

9890. By Mr. DOBBINS: Memorial of the General Assembly of the State of Illinois, advocating the early enactment of legislation now under consideration designed to preserve the fertility of the soil and sustain the farmers' purchasing power; to the Committee on Agriculture.

9891. By Mr. FERGUSON: Petition of the patrons of star route no. 53162 from Kenton, Okla., to Edler, Colo.; to the Committee on the Post Office and Post Roads.

9892. By Mr. JOHNSON of Texas: Petition of Henry Ripley, Bill Martin, Martin Ward, George Jackson, Martin Lowrance, Cap Ponder, Ed Walls, Sam McCluskey, Jess Ward, Jim Simmons, Earl Coody, Warner McBee, Willie Campbell, Luke Curlee, Wallace Clark, Ovie Clark, Arthur Martin, Lace Stanley, Pete James, Quince Taylor, Otto Hicks, and R. Riples, all of Blum, Tex., favoring legislation to take the place of the Agricultural Adjustment Act declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9893. Also, petition of Berry T. Baxter, of Franklin, Tex., favoring legislation to take the place of the Agricultural Adjustment Act declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9894. By Mr. PIERCE: Petition of Weston Grange, No. 670, Weston, Umatilla County, Oreg., January 10, 1936, favoring a program of agricultural control; to the Committee on Agriculture.

9895. By Mr. PEYSER: Resolution of the National Guard Association of New York, adopted at the annual convention, Syracuse, January 18, 1936; to the Committee on Military Affairs.

9896. By Mr. PIERCE: Resolutions of the Eastern Oregon Wheat League, Pendleton, Oreg., January 16, 1936; to the Committee on Agriculture.

9897. By Mr. POWERS: Resolution of the New Jersey State Planning Board, requesting that the United States Coast and Geodetic Survey give priority to completion in New Jersey of the triangulation and precise level control; to complete the New Jersey geodetic control; and for the Congress to make appropriations for the work in the amount deemed necessary by the United States Coast and Geodetic Survey; to the Committee on Military Affairs.

9898. By Mr. SEGER: Petition of Mrs. A. Swan Brown and 19 citizens, of Passaic and Clifton, N. J., requesting the passage of House bill 8739; to the Committee on the District of Columbia.

9899. By Mr. POWERS: Resolution of the City Council of Trenton, N. J., suggesting certain changes to the Intercoastal Shipping Act of 1933; to the Committee on Interstate and Foreign Commerce.

9900. By Mr. THOMASON: Resolution of Pass City Lodge 316, Brotherhood of Railway Clerks, urging passage of House bill 3263, to amend the provisions of the fourth section of the Interstate Commerce Act, known as the long-and-short-haul clause; to the Committee on Interstate and Foreign Commerce.

9901. By the SPEAKER: Petition of the Federation of Standard Railway Crafts and Auxiliaries of the Toledo Area; to the Committee on Interstate and Foreign Commerce.

9902. By Mr. EATON: Petition of 15 residents of Dover, Morris County, N. J., urging reenactment of a prohibition law for the District of Columbia by passing House bill 8739; to the Committee on the District of Columbia.

## SENATE

MONDAY, FEBRUARY 3, 1936

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

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

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, January 30, 1936, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

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

Mr. LEWIS. I announce that the Senator from New Hampshire [Mr. BROWN], the Senator from Rhode Island [Mr. GERRY], and the Senator from Wisconsin [Mr. DUFFY] are necessarily detained from the Senate, and that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

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

### MUNITIONS COMMITTEE INVESTIGATION

Mr. NYE. Mr. President, I ask unanimous consent to make a correction in the RECORD.

In my remarks before the Senate on January 17, the second paragraph on page 563 has occasioned an exchange of telegrams which I ask unanimous consent to have printed in the RECORD.

Mr. CONNALLY. Mr. President, reserving the right to object to the request of the Senator, I did not understand what his correction is.

Mr. NYE. Mr. President, I repeat that on the 17th of January, in an address before the Senate, I made a statement which is incorporated in the second paragraph on page 563, which has occasioned an exchange of telegrams between J. P. Morgan & Co. and myself, which I ask unanimous consent to have printed in the RECORD.

Mr. CONNALLY. The Senator is not asking that the RECORD be changed?

Mr. NYE. I am not asking that the RECORD be changed in any respect.

The VICE PRESIDENT. Without objection, the telegrams will be printed in the RECORD.

The telegrams are as follows:

NEW YORK, N. Y., January 17, 1936.

Senator GERALD P. NYE,

United States Senate:

The news ticker quotes you as saying on the Senate floor today that members of J. P. Morgan & Co. present at the munitions hearing yesterday passed around notes among themselves announcing that "embarrassing statements would be made on the Senate floor about the work of the committee." If you have been correctly reported, we beg to inform you that the statement is wholly untrue and we shall appreciate your making correction of it. None of us had information of any kind as to Senator CONNALLY's intention until advised through members of the press that he was already making the speech later reported.

J. P. MORGAN & Co.

JANUARY 17, 1936.

J. P. MORGAN & Co.,

New York City:

Glad to make correction if you will say you had no knowledge of Senator POPE's plans as well.

GERALD P. NYE.

NEW YORK, N. Y., January 17, 1936.

Senator GERALD P. NYE,

United States Senate, Washington, D. C.:

In reply to our telegram to you of this afternoon, in which we denied the incorrect statement made by you about us on the

Senate floor this morning, we have your response reading as follows: "Glad to make correction if you will say you had no knowledge of Senator POPE's plans as well." It is incomprehensible to us why you should make your correction of a misstatement about us conditional upon something else, but for your information, we had not the slightest previous knowledge of Senator POPE's action, and his appearance was complete surprise to us.

J. P. MORGAN & Co.

#### RUDYARD KIPLING

Mr. GIBSON. Mr. President, I voice what is the opinion of all when I say that the world recently suffered a great loss by the death of that genius of the literary world, Rudyard Kipling.

It may not be generally known that he lived and wrote in America. In 1892, soon after his marriage to Carolyn Balestier, a Vermont girl, he came to Dummerston, in my home county, built a home, and spent 4 fruitful years, producing the *Jungle Books*, *Captains Courageous*, and other works.

The United Press recently covered that period of his life in a brief press dispatch. I ask that it may be inserted in the CONGRESSIONAL RECORD.

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

KIPLING'S NEIGHBORS OF NINETIES RECALL HIS YEARS IN VERMONT—  
POET-NOVELIST'S HOME IN DUMMERSTON, WHERE HE WROTE THE  
JUNGLE BOOKS AND CAPTAINS COURAGEOUS, WAS MAGNET FOR  
LITERARY TITANS

DUMMERSTON, Vt., January 17.—Nowhere in America was the passing of Rudyard Kipling mourned more deeply than in this hamlet in the hills, where he wrote some of his most famous works.

For 4 years—1892 to 1896—the poet-novelist and his Vermont bride lived in Dummerston, near Brattleboro town line, in an extraordinary house which they built and named Naulahka, after one of Kipling's books.

The house, still known by its original name, stands on a picturesque hillside whose vista includes the broad sweep of the Connecticut Valley to the southeast and New Hampshire's slate-blue Mount Monadnock far to the east.

#### MARRIED NOVELIST'S SISTER

It was in 1890 that the late Wolcott Balestier, Vermont novelist, and his sister Caroline went to London. Soon after entering the publishing field Balestier met Kipling, fresh from India. They became fast friends and, collaborating, wrote *The Naulahka*, a novel, in 6 weeks.

Kipling met Caroline at the Balestier home, fell in love with her, and married her in 1892. Homesick, Mrs. Kipling induced her husband to go to Vermont for their wedding trip.

The writer soon discovered that he shared his wife's love for Vermont. They bought land here and built Naulahka, a two-story wooden building, all rooms of which are on the east side, leading off halls that run the length of the building.

It was in his American home that several masterpieces came from Kipling's pen, including the *Jungle Books*, many of the poems in *Seven Seas*, and *Captains Courageous*, the material for which Kipling gathered at the famed Massachusetts fishing port of Gloucester.

#### HAD OWN POST OFFICE

Naulahka became a magnet for literary giants of the day, and Kipling's world-wide popularity produced so much fan mail that finally in desperation he arranged with the Federal Government to establish a personal post office for him. This little office, known as the Waite, was situated within a stone's throw of his home.

