubts my word I can find other Senators who are interested in this matter to whom the same thing was told.

Mr. COSTIGAN. No intended suggestion of doubt of the Senator's word has been given at this time. There has been—

Mr. DIETERICH. Mr. President—

Mr. COSTIGAN. If the Senator will permit me—

Mr. DIETERICH. I like to yield for questions, but I do not like to have this speech I am making interlined and interspersed with other speeches, because it would be hard for the printer to cut the interruptions out and find out what I was saying.

Mr. COSTIGAN. If the Senator will pardon me, just one comment.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Colorado?

Mr. DIETERICH. I yield for a question.

Mr. COSTIGAN. Does the Senator know whether the availability of a bombing or aerial gunnery site at Dayton, Ohio, was mentioned or considered some years ago when the proposed removal from Rantoul was under consideration?

Mr. DIETERICH. I will answer that question. So far as I know, it was not; and, so far as I know, this is the first time that has been tied on to the question of this technical training school.

Mr. COSTIGAN. May I ask the Senator to yield for one further question?

Mr. DIETERICH. If the Senator will quietly listen until I get through, I believe I will clarify the points and save a lot of the Senator's time.

Mr. COSTIGAN. May I ask whether the Senator from Illinois suggests that Denver, or any organizations representing Denver, had anything to do with the earlier proposals for the removal of this school? I have particularly in mind the suggestion of a removal to Dayton, Ohio.

Mr. DIETERICH. I do not suppose the Denver Chamber of Commerce was very much in favor of removing the school to Dayton, Ohio, and I doubt whether they had very much to do with the particular agitation for the removal of the school to that place.

The report made by this board of four Army Air Corps officers is based upon information obtained mostly by them—

selves at Chanute Field, and beautiful prospectuses, and photographs, and statements of wonderful weather conditions issued by the chamber of commerce of the city of Denver. The photographs disclose a damp, wet field at Chanute Field at a time when it was in the worst condition in which it had been for years. The photographs which they incorporated in the record, furnished by the Chamber of Commerce of Denver, paint climate of Denver as most heavenly, the skies clear and blue, and beautiful to behold. No painting like that was presented on behalf of Illinois. No; it was damp, hazy, rainy.

Bless you, when we fight wars, we cannot take the boys up along the mountain sides and into rarefied atmosphere. We have to fight them where the battles take place, and if we are to train them in a wonderful climate such as exists in Denver, if they have to go down in the swamps somewhere, they will not know what to do.

They discovered every day the atmosphere over Illinois was cloudy, and it does look bad in the record. But they did not even discover in the last 2 years a dust storm along the east slope of the Rocky Mountains. This board of Army Air officers did not even know of these storms.

As I have said, this is the first time we have heard this Illinois field impeached. Illinois may not boast of ideal weather. Ohio, Indiana, Kentucky, Tennessee, and all those States of the Central West, may not be able to boast of ideal weather. But we have a healthful climate and we have blue skies most of the year.

They even took the temperatures and directed a movement against the field on the theory that the weather was too hot and humid for the men to train properly—that it would distract them from their work. I do not think there is any question but that men should be trained, perhaps, in all kinds of climate and when we compare the days referred to with the winter days along the east slope of the Rockies we will strike a pretty good balance.

If we talk about danger in flying, I should rather have my boy, if something went wrong, come down in the cornfields of Illinois than fall among the rocks of the Rocky Mountains, if we are talking about safety.

It is said that this is urgent; that it should be done immediately; that the lives of our boys depend upon this being carried out immediately. Why did they not think of that from the time this field was established at Rantoul, and when the appropriations were available to go ahead and build this field and mold it into what it should be?

I guess this is one of the ordinary things with which we sometimes meet. Is there anything in the accounts of Colorado and Illinois, comparing the revenues and expenditures, that would indicate that there was an overbalance along that line, and that some institution should be removed from one State to the other so that a more just distribution of the revenues and expenditures of the Government should take place?