Two daughters, Elsie and Josephine, were born to the Kiplings while they lived here.

Although 40 years have elapsed since the Kiplings returned to England, Dummerston folk never lost their neighborly interest in them.

In slate-colored Naulahka now live Cabot Holbrook, apple grower, his wife, and three children. Of the many Kipling mementos that the house contains, Holbrook treasures most highly an antique desk at which the author worked. Each summer brings hundreds of tourists to Naulahka, but Holbrook, who inherited the house from his father, bars all visitors.

A brother-in-law of Kipling, Beatty Balestier, elderly retired gentleman farmer, still lives here.

Mr. GIBSON. In this connection I am requested, Mr. President, and I am glad to acquiesce in the request, that a short poem entitled "Rudyard Kipling", written by Horace C. Carlisle, of the Architect's Office of the Capitol, may be printed in the RECORD.

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

#### RUDYARD KIPLING

R-udyard Kipling, with his pen—  
U-ntil three score years and ten  
D-rew his efforts to a close—  
Y-ielded to the call for men,  
A-nd, in poetry and prose,  
R-ose to heights among his peers,  
D-reamed not in his younger years.

K-ipling, without question, stands,  
I-n all English-speaking lands,  
P-eerless, as a poet, whose  
L-exicon of life expands  
I-nto ideas and views,  
N-ational—and more—in scope,  
G-iving mankind cheer and hope.

—Horace C. Carlisle.

#### COMMITTEE REPORTS FILED DURING RECESS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read and ordered to lie on the table, as follows:

UNITED STATES SENATE,  
OFFICE OF THE SECRETARY,  
February 3, 1936.

To the PRESIDENT OF THE SENATE:

Under the order of the Senate of the 30th ultimo, reports from the Committee on Appropriations were filed with me as Secretary of the Senate on January 31, 1935, as follows:

By Mr. GLASS, with amendments, the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, with an accompanying report (No. 1490); and

By Mr. ADAMS, with amendments, 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, with an accompanying report (No. 1491).

Very respectfully,

E. A. HALSEY,  
Secretary of the Senate.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, in which it requested the concurrence of the Senate.

#### ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 307) authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal City, and it was signed by the Vice President.

SUPPLEMENTAL ESTIMATE—NATIONAL PARK SERVICE (S. DOC. NO. 169)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, National Park Service, fiscal year 1936, amounting to \$15,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

#### REPORT OF STATISTICAL STUDIES—NONGOVERNMENTAL ACTIVITIES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Labor, reporting, pursuant to law, relative to statistical studies performed by the Department of Labor for other than Government activities, which, with the accompanying paper, was referred to the Committee on Education and Labor.

#### DECEMBER REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, reporting, pursuant to law, relative to the activities and expenditures of the Corporation for the month of December 1935, including statements of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case, which, with the accompanying



papers, was referred to the Committee on Banking and Currency.

#### REPORT OF WASHINGTON GAS LIGHT CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Washington Gas Light Co., transmitting a detailed statement of the business of that company, together with a list of the stockholders for the year ended December 31, 1935, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

#### REPORT OF THE GEORGETOWN GASLIGHT CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Georgetown Gaslight Co., transmitting, pursuant to law, a statement of the business of that company, together with a list of stockholders, for the year ended December 31, 1935, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

#### REPORT OF CAPITAL TRANSIT CO.

The VICE PRESIDENT laid before the Senate a letter from the vice president and comptroller of the Capital Transit Co., transmitting, pursuant to law, a report of the operations of that company for the calendar year 1935, with balance sheet as of December 31, 1935, which, with the accompanying report, was referred to the Committee on the District of Columbia.

#### BALANCE SHEET, WASHINGTON RAPID TRANSIT CO.

The VICE PRESIDENT laid before the Senate a letter from the treasurer of the Washington Rapid Transit Co., transmitting copy of the balance sheet of that company as of December 31, 1935, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

#### REPORT OF WASHINGTON INTERURBAN RAILROAD CO.

The VICE PRESIDENT laid before the Senate a letter from the vice president and comptroller of the Capital Transit Co., transmitting, pursuant to law, a report covering the operations of the Washington Interurban Railroad Co. for the calendar year 1935, which, with the accompanying report, was referred to the Committee on the District of Columbia.

#### REPORT OF POTOMAC ELECTRIC POWER CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Potomac Electric Power Co., transmitting, pursuant to law, the report of that company for the year ended December 31, 1935, which, with the accompanying report, was referred to the Committee on the District of Columbia.

#### REPORT OF WASHINGTON RAILWAY & ELECTRIC CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Washington Railway & Electric Co., transmitting, pursuant to law, the report of that company for the year ended December 31, 1935, which, with accompanying report, was referred to the Committee on the District of Columbia.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Illinois, which was ordered to lie on the table:

##### House Joint Resolution 2

Whereas thousands of Illinois citizens are directly and acutely interested in the farm problem; and

Whereas because of the unusual nature of agricultural production, which does not lend itself readily to adjustment policies used by labor or industry, there is a definite need for some permanent legislative plan to preserve the fertility of the soil, and to raise the farmer's purchasing power, thereby promoting all business activity: Therefore be it

*Resolved by the House of Representatives of the Fifty-ninth General Assembly of the State of Illinois, convened in the second special session thereof (the senate concurring herein), That the Congress of the United States be respectfully urged to enact as soon as possible constructive farm legislation similar to, and taking the place of the Agricultural Adjustment Act, and especially requests Illinois' representatives in the Congress of the United States to use every effort consistent with honorable practices to secure enactment of such legislation; and be it further*

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

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Minnesota favoring the enactment of legislation to continue the W. P. A. program until January 1, 1937, on a liberalized basis so as to permit the employment of needy unemployed persons who are no longer capable of self-support without first requiring them to accept public relief, which was referred to the Committee on Appropriations.

(See joint resolution printed in full when presented today by Mr. BENSON.)

The VICE PRESIDENT also laid before the Senate papers transmitted by the Secretary of the American Homestead Protective Association, Inc., Chicago, Ill., submitting a plan and resolution pertaining to the relief of depositors in closed banks, which were referred to the Committee on Banking and Currency.

He also laid before the Senate papers in the nature of petitions from the Maritime Co., of Boston, Mass., praying for payment of the war debt claims of that company, which were referred to the Committee on Claims.

He also laid before the Senate a letter from William F. Verdi, M. D., of New Haven, Conn., enclosing resolutions adopted by the League for American Neutrality, New Haven, Conn., protesting against the enactment of certain sections of pending neutrality legislation, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the Federation of Standard Railway Crafts and Auxiliaries of the Toledo, Ohio, area, favoring the repeal of the Transportation Act of 1920, and the enactment of the so-called Black-Crosser 6-hour-day bill, the Brown-Griswold train-limit bill, the Neely-Griswold full-crew bill, the signal and track inspection bill, and other transportation measures, which were referred to the Committee on Interstate Commerce.

He also laid before the Senate the memorial of John K. Turton, of White Plains, N. Y., remonstrating against the validity of the first 12 amendments to the Constitution on the ground that the resolution embodying them was not presented to the President of the United States for his approval, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a petition of sundry citizens of Augusta, Kans., praying for the enactment of legislation to prohibit advertising intoxicating liquors, which was referred to the Committee on Interstate Commerce.

Mr. WAGNER presented a concurrent resolution of the Legislature of the State of New York, favoring the designation as an air-mail service station of the Floyd Bennett Field Airport in Brooklyn, N. Y., which was referred to the Committee on Post Offices and Post Roads.

(See resolution printed in full when presented by Mr. COPELAND on the 30th ultimo, p. 1193, CONGRESSIONAL RECORD.)

Mr. BENSON presented the following joint resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Appropriations:

Joint resolution memorializing Congress to enact legislation to provide for the continuation of the WPA program until January 1, 1937, on a liberalized basis which will permit the employment of those needy unemployed who are no longer able to support themselves and their dependents without first requiring them to accept public relief in addition to those who are certified from the public relief rolls

Whereas the legislature of the State of Minnesota, convened in special session, has been requested to make additional appropriations for the care of the unemployed, which appropriations are necessary because of the inability of the local communities in the State to finance the relief bill without outside assistance; and

Whereas statistics have been presented to the legislature by the representatives of the State Emergency Relief Administration and the Works Progress Administration of Minnesota indicating that there are approximately 85,000 persons certified as eligible for employment under the present rules and regulations of the Works Progress Administration while the Works Progress Administration



of Minnesota is authorized to employ a maximum of 65,000, which leaves a residue of 20,000 employable relief cases which must be supported by the State of Minnesota and its political subdivisions; and

Whereas there is a minimum of an additional 10,000 employable relief clients who are not eligible for employment under the present rules and regulations of the Works Progress Administration, which limits employment to those persons who received public relief at some time between May 1 and November 1, 1935; and

Whereas there were, as of January 1, 1936, a total of 71,444 unemployed persons exclusive of those receiving public relief registered as seeking employment in the offices of the National Re-employment Service and the State of Minnesota, which individuals are all potential relief clients unless they are provided with either public or private employment; and

Whereas the Works Progress Administration of the State of Minnesota has received Presidential approval of 4,443 projects, involving a total amount of Federal funds of \$102,190,572, of which only approximately \$20,000,000 has been made available to the Works Progress Administration of Minnesota: Now, therefore, be it

*Resolved by the House of Representatives of the State of Minnesota (the senate concurring),* That we most earnestly request the Congress of the United States to provide for the continuation of the WPA program at least until January 1, 1937, by appropriating additional funds; and be it further

*Resolved,* That the present regulations of the Works Progress Administration be amended to permit not only the employment of those certified from the public relief rolls, but also for the needy unemployed who, unless they are given employment, will soon be forced to make application for public relief, and that sufficient additional funds be appropriated to provide employment for this group: Be it further

*Resolved,* That the Secretary of the State of Minnesota be instructed to send a copy of this resolution to both Houses of Congress and to each Member in Congress from the State of Minnesota.

#### FAIR TRADE BILL—PETITIONS

Mr. NEELY. Mr. President, I present 84 telegrams in the nature of petitions received from constituents during the last 24 hours favoring the enactment of the so-called Robinson-Patman bill. I ask that the telegrams be noted in the RECORD, with the names of the senders, and referred to the Committee on the Judiciary.

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

The telegrams in the nature of petitions, praying for the enactment of Senate bill 3154 (House bill 8442) the so-called Robinson-Patman fair-trade bill, presented by Mr. NEELY and referred to the Committee on the Judiciary are from—

The Crescent Grocery, Raleigh Association of Retail Groceries, Raleigh Cash Grocery, and H. D. Irwin, of Beckley; L. A. Poe, proprietor of the Poe Store, Goodykoontz Drug Stores, Inc., by H. A. Goodykoontz, Lamanca Sites Drug Co., by John Lamanca, Gotts Pharmacy, H. H. Wassum, owner Wassum Cash Market, and president, Bluefield Princeton Unit of Quality Service Stores of America, of Bluefield; O. J. Cox Trading Co., Amick Williams Brokerage Co., Thomas J. Straughan Capitol Feed Co., E. D. Martin & Co., C. H. Ross, Busy Bee Grocery, George W. King, president of West Virginia Association of Retail Grocers, of Charleston; The Blair Willison Co., The Hornor Gaylord Co., C. W. Leggett Co., merchandise brokers, B. D. Bailey & Sons, A. & L. Stores, The Retailers Grocers Association of Harrison County; Crimm Store, of Wolf Summit; Barker Stores, of Nutterfort; Lawson Bros., Hyre Bros., P. A. Romano, Colombo Market, Harold Ross, Allman Bros., A. M. Ridenour, Ralph Swiger, of Adamston; D. M. Davis, J. F. Strother, John Parrill, John Stamm, Bert Stamm, B. & R. Grocery, Nicols Store, Wholesale Brokerage Co., Chicago Dairy & Baking Co., D. J. Walters, Ice's Market, Cabell County Retail Druggists Association, Clyde N. Roberts, secretary-treasurer, Lawrence Drug Store, Sam S. Lawrence, Clyde W. Roberts, Robert F. Scott, J. P. Woods & Co., John H. Christian, The Duling Bros. Co., Hagen Ratcliff & Co., Shands, Inc., C. R. Jackson, manager, Gibson Boston Pharmacy, C. E. Gibson, proprietor, Vaughans Red Cross Pharmacy, M. M. Vaughan, Herman R. Wild, Pittmans Drug Store, Highlawn Pharmacy, M. M. Thomas, Jas. Murphy & Son, F. W. Campbell, H. B. Crummett Drugs, of Huntington; Elkhorn Valley Grocery Co., of Keystone; C. G. Meadows, manager, Aracoma Drug Co., Inc., of Logan;

James A. Patterson, of Martinsburg; Fayette Wholesale Grocery Co., H. H. Andrews, president, P. H. Kelly, druggist, J. C. Thomas, druggist, of Montgomery; H. S. Harner & Co., Rogers Pharmacy, Moore & Parriott Drug Store, J. C. Raese, of Morgantown; Star Grocer Co., W. C. McConaughey, president, The Shattuck & Jackson Co., Wood County Association of Retail Grocers, G. N. Keenan, president, of Parkersburg; Retail Grocers Association, Irvin Schaffner, president, Gay Force, secretary, Rothers Bros., Inc., H. Kalbitzer & Son Hardware Co., Schenks Meat Market, Inc., Wm. Schaffner & Son Grocery, Chas. Norteman, Miller Bros., W. A. Driehorst Grocery, Community Builders, Inc., Albert J. Mooney, acting secretary, Doepkins Market, Holly Sayre Grocery, Joseph Reinacher, Richard Aubreys Grocery, W. H. Fords Grocery, of Wheeling, all in the State of West Virginia; and Ward K. McNeill, of Lansing, Mich.

#### PROPOSED AMENDMENT OF SECURITIES ACT, 1933

Mr. FLETCHER presented a letter from the city manager of St. Petersburg, Fla., together with a resolution adopted by the council of that city, which were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

CITY OF ST. PETERSBURG, FLA.,  
January 31, 1936.

HON. DUNCAN U. FLETCHER,

United States Senator, Washington, D. C.

DEAR MR. FLETCHER: I take the liberty of enclosing herewith, for your information, copy of my letter and a resolution passed by our council which has been mailed to the administrators of approximately 150 cities and towns within the State.

Your consideration of and cooperation in the premises will be much appreciated.

Yours cordially,

A. F. THOMASSON,  
City Manager.

Whereas the Securities Act of 1933, passed and adopted by the Congress of the United States, provides in substance regulations for the marketing of securities including therein a requirement that a statement must be filed with the Securities Commission giving full information affecting the contemplated issues and that no issue of securities can be made until after the statement containing full information in relation to said securities is accepted by the Securities Commission, created by said act, and further providing that the Commission may restrain the sale of securities in the event information reaches the Commission that any material fact has been omitted in the statement required to be filed. The act also provides penalties for misstatements in any such statements required to be filed or the withholding of any material facts from said statements. The act also provides that dealers, brokers, bond committees, or syndicates must disclose to buyers the material data in such statements under penalties provided by said act; and

Whereas the said act in its present form, under paragraph 77-C, section 2 thereof, exempts from the provisions of said act political subdivisions of any State or Territory; and

Whereas it is the sense of this council that if the class of political subdivisions hereinafter listed came within the purview of this act it will be of lasting benefit to these communities and the investing public, in that it would prevent the issuance of securities based upon a fictitious representation of the community's ability to pay, and would assure the investor that he had received full information as to the community's ability to meet its obligation before the purchase thereof; and

Whereas it has been recommended to the Honorable J. MARK WILCOX, United States Congressman, that the 1933 Securities Act, passed and adopted by the United States Congress, be amended so as to provide that securities of the following political subdivisions come within the purview of said act, to wit:

1. Political subdivisions of any State or Territory having a city charter and a population less than 300,000 people, if—

A. Any political subdivision with a city charter has not been free of default in prompt payment of principal and interest when due to holders of its securities for at least 10 years previous to exemption from provisions of the Securities Act.

B. Any such political subdivision with a city charter that has outstanding a total net debt exceeding 20 percent of the total real and true salable value of the property within its area taxable for debt service.