I have a statement here which shows that Colorado, with a population of 1,056,000, paid \$26,826,155 as revenues into the Federal Treasury to carry on governmental activities, and at the same time took out of the Federal Treasury \$48,760,386.

I believe I have a right to present this matter to the Congress. I believe it is a factor which has a right to be taken into consideration in this matter. The revenues of Illinois were more than \$100,000,000 in excess of what she received, with her population of something over 7,000,000.

I believe that is proper to be taken into consideration here.

There is something still a little bit worse than that concerning the matter, which I do not understand. There was introduced in the record a letter written to Lt. Col. B. K. Yount, of the United States Army, chairman of the Board for Recommending Site for Air Corps Technical School, Munitions Building, Washington, D. C., in which the writer says:

Confirming our telephone conversation just now:

Yesterday I was away from my office all day, being engaged in a series of conferences at the Interior Department, which did not conclude until late in the afternoon. While I was away from my office, there was received by Western Union a day letter dated

Denver, Colo., August 7, addressed to me, signed "Denver Chamber of Commerce, C. A. Shinn, president"—

S-h-i-n-n, president—

which I just read to you over the telephone. Body of the telegram is as follows:

"Please advise Colonel Yount, chamber of commerce, joined enthusiastically by mayor and Denver City Council and supported by newspapers, proposes to arrange for outright donation to Government of entire site with present buildings and equipment. Request this be embodied in Denver prospectus and that consideration of Denver be based accordingly. Buildings and equipment, exclusive of land, cost originally \$560,000, now conservatively worth \$325,000. Trackage must await further negotiation, as both railroads claim tonnage insufficient to warrant building. Please do not release to press."

But this is the thing I desire to call attention to:

As requested by Mr. Shinn—

S-h-i-n-n, this president of the chamber of commerce—and by you—

That is, Mr. Yount. There we have the chairman of the board and the president of the chamber of commerce.

I can assure you that there will be no "leak"—

L-e-a-k, leak—

from this office concerning the correspondence between you and the Denver Chamber of Commerce.

Mr. COSTIGAN. Mr. President—

Mr. DIETERICH. I will not brook an interruption now.

Mr. President, if that savors of fairness, I do not understand it. That letter was written by Congressman LEWIS, who represents the city of Denver, for, as I understand, the congressional district and the corporate limits of the city of Denver are coextensive.

L-e-a-k, leak! The public will not know what we have done! We have got something between us that must not come out in the light of day, and I can assure you, as I assured the president of the chamber of commerce, there will be no leak.

I was surprised to find the explanation given about this matter. Of course Colonel Yount gives a long explanation by saying that he is satisfied that it was perfectly above-board and honest. Colonel Yount, on whom he was not going to leak, is thoroughly satisfied there is nothing improper in the transaction. When Representative DOBBINS took the stand, his explanation was certainly a thorough explanation of what he meant:

Representative DOBBINS. I could see no impropriety in such correspondence—

I am reading now from the hearings before the subcommittee of the Committee on Military Affairs in the United States Senate, Seventy-fourth Congress, under date of June 24, 1935. What I now read follows immediately after the letter:

Representative DOBBINS. I could see no impropriety in such correspondence, but only in their statement that they had not had such correspondence.

Evidently somebody would not have made a statement that there was going to be no leak if leaky matter did not exist.

Congressman LEWIS. There is no impropriety in the correspondence, I can assure you of that.

That is all he says in defense of it. He continues:

Now, I would be glad to submit this other information on the cost of living, and also—

And he leaves it at that. That is the explanation of a transaction which took place between the chairman of this board to locate a technical air school and the president of the chamber of commerce. That is why I am here on the floor of the Senate saying that this was not fair, and the entire record is absolutely stacked against Chanute Field. I have the highest respect for the officers of the United States Army. I think they are the most honorable, true, and patriotic men that ever lived; but they do not go out pursuing a public function concerning which there must be no leak. I do not doubt that the society and the bright

lights of Denver, with all the entertaining establishments they have in that beautiful city—entertainment of any kind you want—are a little more alluring for an Army officer, and that it is more alluring for him to live there, than the uninteresting fields of Illinois on which her crops are raised.