C. Any such political subdivision with a city charter that has a total net debt including its proportion of overlapping debts of other taxing units for which debt service taxes are levied against property in its area; exceeding \$250,000 per capita of the population shown by the last United States census; and

Whereas this council is of the opinion that said suggested amendment is meritorious and will be of lasting benefit to the class of communities heretofore recited and the investing public at large: Now, therefore, be it

*Resolved by the City Council of the City of St. Petersburg, Fla.,* That this body do go on record as endorsing the purpose and in-



tent of the amendment heretofore suggested and to urge Hon. DUNCAN U. FLETCHER, United States Senate; Hon. PARK TRAMMELL, United States Senate; Hon. J. MARK WILCOX, House of Representatives; Hon. J. HARDIN PETERSON, House of Representatives; Hon. W. J. SEARS, House of Representatives; Hon. R. A. GREEN and Hon. MILLARD CALDWELL, House of Representatives, to lend their earnest efforts in the procurement of the suggested amendment for the obtaining of legislation accomplishing the purpose herein set forth; be it further

*Resolved*, That a copy of this resolution be spread upon the minutes and that each of the representatives of the people of the State of Florida in the United States Congress be furnished with a copy hereof.

#### REPORTS OF COMMITTEES

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H. R. 3709) for the relief of the Norfolk Southern Railroad Co., reported it without amendment and submitted a report (No. 1492) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred to the bill (S. 1123) for the relief of William Sulem, reported it with an amendment and submitted a report (No. 1493) thereon.

He also, from the same committee, to which was referred the bill (S. 2654) to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc., reported it with amendments and submitted a report (No. 1494) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, reported it with an amendment and submitted a report (No. 1502) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (S. 277) for the relief of the Perkins-Campbell Co., reported it with amendments and submitted a report (No. 1495) thereon.

Mr. BENSON, from the Committee on Claims, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 903. A bill for the relief of the Holyoke Ice Co. (Rept. No. 1496);

S. 2042. A bill for the relief of Grace Park (Rept. No. 1497); and

S. 3274. A bill for the relief of Mary Hobart (Rept. No. 1498).

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 1828) for the relief of Mrs. Frank G. Sanford, reported it with an amendment and submitted a report (No. 1499) thereon.

He also, from the same committee, to which was referred the bill (S. 3683) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department, reported it with amendments and submitted a report (No. 1500) thereon.

Mr. MINTON, from the Committee on Military Affairs, to which was referred the bill (H. R. 4858) for the relief of Edward Shippen West, reported it without amendment and submitted a report (No. 1501) thereon.

#### ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 30, 1936, that committee presented to the President of the United States the enrolled bill (S. 3328) to provide an official seal for the United States Veterans' Administration, and for other purposes.

#### 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:

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By Mr. AUSTIN:

A bill (S. 3875) granting an increase of pension to May S. King; and

A bill (S. 3876) granting an increase of pension to Florence E. Southwick; to the Committee on Pensions.

By Mr. WAGNER:

A bill (S. 3877) for the relief of Mrs. Stephen Toth; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 3878) for the relief of Joseph F. Bolger; to the Committee on Claims.

By Mr. BAILEY:

A bill (S. 3879) for the relief of James W. Grist; and

A bill (S. 3880) for the relief of Charles E. Molster; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 3881) to grant to United States district courts jurisdiction over administration of decedents' estates on Federal reservations; to the Committee on the Judiciary.

By Mr. JOHNSON:

A bill (S. 3882) to amend the act entitled "An act to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay, and insurance, and for other purposes", approved August 12, 1935; to the Committee on Finance.

A bill (S. 3883) providing for the advancement on the retired list of the Army of A. W. Barry; to the Committee on Military Affairs.

By Mr. TRUMAN:

A bill (S. 3884) for the relief of Sidney E. Mobley and Lucille E. Mobley; to the Committee on Claims.

By Mr. NYE:

A bill (S. 3885) to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; to the Committee on Commerce.

By Mr. DAVIS:

A bill (S. 3886) granting a pension to John Vandever; to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 3887) granting a pension to Fieldon Adkins;

A bill (S. 3888) granting a pension to Nancy C. Buck;

A bill (S. 3889) granting a pension to George W. Gardner;

A bill (S. 3890) granting a pension to Sam H. Hadley;

A bill (S. 3891) granting a pension to Minnie Harrison;

A bill (S. 3892) granting a pension to Lydia Ann Hollingsworth;

A bill (S. 3893) granting a pension to Juriah Hyden;

A bill (S. 3894) granting a pension to Sarah Jane Lewis Langdon;

A bill (S. 3895) granting a pension to Ella Noe;

A bill (S. 3896) granting a pension to Elizabeth M. Runnels;

A bill (S. 3897) granting a pension to Mattie Sebastian;

A bill (S. 3898) granting a pension to Maggie Wilson; and

A bill (S. 3899) granting a pension to Ellanor Green; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 3900) for the relief of Wilhelm Schaffer; and

A bill (S. 3901) for the relief of George Yusko; to the Committee on Military Affairs.

By Mr. KING:

A bill (S. 3902) for the relief of Zion's Cooperative Mercantile Institution; to the Committee on Claims.

A bill (S. 3903) to provide for a geologic survey of the Tushar Range of mountains in the State of Utah; to the Committee on Public Lands and Surveys.

By Mr. BENSON:

A bill (S. 3904) to enable consumers and farmers to recover from processors the amounts of processing taxes which were passed on by the processors to such consumers and farmers but which have now been turned over to the processors by the courts; to the Committee on the Judiciary.

By Mr. METCALF:

A bill (S. 3905) granting a pension to Viola May Snow; to the Committee on Pensions.



By Mr. NORBECK (by request):

A bill (S. 3906) to provide for the purchase of certain agricultural lands, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. PITTMAN:

A bill (S. 3907) for the relief of the State of Nevada; to the Committee on Claims.

A bill (S. 3908) to amend section 1 of the act of June 7, 1924, entitled "An act for the relief of settlers and town-site occupants of certain lands in the Pyramid Lake Indian Reservation, in Nevada, and for other purposes"; to the Committee on Public Lands and Surveys.

By Mr. SCHWELLENBACH:

A bill (S. 3909) providing for loans by the Reconstruction Finance Corporation to municipalities in certain cases; to the Committee on Banking and Currency.

A bill (S. 3910) to exempt the real property of the American War Mothers from taxation; to the Committee on the District of Columbia.

By Mr. GORE:

A bill (S. 3911) for the relief of Mrs. Earl H. Smith; to the Committee on Indian Affairs.

(Mr. POPE introduced Senate bill No. 3912, which was referred to the Committee on the Judiciary and appears under a separate heading.)

By Mr. WHEELER:

A bill (S. 3913) for the relief of Dr. Charles A. Swanson; to the Committee on Indian Affairs.

By Mr. SMITH:

A joint resolution (S. J. Res. 205) providing for the disposition of certain cotton held by the United States; to the Committee on Agriculture and Forestry.

#### HOUSE BILL REFERRED

The bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

#### AGRICULTURAL RELIEF—AMENDMENTS

Mr. BYRNES and Mr. RUSSELL each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation, which were ordered to lie on the table and to be printed.

#### AMENDMENT TO RIVER AND HARBOR BILL

Mr. WHEELER submitted an amendment intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

#### AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. WHEELER submitted an amendment intended to be proposed by him to House bill 10630, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert the following new paragraph:

"That portion of section 1 of the act approved August 12, 1935 (49 Stat. 571-584), known as the Second Deficiency Appropriation Act, fiscal year 1935, providing \$806,000 for construction, enlargement, or improvement of public-school buildings as authorized by and in conformity with numerous acts of the 74th Congress, approved June 7, 1935, fiscal year 1936, is hereby amended so as to repeal the provisions for recoupment by the United States, on account of expenditures thereunder, and the amounts appropriated for assistance of the said public-school districts are hereby declared to be an outright grant to the various public-school districts mentioned therein."

#### MYRTLE C. PATTERSON

Mr. PITTMAN submitted the following resolution (S. Res. 226), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for Miscellaneous items, contingent fund of the Senate, fiscal year 1935, to Myrtle C. Patterson, widow of C. C. Patterson, late messenger to the Committee on Foreign Relations, a sum equal to 6 months' com-

pensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

#### AMERICAN NEUTRALITY—ARTICLE BY WALTER LIPPMANN

Mr. KING. Mr. President, I ask unanimous consent to have referred to the Committee on Foreign Relations and printed in the RECORD a most excellent and enlightening article by Walter Lippmann, one of the keenest and ablest writers on governmental and public questions, whose articles appear in many of the newspapers of the United States. This article is on the question of a neutral policy for the United States. I commend it, may I say in passing, to the members of the Committee on Foreign Relations who are considering this very important question.

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

#### TODAY AND TOMORROW

By Walter Lippmann

#### NEUTRAL POLICY FOR THE UNITED STATES

Underlying all the proposed neutrality laws there is the optimistic assumption that the United States will never have to fight a great war on its own account. Everyone seems to assume that for us there is only one road to war, namely, by becoming entangled in somebody else's war, and more particularly a general European war.

The notion that the United States might become engaged in a war of its own, that it might be a belligerent and that other nations might be neutral, seems not to have been considered. If it has been considered, it seems to be taken for granted either that the United States could wage a great war without importing large quantities of essential war materials or that nations to whom we propose to refuse necessary supplies if they are at war will sell us all the supplies we need if we are at war.

Let us hope that all these reassuring assumptions are correct. Let us hope that the possibility of a direct conflict with any great power is for us forever impossible. Let us hope that, even if a war of our own is not impossible, we can count upon such assistance from the nations that are then neutral as we propose now to deny them if we are neutral. But is it wise to base a national policy on a hope of this sort, and to legislate on the unexamined assumption that we shall never need help, that we have only to decide how much help we are willing to give?

It is very unwise. For no man can guarantee all these things, and no prudent statesman will take a position without inquiring carefully into the effects on American war power if a neutral policy such as is now proposed were applied to the United States. At the very least, Congress ought, before legislating, to hear not merely the professors of international law and the advocates of peace but those men in the Navy and the Army and elsewhere who can tell it what the United States would need from the outer world if the United States were at war.

Congress will find, if it studies the tables in Mr. Brooks Emeny's *The Strategy of Raw Materials*, that America's position is about as follows: In respect to what Mr. Emeny calls "the great essentials"—food, power, iron, machinery, chemicals, coal, iron ore, and petroleum—the United States is self-sufficient, but in respect to a list of 19 "critical raw materials" there are 12 of which the United States must import from about half to all its supplies. The principal ones are rubber, manganese, nickel, chromite, tungsten, antimony, and tin. Most of these supplies would have to come from British countries; practically all of them from countries that belong to the League. And this does not take into account the fact that any great American war would be fought at sea and that our shipping is less than one-fifth of the tonnage of the world.

These considerations may not be conclusive, but they should be sufficient to make us hesitate before serving notice on the world that no one may count on our supplies in the event of war. For once that notice is given, the other great powers that may be drawn into war will be compelled to reorganize their commercial relations so as to insure themselves the supplies we propose to deny them. What this will mean in the way of new military alliances no man can clearly foresee. But that it will force a regrouping of the powers both for war and peace is almost certain.

And where does it leave the United States as a neutral? It puts the United States under a self-imposed blockade. To the belligerents this would mean that we had become so pacifist that we would resist no injury and that, having blocked our own trade, we had no power, short of a declaration of war, to injure them. We should be helpless to protect ourselves abroad by reprisals and helpless to protect ourselves at home against the depression we had imposed on ourselves.

It is true enough to say that an abnormal war trade may entangle us in a war, and I am not arguing against measures of credit control to prevent a war boom. But it seems to me perfectly evident that in laying ourselves open to insult and injury by rendering ourselves defenseless abroad and by legislating a depression at home we are insuring the development of a war party in the United States. If anyone thinks that unemployment, unsalable surpluses, financial disorder in the United States, and a series of insults abroad will make the American people like their neutrality, he is mightily deceiving himself. If, as many think,



excessive prosperity made us war-minded in 1917, they may be certain that misery and humiliation will make us even more war-minded.

If we look closely at the reason why there is so much sentiment in favor of rigid legislation, we shall find that it lies in the fear that a President would use discretionary power to entangle America in a war between the League and a European aggressor. I do not myself believe that the United States should take action against the aggressor, and the administration's effort last autumn to put pressure on Italy seems to me to have been a serious mistake.

Yet this fact has to be faced squarely: The League does exist as a European system of international law, and in the event of a grave conflict in Europe the question presented to us would not be: Shall we collaborate with the League? The question would be: Shall we oppose the League and destroy its effectiveness, or shall we permit the League to operate in Europe? The Ethiopian war did not raise this question, because in the affair the League did not blockade Italy. But in a great conflict the League would have to blockade the aggressor, and then we should have to decide whether we would recognize that blockade or whether we would attempt to break through it.

My own view is that if the League applies full sanctions to a European aggressor, and stops trade with him, that it would be dangerous and unwise for us to ally ourselves with the aggressor and try to break down the League's sanctions. Our wisest course will be to let the League function by denying diplomatic protection to our own traders. If, on the other hand, the League does what it has done with Italy—that is to say, applies "mild sanctions"—then we cannot and should not collaborate to make mild sanctions stronger by embargoing our own trade.

For it is one thing to refuse to interfere with the League, to remain passive while the League acts. It is a wholly different thing for us to judge the aggressor and on our own initiative to take positive measures against him. The policy of passive assent to the League's action recognizes the fact that we do not belong to the League, but that we recognize its existence in Europe and do not desire to challenge it in the interest of a European aggressor. It is a realistic policy. For it would be wholly unrealistic for us in a quarrel not our own to challenge the League. It is a policy which accurately, I believe, reflects the prevailing American feeling, which is that though we do not wish to participate in the League we do wish it well in its efforts to keep the peace in Europe.

#### RESOLUTIONS OF AMERICAN FARM BUREAU FEDERATION

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the resolutions adopted by the American Farm Bureau Federation at its recent annual convention in Chicago. This great farm organization is representative of the thought of a great body of farmers in almost every State in the Union.

I desire particularly to call attention to the resolutions calling for neutrality legislation which shall include prohibition of loans to belligerents, a national-defense program adequate to the defense of the United States and its insular possessions, general conscription of industrial and financial resources of the country as well as of man power in the event of war.

Also I invite the attention of my colleagues to the long-time agricultural program advocated by the American Farm Bureau Federation, which has in it much merit, and I believe is along the right lines. I intend to discuss the farm problem and a farm program in the near future and will not now trespass on the time of the Senate. I send the resolutions to the desk and ask that they may be printed as part of my remarks.

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

[From American Farm Bureau Federation Official News Letter, Dec. 10-24, 1935]

RESOLUTIONS ADOPTED BY SEVENTEENTH ANNUAL CONVENTION OF THE AMERICAN FARM BUREAU FEDERATION, AT THE CLOSE OF THE 3-DAY SESSION HELD IN CHICAGO, DECEMBER 9, 10, 11

We, the voting delegates of the American Farm Bureau Federation, resolving for its vast membership in 37 States and 1,800 counties, and representing a unified, organized American agriculture, do hereby enunciate the following principles, beliefs, and resolutions as expressing the ideals and objectives toward which our organizations is working, not only in the interest of American agriculture in its entirety, but also in the interest of our great Nation:

We reaffirm our faith in the established order of our Government, and in the ideals upon which that Government is founded, with such modifications and changes in the organic laws as experience and mature judgment show are necessary to preserve our long-established political and economic liberties, and maintain economic balance and social justice as between all groups and classes, so as to guarantee complete freedom of opportunity to each and every citizen to enjoy the fruits of his efforts, to improve his well-being, and to preserve human and property rights.

In pursuance to these great purposes, we do hereby resolve:

#### AGRICULTURAL ADJUSTMENT

We reaffirm our previous pronouncements on the Agricultural Adjustment Act and its amendments, and the necessity for simplifying its administration.

The great farm policy embodied in this act is the culmination of a 12-year fight by organized agriculture to obtain from Government necessary recognition of, and assistance and cooperation in, an economic program by which farmers may obtain fair and equitable prices for their products in terms of relationships with industry and labor.

The administration of this act during the past 2½ years has proved the soundness and justice of the basic principles embodied in this measure. We rededicate our efforts to improve and perfect this measure in every way so as to make it function equitably in the interest of the entire agricultural industry of the Nation.