I do not doubt that the social whirl and the entertainments of Denver might appeal more to those who spend their lives in the Service than the uninteresting corn and wheat fields of Illinois. But, on the other hand, we have the little city of Rantoul, some 10 or 12 miles distant from the field, connected by ample superhighways to the university city of Illinois, to the seat of learning and culture, to the place near which you want your boy brought up, to the place where if you had your choice you would rather have him making contacts than going down the brightly lighted streets of the beautiful city of Denver, with her western tinge and her western allurements.

That is why the Senators from Illinois are protesting against the proposed action. Springfield, Mo., wanted this field; and anyone who has looked around the terrain and the surroundings of Springfield, Mo., for bombing fields and everything else, knows it has better fields than Colorado. The Senator from Texas [Mr. SHEPPARD] knows of fields in his State that are better equipped than the proposed field in Colorado, that have better surroundings, and are better places in which to train men.

Mr. President, even the difference in the cost of living and foodstuffs as between Denver and the community in Illinois was gone into. Can Senators imagine such a thing? They had that record stacked against us, until Representative DOBBINS—for which I want to say that he deserves the thanks of the district which he represents—went into the matter, made comparisons, took out a great deal of the cloudy days which they had stacked in the record against us, and reduced the cost of living which they had raised up. I know that one can live cheaper in Illinois and in Iowa than one can live in Denver, Colo.

I have stated what is back of the bill and why we are protesting the removal of the field. I say that the committee could have done nothing else from the record which was made, because the chairman of the board, who did not want any leak and had to be assured there would not be any leak, stacked the record the way he wanted it.

Mr. President, I make a promise—not a threat—that whenever anyone talks about leaks and leaking with respect to the expenditure of Government money, I am going to make it my business to see that there is not some other leak somewhere. I am going to do that in connection with my official duties.

This is the first time in all my life I have had occasion to say what I have said against one who was a member of a department of my government, whether State or National.

Of course the record was right. Of course they did not let that which might impel them to move leak out. It is always dangerous to have a chamber of commerce fooling along with a board which is trying to locate technical schools. Those boys just will try to sell their community in any fashion they can.

If those who desired the field moved to Denver wanted to pass off the bombing field as being prohibitive, why did they not give us a chance to see if we would donate a bombing field to them? We never did have that opportunity. Why did they not give the State of Kentucky the chance to donate land for the purpose, along those beautiful hills south of the Ohio River where the grass grows down to the water's edge?

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

Mr. DIETERICH. I yield.

Mr. BARKLEY. If a proposition is brought before the Congress to move the field from Illinois to Kentucky, will the Senator from Illinois favor such removal?

Mr. DIETERICH. I shall be more in favor of that removal than to have the field moved out West. I will say that to the Senator from Kentucky. I am not in favor of putting it in Denver. I do not think it should go to Denver.

I think we ought to have it where it is; but if I wanted my boy trained in these dangerous activities, I would rather have him flying over the beautiful hills of Kentucky than out West. I suppose the board considered some of those questions. They have the weather and the cost of living and everything stacked against us. There is just one place where this school can go, and that is the place where the understanding is so thorough that there will be no leak as to what happens.

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

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Colorado?

Mr. DIETERICH. I yield for a question.

Mr. COSTIGAN. May I ask the Senator from Illinois whether he does not think it would be fairer for the purposes of the record to do what the Senators from Colorado must themselves do unless the record is clarified at this time; namely, incorporate fully in the Record the statements made by the able Representative from Denver, Mr. LEWIS, and by Lieutenant Colonel Yount, with respect to the so-called "leak" letter.