We serve notice on all individuals and groups, who are opposing agricultural adjustment for political, personal, or other reasons, that this program was formulated by the farmers themselves, acting through their own organizations, and will be protected and defended by the farmers and their friends on the basis of its fairness to agriculture, its beneficial contributions to continued national economic recovery, and in the interest of permanent prosperity for all the economic groups and classes of our Nation.

We reaffirm our position that the processing tax is a tariff for agriculture, and must be continued as the most effective means by which agriculture may work toward parity prices.

We reaffirm that the long-time objectives of agricultural adjustment necessitates a properly balanced and coordinated land-use policy for the Nation, and include the control of soil erosion, maintenance of soil fertility, and withdrawal from production of submarginal farm lands.

We ask that the controlled acreage of basic crops, when withdrawn from production, shall not be planted to other than soil-building crops, except for home and farm use.

We again reaffirm our previous position on the need for adjustment contracts to be so drawn as to apply in terms of individual farm units instead of being applicable to individual farm commodities. The American Farm Bureau Federation endorsed this principle nearly 2 years ago. We commend the President of the United States for having enunciated this very principle in a recent message to the Nation.

We know that great benefits will accrue to producers of non-basic agricultural commodities through the use of marketing agreements permissible under the Agricultural Adjustment Act. We, therefore, urge cooperative marketing associations in all sections of the United States to take advantage of the various provisions of the act for the purpose of stabilizing prices of the respective farm commodities handled by such cooperative marketing associations.

We commend the President of the United States, the Secretary of Agriculture, the administrator of the Agricultural Adjustment Act, and the Congress of the United States for accepting the recommendations of organized agriculture to amend the original law, thereby giving American agriculture a permanent legislative vehicle for continuous adjustment of production in relation to supply and demand domestically and throughout the world.

#### MONETARY POLICIES

In view of the fact that changing price levels have resulted in a succession of business booms and depressions for more than a century, permitting uncontrolled inflation and devastating deflation, we urge and request the President of the United States to—

1. Extend for 1 year the authority to raise and lower the price of gold as authorized under existing law.
2. Establish a definite policy of currency management to maintain stable price levels in line with fixed costs from generation to generation.

Business depressions, of the character from which we now are emerging, result in the ruination of families, devastation of homes, stagnation of business and industry, and decay of agriculture and labor.

Such depressions automatically take from our people the guarantees under the Constitution of life, liberty, and the pursuit of happiness.

Depressions are man-made and they can be man-controlled.

We request Congress to set up a joint committee, representative of the House and Senate, to study thoroughly and factually the causes of business depressions.

We ask that the results of such studies be used as a basis upon which the Government of the United States may develop ways and means of preventing recurrence of such depressions. We believe that one of the principal contributing causes of such depressions lies in the inflexibility of a fixed monetary unit.

#### RURAL CREDIT

The Wheeler amendment to the Farm Credit Act of 1935, which reduced the interest rate on both old and new farm-mortgage loans originating in national farm-loan associations to 3½ percent for 1 year, has been of great value in the present emergency.

It appears that there is ample justification for a continuation of this rate policy for at least 2 more years. We believe that credit to agriculture should be on the basis of the lowest possible interest rates commensurate with sound methods of financing, without resorting to subsidy from the Federal Government.



We favor the amendment of farm-credit laws so that a majority of the directors of farm-credit institutions, owned by farmer-borrowers, may be elected by such borrowers.

We recognize the tremendous importance of home ownership in agriculture. In many districts the large percentage of tenancy is resulting in unwholesome economic and social conditions.

There is a need for making it possible for worthy tenant farmers on good land eventually to become landowners.

We, therefore, recommend that the Federal Government should use its facilities to meet this need, and that the method employed should supplement but not compete with the Federal Land Bank System.

In the administration of this financial aid to qualified tenant farmers we recommend that use be made of the United States Department of Agriculture and the Farm Credit Administration.

#### FEDERAL FISCAL POLICIES

We believe the credit of the Government should be used to its full limit during periods of stress and emergency, both internal and external, and that when such periods of stress and emergency have ended, our Government's credit should be conserved for use when again needed.

A sound fiscal policy for our Government is fundamental. Its financial affairs should not long continue out of balance. The business confidence of the people of our Nation, both agricultural and industrial, is directly related to a well-managed Federal fiscal policy.

We recommended that the fiscal policy of our Government be so modified that its revenues shall be increased and its expenditures decreased, to the end that, within the next few years, a balance shall be attained.

When this balance is attained we believe there should be no reduction in taxation policies until the Federal debt shall have been greatly diminished.

#### DISTRIBUTION

In many sections of the country marketing facilities, both terminal and regional, and information on methods of marketing functions do not make for maximum efficiency in the distribution of farm products.

Extreme congestion in our larger city markets, many of which are obsolete, is costly both to producers and consumers of farm products.

We request the United States Department of Agriculture to expand its research in marketing, so that a more efficient system of marketing may be developed, with emphasis upon grower control, and also that modernization of regional and terminal marketing facilities may be effected. We urge the Federal Government to take leadership in this important project.

Conditions in livestock marketing differ widely in various sections of the country. Methods of marketing are affected by such conditions. Insofar as possible, marketing practices should be developed which will reflect back to the producer true values of livestock. Competitive conditions for buyers of livestock should be maintained and safeguarded.

We favor broad, discretionary powers to the Secretary of Agriculture in the administration of the Packers and Stockyards Act, so as to adjust and regulate the handling and marketing of livestock as it moves in interstate commerce to the terminal markets.

We request that the Packers and Stockyards Act should be amended so that such records of processors and packers will be available to the Secretary of Agriculture as are necessary for determining the effects of the several types of marketing methods, now in existence, upon producers of livestock.

In any changes to be made in the regulation of livestock markets, we ask that such changes be made only after all aspects of the problem have been analyzed through governmental studies, and that such changes be put into effect only in cooperation with livestock producers and the organizations which speak for them.

Excessive or unnecessary costs of distribution cause the farmer to pay more for his supplies and receive less for his products.

We commend efficient and economical methods of distribution which reduce distributive costs between producer and consumer.

We believe that modern farmers' cooperative organizations render maximum service in the field of distribution of farm products and farm supplies and urge our membership to support such cooperative organizations.

We oppose the use of agricultural "loss leaders" by retail stores as being inimical to sound methods of distribution and sales.

We request the Federal Government, through properly designated agencies, to expand its studies of the cost of distribution of farm products so as to make available to the public information which may be used in reducing the distributive spread between producers and consumers of farm products. We especially urge an investigation of the costs and selling prices of tin containers.

Meat which moves in interstate commerce should be so marked and labeled by the United States Department of Agriculture as to permit the consumer to identify the different grades and qualities. Imported meats and agricultural food products should be so labeled at the point of importation that the purchaser may know foreign products are being bought.

#### TRANSPORTATION

For 15 years the Farm Bureau has worked strenuously to have farm-to-market roads included in the general Federal roads system of the country.

During the past year a real beginning has been made in this direction, and we are gratified that large allocations of emergency

Federal funds now are being employed for the construction of genuine country roads. In commending the Works Progress Administration for its enthusiastic support of the farm-to-market road project, we urge that this work should be expedited and stressed in every possible way.

We reiterate our previous position on the general problem of transportation as it affects agriculture. We ask that the railroads should be given freer opportunities to meet competition.

We continue our opposition to the water-carrier bill of 1935. We believe that the Federal Government should proceed no further in regulating motor carriers than to protect public safety on the highways and to protect the highways themselves.

We ask that the Motor Carrier Act of 1935 be amended to remove its rate-making features and to include the dimensional regulations omitted in this act.

We request the discontinuance of diversion of revenues obtained from all gasoline taxes for any purposes other than highway building, maintenance, and the payment of outstanding highway obligations. We recommend that States which continue to divert such revenues should be penalized by receiving lesser or no funds for highway building and maintenance from the Federal Government.

We urge the earliest possible completion of the St. Lawrence waterway, of the Lakes to the Gulf waterway, the Inland waterway of the Northwest, and of such other waterway projects which have been declared practicable by the United States Army Corps of Engineers, so as to reduce the Nation's freight bill and equalize transportation advantages to all sections of the Nation.