Mr. DIETERICH. Yes; I shall read Colonel Yount's letter. I am glad the Senator called attention to it. Colonel Yount made one of the most thorough explanations of what "leak" means that anybody ever did. When he got through, it was just as clear as mud as to what he meant by "leak." If there was any confusion before he got through, then when he got through there was still more confusion.

Colonel Yount said:

As I remember, I called Congressman LEWIS' office and called his attention to the fact that this information had not been furnished in connection with the site at Denver and asked that it be furnished. That certainly was in connection with the site and perfectly legitimate.

Congressman LEWIS used the word "leak." I think by using that word he simply meant that the confidence which we had asked in every case, the confidential nature which we had imposed or attempted to impose upon all of these proceedings, would continue to be kept.

That is what he stated he meant. I do not want to be unduly suspicious, but I can think he meant something else just as reasonably as he can think that is what was meant.

Mr. COSTIGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield further to the Senator from Colorado?

Mr. DIETERICH. I yield.

Mr. COSTIGAN. Does the Senator plan to incorporate in the Record the portion of the statement of Lieutenant Colonel Yount which precedes the conclusion read by the Senator? I refer to the language on page 56 of the hearings.

Mr. DIETERICH. I beg the Senator's pardon. My attention was diverted. Will the Senator repeat his question?

Mr. COSTIGAN. Since it is the Senator's desire that any statement be made in the form of a question, I am asking whether the Senator wishes to incorporate in full the statements of Lieutenant Colonel Yount preceding those portions of the statements which were in part read by the Senator from Illinois?

Mr. DIETERICH. I have no objection to the Senator from Colorado incorporating in the Record anything he wants to place there, but from my very earliest years I have never made it a practice to let my adversary write my speech. I am simply telling what I understand by this, the Record is open to every Member of the Senate. I am not trying to conceal anything nor to have any leak. I am not afraid of any leak in this matter at all, because it is all in the record. There is no reason why the Senator from Colorado should not have anything incorporated in the Record he desires.

Mr. President, there are some other matters which I wish to bring to the attention of the Senate.

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

Mr. DIETERICH. Certainly.

Mr. BARKLEY. It is evident that this matter cannot be concluded this afternoon. I understand the Senator from Illinois desires to retain the floor.

Mr. DIETERICH. Yes; I do.

Mr. BARKLEY. Will the Senator therefore yield to me to ask for an executive session?

Mr. DIETERICH. I yield for that purpose.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing several nominations), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the following nominations:

John J. Quinn, of New Jersey, to be United States attorney, district of New Jersey;

Gustav Peck, of New York, to be a member of the Prison Industries Reorganization Board, created by Executive order of September 26, 1935, establishing the Prison Industries Reorganization Administration; and

James P. Davis, of New York, to be a member of the Prison Industries Reorganization Board, created by Executive order of September 26, 1935, establishing the Prison Industries Reorganization Administration.

Mr. CONNALLY, from the Committee on the Judiciary, reported favorably the nomination of T. Whitfield Davidson, of Texas, to be a United States district judge, northern district of Texas, vice Edward R. Meek, retired.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Albert Hazen Blanding, National Guard of Florida, to be Chief of the National Guard Bureau of the War Department, with the rank of major general, for a period of 4 years from date of acceptance, with rank from December 1, 1935, vice Maj. Gen. George E. Leach, Chief of the National Guard Bureau, whose term of office expired November 30, 1935; also the nominations of sundry other officers for appointment, by transfer, in the Regular Army.

The PRESIDING OFFICER. The reports will be placed on the calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be acting executive director of the National Emergency Council.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS IN MINNESOTA

The legislative clerk proceeded to read the nominations of sundry postmasters in Minnesota.

Mr. BARKLEY. I ask that the nominations of postmasters in Minnesota go over.

The PRESIDING OFFICER. Without objection, the nominations of postmasters in Minnesota will be passed over.