We urge that the State legislatures and the Congress be requested to protect the farmer-owned trucks from excessive taxation where said trucks are used for the transportation of the farmers' own products to and from markets.

#### INDUSTRIAL TARIFFS

In the case of many industrial products, excessive tariffs have fostered a monopoly and increased the cost of living to an unreasonable degree. We urge that the consumer be given the same consideration and protection under industrial tariffs that he is now given under the Agricultural Adjustment Act as to agricultural prices through the requirement in that act that processing taxes shall not exceed an amount necessary to maintain parity with other prices.

#### RECIPROCAL TRADE AGREEMENTS

We reaffirm our position of last year on reciprocal-trade agreements, as follows:

Historically the United States is an agricultural exporting nation. The prosperity of the producers of basic farm products has during most of our history been dependent on profitable foreign markets for our surplus production. Our policy of high industrial tariffs coupled with our change in status from a debtor to a creditor nation has made it impossible for foreign countries to sell enough industrial goods and services to enable them to buy our agricultural products in normal volume.

We are in accord with the purpose of reciprocal-trade treaties, which is, primarily, to restore agricultural exports by judicious lowering of industrial tariffs, thus admitting more goods into this country and making it possible for us to sell more of our farm products abroad. We insist that this purpose be adhered to in framing reciprocal-trade treaties and that there be no reduction in present agricultural tariffs on any farm product that would have the effect of holding or reducing domestic price levels below parity on such products.

#### REGULATION OF COMMODITY EXCHANGES

The pending measure to control speculation on commodity exchanges which has passed the House of Representatives and been favorably reported by the Senate Committee on Agriculture and Forestry, should be enacted into law speedily in the next session of Congress.

#### LAND-USE PROGRAM

We recognize the need for a national land-use program. We urge the American Farm Bureau Federation board of directors to formulate at an early date the details of such a program.

#### RURAL ELECTRIFICATION

Economically, socially, and culturally, American farmers would be benefited vastly by a wider use of electricity in their homes and on their farms, provided the rate per kilowatt-hour is reduced so that there is a greater consumption of electrical energy.

We recommend that, where the need exists, cooperative activities by farmers should be organized to manufacture and distribute electricity at the lowest possible cost, and that adequate funds be provided by the Federal Government for this purpose.

We commend the Rural Electrification Administration and the Tennessee Valley Authority for the work these two Federal agencies are doing in the expansion of the use of electricity on our farms, and we urge that this work be expedited in every possible way.

#### PUBLIC HEALTH

The pending food and drugs act is not yet satisfactory and does not fully comply with long-established Farm Bureau policies which seek to protect the public in the purchase and use of foods and drugs.

We reiterate our former position on this measure with special reference to advertising by mail or radio of foods and drugs; honest labeling to include grade and quality of products, and such other provisions as we have recommended from time to time.



## CHILD LABOR

We approve the pending child-labor amendment to the Federal Constitution and request the State Farm Bureau Federations to give it serious and sympathetic consideration.

## PROPOSED ARGENTINE TREATY

We oppose the proposed sanitary convention with the Argentine which, if approved by the Senate, will more directly expose our livestock and dairy producers to losses from foot-and-mouth infections.

## SAFETY ON HIGHWAYS

We recommend that the board of directors of the American Farm Bureau Federation give careful consideration to the matter of prevention of highway accidents, including the support of Federal legislation that will tend to reduce the tragic toll in deaths and injury resulting from automobile accidents and to promote safety on our highways.

## MEDICAL CARE

Rural people do not have medical care anywhere near commensurate with that given in cities. Therefore the American Farm Bureau Federation should advocate and promote study and research to the end that rural families have the benefit of increased facilities for health services such as clinics, hospitals, and nursing services.

We recommend that the American Farm Bureau Federation set up a committee to work with this objective in view.

## WORLD PEACE

We commend President Roosevelt and Secretary Hull for their humanitarian and patriotic efforts to maintain neutrality in the present international situation. The time has come when this Nation must recognize that citizens traveling in war zones or in nations at war, and individuals and corporations doing business in war zones or with nations at war, are liable to draw the United States into wars in which otherwise our Nation need not become involved. The time has come to change international practices and precedents so that citizens who travel and corporations which do business in war zones or in warring nations, do so at their own risk and cannot feel assured that the United States marines and later the entire military strength of our great Nation will come to their personal or financial protection.

As a method to prevent our Nation becoming involved in war, we recommend that legislation be enacted immediately authorizing and directing the Federal Government, in event the United States enters war, at the moment which will best achieve international peace and security, to proclaim:

1. An embargo on the shipment of arms, ammunition, and implements of war, including loans, credit, and secondary war materials, to any nation going to war in violation of its international obligations.

2. General conscription of the industrial and financial resources of the Nation as well as citizens, in case the United States goes to war.

3. A national-defense program based on the requirements for defending the continental United States and its insular possessions.

4. Cooperation with other associations of citizens, the objectives of which are to secure and maintain world peace.

## OMNIBUS

We favor:

1. An adequate appropriation for the Forest Products Research Laboratory at Madison, Wis.

2. Increasing the acreage eligible for inclusion in grazing areas in the Taylor Grazing Act, to the end that the public lands may be conserved by reducing the number of head of livestock that may be grazed thereon.

3. Pooling by farmers of the underground mineral resources, particularly petroleum, similar to the very successful plan long in operation for the Osage Indians, with an allotment of emergency funds to organize the pools.

4. More equitable loan values on livestock in several farm credit administration districts.

5. The adoption of a system in production credit associations which will permit a borrower to establish his credit rating at the time of the first loan, which rating subsequently may be used as a basis for establishing the amount of the loan instead of adding costs and charges every year in addition to the original interest rate.

6. Longer terms of payment on production credit loans to dairy-men.

7. We favor the strengthening of the production credit associations and national farm loan associations as farmer-owned and farmer-controlled credit cooperatives and urge all farmers to attend business meetings and otherwise to help build these local organizations.

8. The elimination or modification of the so-called luxury tax on furs which now has a depressing influence on prices received by farmer-trappers for raw furs.

9. Adequate funds to put into effect the Tobacco Grading Act of 1935.

10. An appropriation of approximately \$40,000 by Congress to send official delegates to the Seventh World Poultry Congress to be held in Leipzig, Germany, in the summer of 1936, principally for the purpose of bringing that Congress to the United States in its next meeting, to be held in 1939.

11. The establishment of official Federal grades and standards on cottonseed and price reporting thereon.

12. Expansion of the Federal Crop Reporting Service to include all crops and livestock to be issued more frequently than monthly, with reports issued on daily or weekly schedules during the marketing seasons on certain fruits and vegetables. Special reports should be issued promptly regarding crop damage by freeze, flood, hurricane, drought, or hail. Poultry reports should include commercial and farm flocks in excess of 400 birds. Cotton reports which have been discontinued by law should be resumed.

13. In order that livestock producers using the public domain or forest reserves may be eligible for loans from Farm Credit Administration, we recommend that rules and regulations be adopted which recognize an economic unit in range livestock operations, consisting of privately owned lands and publicly owned range lands operating jointly, with such earning power as will pay fixed charges and provide amortization payments for retirement of the loan.

We urge that the single authority which is given regulatory control over grazing areas guarantee that qualified permittees who are now running livestock on public domain or in the forest reserves, be privileged to operate well-balanced economic units consisting, if necessary, of privately owned lands and publicly owned ranges.

14. The control and elimination of noxious weeds is a proper function of the Federal Government in cooperation with State and local agencies. Individual farmers, or concerted activities in limited areas, cannot be effective in controlling or exterminating noxious weeds which already are spread widely, or by methods of propagation are easily spread over vast areas.

It is advisable that adequate funds be provided from regular or emergency appropriations to extend weed control beyond its present limited scope. Chemicals for use in killing noxious weeds should be manufactured at Muscle Shoals and distributed for use at the lowest possible cost in all parts of the country. The tariff rates on sodium chlorate and other chemicals which may be used in weed control should be reduced.

15. The Federal Government is to be commended for its purchases of surplus hides in 1934 and for its withholding of these hides from the market with the result that prices have now increased materially. The Government hides now should be gradually placed on the market without, however, doing so in quantities sufficient to break the market prices on hides.