FEDERAL HOUSING ADMINISTRATION

The legislative clerk read the nomination of Stewart McDonald, of Missouri, to be Federal Housing Administrator.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. FLETCHER. I ask unanimous consent that the President be notified of the confirmation of Mr. McDonald.

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

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of Samuel D. Sanders, of Washington, to be Cooperative Bank Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters, other than those in Minnesota, are confirmed en bloc.

That completes the calendar.

RECESS TO THURSDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate stand in recess until noon on Thursday next.

The motion was agreed to; and (at 4 o'clock and 10 minutes p. m.) the Senate took a recess until Thursday, January 30, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 27 (legislative day of Jan. 16), 1936

FEDERAL RESERVE BOARD

The following-named persons to be members of the Board of Governors of the Federal Reserve System for the terms indicated, as follows:

Ralph W. Morrison, of Texas, for a term of 2 years from February 1, 1936, vice J. J. Thomas.

Marriner S. Eccles, of Utah, for a term of 4 years from February 1, 1936. (Reappointment.)

Ronald Ransom, of Georgia, for a term of 6 years from February 1, 1936, vice George R. James.

John McKee, of Ohio, for a term of 10 years from February 1, 1936, vice Charles S. Hamlin.

M. S. Szymczak, of Illinois, for a term of 12 years from February 1, 1936. (Reappointment.)

Joseph A. Broderick, of New York, for a term of 14 years from February 1, 1936, vice Adolph C. Miller.

DIPLOMATIC AND FOREIGN SERVICE

H. Earle Russell, of Michigan, now a Foreign Service officer of class 3 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

The following-named persons to be Foreign Service officers of class 1, consuls general and secretaries in the Diplomatic Service of the United States of America.

Harry A. McBride, of Michigan.

Herbert C. Hengstler, of Ohio.

Cornelius Van H. Engert, of California, now a Foreign Service officer of class 3, to act as minister resident and consul general of the United States of America to Ethiopia.

Henry S. Villard, of New York, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

UNITED STATES DISTRICT JUDGE

Mell G. Underwood, of Ohio, to be United States district judge, southern district of Ohio, vice Benson W. Hough, deceased.

PROMOTIONS IN THE COAST GUARD

The following-named officers in the Coast Guard of the United States, to rank as such from the dates set opposite their names:

TO BE COMMANDERS

Lt. Comdr. Carl C. von Paulsen, June 1, 1935.

Lt. Comdr. Fletcher W. Brown, October 1, 1935.

Lt. Comdr. John E. Whitbeck, October 7, 1935.

TO BE LIEUTENANT COMMANDER

Lt. Donald G. Jacobs, October 1, 1935.

TO BE LIEUTENANTS (JUNIOR GRADE)

Ensign Chester L. Harding, May 15, 1934.
 Ensign Roy E. Stockstill, May 15, 1934.
 Ensign Harold B. Roberts, May 15, 1934.
 Ensign James R. Hinnant, May 15, 1934.
 Ensign Richard C. Foutter, May 15, 1934.
 Ensign Charles O. Ashley, May 15, 1934.
 Ensign Quentin McK. Greeley, May 15, 1934.
 Ensign Randolph Ridgely, III, May 15, 1934.
 Ensign Arthur M. Root, Jr., May 15, 1934.
 Ensign John T. Stanley, May 15, 1934.

APPOINTMENT IN THE REGULAR ARMY

DENTAL CORPS

To be first lieutenant with rank from date of appointment
 First Lt. Edgar Gunther, Dental Corps Reserve.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Henry Hapgood Fay, Infantry, with rank from January 8, 1929.

TO CORPS OF ENGINEERS

Second Lt. Salvatore Andrew Armogida, Field Artillery, with rank from June 12, 1935.

Second Lt. Paul Elton LaDue, Field Artillery, with rank from June 13, 1933, effective March 1, 1936.

Second Lt. Ivan Clare Rumsey, Field Artillery, with rank from June 12, 1935.

Second Lt. Sidney George Spring, Coast Artillery Corps, with rank from June 12, 1935.

TO ORDNANCE DEPARTMENT

Capt. Emerson Leroy Cummings, Corps of Engineers, with rank from August 1, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 27 (legislative day of Jan. 16), 1936

NATIONAL EMERGENCY COUNCIL

Lyle T. Alverson to be Acting Executive Director of the National Emergency Council.

FEDERAL HOUSING ADMINISTRATION

Stewart McDonald to be Federal Housing Administrator.

FARM CREDIT ADMINISTRATION

Samuel D. Sanders to be cooperative bank commissioner of the Farm Credit Administration.

POSTMASTERS

IDAHO

James W. Christensen, Downey.

ILLINOIS

Jacob Feldman, Batavia.

Harold F. Kuettner, Dundee.

INDIANA

Bessie L. Gage, Ashley.

MAINE

Fred S. Littlefield, Brooks.

Adrian F. Kelleher, Camden.

Carlton R. Barlow, East Boothbay.

Arthur H. Carpenter, Limerick.

Herbert L. Osgood, Mattawankeag.

Clara M. Colcord, Stockton Springs.

MARYLAND

Lena S. Townsend, Girdletree.

Jacob H. Reinhardt, Lansdowne.

Turner B. Waters, Severna Park.

MASSACHUSETTS

Maynard N. Wetherell, Chartley.

NEW JERSEY

Edmund H. Carpenter, Woodbury.

NEW YORK

Henry Karchmer, Kiamesha.

Helena F. Cuatt, Mohegan Lake.

NORTH DAKOTA

Lincoln A. Hanson, Aneta.
 Helen Morton, Manning.
 Veronica F. Bimler, Munich.
 Carl Jahnke, New Salem.
 Carl L. George, Sarles.
 Bridget A. Hennessy, Tolna.

OHIO

Charles H. Mullen, Pomeroy.
 Lema M. Collins, Proctorville.

WISCONSIN

John F. Clancy, East Troy.
 Anna Kettering, Glen Flora.
 Charles E. Martin, Medford.
 Exilda L. Grendahl, Sheldon.
 Samuel Dewar, Westfield.

WITHDRAWALS

Executive nominations withdrawn from the Senate January 27 (legislative day of Jan. 16), 1936

POSTMASTERS

MASSACHUSETTS

Mary A. Fallon to be postmaster at West Stockbridge, in the State of Massachusetts.

OKLAHOMA

Leonard C. Wiley to be postmaster at Glencoe, in the State of Oklahoma.

PENNSYLVANIA

Russell E. Reese to be postmaster at Fredericktown, in the State of Pennsylvania.

Margaret E. Malley to be postmaster at Wyncote, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 27, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our everlasting Father, we thank Thee for the fidelity and for the surpassing wonder of divine love. We pray Thee to clothe us with that spirit of charity that thinks no evil, that loves not suspicion and is slow to detect it in men. We pray Thee to deliver us from downward-weighting temptations that root us in pride and selfishness. Heavenly Father, the cries of suffering ones are in our ears; they are overcrowded with privations and driven out of courage. Do Thou direct human hands to turn their way, lingering early and late with rich blessings. Crown the Congress, we beseech Thee, with wisdom and with the wealth of mind and heart that bring forth the fruits of happiness and contentment. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, January 24, 1936, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on the state of the Union.

The SPEAKER. The Chair wishes to state that we are about to take up an appropriation bill on which there will be general debate. The gentleman is a member of that committee, and I think, with all due deference as a Member of the House, the Speaker has the right to interpose an objection.

Mr. WOODRUM. Mr. Speaker, I am quite willing to withdraw my request and ask for time in general debate.

The SPEAKER. The Chair thanks the gentleman for withdrawing it.