16. All imitation leather products which move in interstate commerce should be stamped, labeled, or identified under the authority of the Federal Government.

17. We recommend and favor legislation at the next session of Congress which will impose at least a 5-cent per pound additional tax on all oleomargarine manufactured from domestic products and sold in the United States and which will impose at least a 10-cent per pound additional tax on all oleomargarine manufactured in whole or in part from imported products and sold within the United States.

18. The complete and successful operation of the Agricultural Adjustment Administration requires that competitive products from abroad be not allowed such free entrance to our markets as will permit foreign products to disrupt the adjustment plan of producing more or less, as may be necessary, of a basic and non-basic crop to supply domestic requirements. Accordingly, excise taxes on tropical starches, eggs and egg products, and blackstrap molasses when imported for distillation purposes, should be imposed so that these products when imported must be sold at least equal to those secured by our own farmers, and that these items be not bound at their present status on the tariff list in any reciprocal-trade agreement.

The forestation and land-utilization policies of the Nation demand that pulp, cord, and block wood be given excise taxes so that our farmers may have profitable sales for forestry and wood-lot products.

19. We insist again that no law be enacted and no rule or regulation promulgated which will remove or limit the right of the American farmer to enjoy our domestic markets for their products, both for edible and inedible uses. We will not surrender either the edible or the inedible field of use of any farm product in the home market and will resist any privilege sought by importing interests, to secure free entrance to the American markets of an edible product if such product is made inedible for the purpose of such free importation, because of the price relationships between such products.

## HOME CONSTRUCTION—ADDRESS BY SENATOR WAGNER

MR. COPELAND. Mr. President, my colleague [Mr. WAGNER] delivered before the Building Congress in New York, January 30, 1936, an illuminating address on the subject of home construction. I ask unanimous consent that the address may be printed in the RECORD.

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

My friends of the Building Congress, a few months ago one of the keenest business observers in the world said:

"To my mind, Americans ought to be ashamed to allow an acute home shortage to creep upon them while at the same time millions of men are idle and billions of dollars have no work to do."

This suggestion that the key to complete revival is held by the construction industry is doubly significant in view of its source. Mr. Gordon Selfridge, the famous British merchant, understands our institutions and national psychology because he is a native



American. Moreover, he knows as well as anyone can what the English people have accomplished by a housing program when confronted by economic hardships incomparably greater than our own.

There is another reason why Mr. Selfridge's statement should be read with deference wherever businessmen congregate. It reaffirms the principle that creating new employment opportunities for idle labor and new profitable opportunities for idle private capital are part and parcel of the same problem. Some time ago we might have regarded this as a truism hardly worthy of repetition. But more recently there has developed an unhealthy tendency to consider reemployment as a purely social rather than a business concern and to assume that those interested in reemployment are only secondarily devoted to business recovery. The truth is that employment is a prime index of business. To infer that those who count the number of the jobless are cold to industry's needs is as superficial as to argue that those who gaze upon a barometer are not interested in weather conditions.

The large volume of unemployment today is the most serious obstacle to absolute industrial recovery. This is true because no civilized country will countenance widespread starvation; and the cost of relief must in the final analysis be borne by the business community without receiving labor in return. It is true because enforced idleness saps the health and morale of millions of men and women, thus making them unfit to take their places in industry when better times return. It is true because misery breeds among its victims a resentment against a system which, rightly or wrongly, they blame for their misfortunes. The dole is not good for business.

In our distrust of the dole we have devised a widespread system of public works. These have overcome part of the lull in private construction. They have built permanent improvements at a time when materials and labor could be procured easily. They have eliminated the wholesale waste of opportunities that stagnation means. I am convinced that experience has justified my long advocacy of priming the business pump.

But priming cannot go on forever. The ideal situation exists when unemployed labor and idle private capital are brought together in a mutual enterprise. Our major economic task in the United States is to find that enterprise and set it in motion. The undertaking is made less difficult because all the signposts guide us in the same direction. When we examine the composition of our reserve labor supply we find that at least 50 percent is due to the comparative stagnation in the building trades and its effect upon allied industries. When we seek the causes for idle capital we learn that while the index of industrial production has risen to 103 percent of normal the index of construction still lingers at 25 percent. When labor and capital are united there is still need for a market. The greatest potential market in the country today is the market for homes. Every factor is thus eagerly awaiting the inception of an extensive home-building program.

Let us survey a bit more minutely the need for home construction in the United States. The depression alone cannot account for the shocking living conditions in this country. Millions of homes do not decay in 5 years. Only the amazing neglect of housing even when our technical ingenuity along other lines was startling the world will explain why at least one-third of the population dwell in 10,000,000 homes that imperil their health and shock their sense of decency. Even people with comfortable incomes accept poor living quarters that violate the high standards which they observe in respect to other niceties of life. American housing is not consistent with our standing as the wealthiest of nations.

We have fallen so far behind in housing, that it would be fantastic to contemplate an immediate housing program wholly commensurate with our needs. We cannot tear down 10,000,000 homes overnight. But there is no reason why we cannot build at least 10,000,000 new housing units within 10 years, thus lifting the standards of all sections of our people, and raising even the most underprivileged out of the mire of unhealthy surroundings. This modest estimate makes no allowance for periodic obsolescence, or for a normal population increase of about 450,000 families a year. When we plan for 1,000,000 new family quarters annually, we are not being over generous. We are merely meeting the bare necessities of the situation.

No less important than the existence of a market is the character that it discloses. If a home-building program is not to become an orgy of speculation, awaiting the bursting of an inflationary boom, it must be adapted to the normal purchasing power of the people. At the present time, 93 percent of the families of the United States have incomes of less than \$3,000 per year. We may naturally expect their earning power to be augmented in the future. But no legitimate financial venture could contemplate supplying such customers with homes, except those ranging between \$2,500 and \$6,000 in cost, with emphasis upon an average of \$4,000. Successful endeavor must be scaled primarily toward that magnitude.

Before exploring further the field open to private business, we should make the honest confession that there is a portion of the home-building task that private industry alone cannot accomplish at a profit. Private industry acting alone will not, and cannot be expected to, provide better living quarters for those millions of American families who have incomes of less than \$1,500 per year. They cannot buy \$4,000 homes. Some of them, it is true, will move into vacated dwellings when those in the higher-income group build or buy new ones. But the majority of the poor, particularly in the congested city slums, need a renovating and building program of their own. To provide them

with American standards, the Federal Government should extend partial assistance to local authorities, in the form of loans of money at nominal rates of interest, or by some other method. This, indeed, is the special objective of the low-rent housing legislation which I have been sponsoring.

It is a grievous mistake to entertain fears that a low-rent program would encroach upon private industry. In the first place, it would by very definition be confined to that section of the population which individual enterprise alone cannot serve. Its tenants would be limited to those whose incomes would not permit them to seek similar quarters elsewhere. Secondly, the strict decentralization of administration among the various localities would guarantee that all activity would be carried on in close contact with the general business needs of the community, and would be quickly responsive to them.

In fact, a low-rent program would give a decided impetus to private industry. It would create purchasing power by swelling the volume of employment. It would increase the demand for the raw and fabricated materials that business produces. It would open an area for some investment by private capital. It would tone up the residential standards of every element of the population.

But the real benefits of a low-rent housing program must be gaged in broader terms. The disease and crime that are generated in slum areas produce an appalling social waste. They multiply the costs of fire and police protection, of hospitals, reformatories, and prisons. They pyramid taxation and decrease industrial efficiency. They undermine the strength of free institutions. All these evils would be mitigated by the removal of the slums. The British have found, in a low-rent housing program, the most concrete reinforcement for political democracy and individual enterprise in a troubled and unsettled world.

There is no business group that will not bend every effort toward giving all the youth of America a chance—a chance to breathe fresh air, to play in safe places, to be free from the threatening influences of sordid home surroundings.

Now we may revert to our survey of the predominant area open for development by the private construction industry. In my opinion, it is unnecessary to quibble about whether low-rent housing with public assistance should have an upper limit of a \$1,000 income or a \$1,500 income. In either event purely private housing will have a larger market than it can supply. It seems clear that at least 75 percent in number of the 10,000,000 family units to be built during the next 10 years, or 7,500,000 of them, will be built by private industry alone. This includes, of course, apartments and small homes. At an average capitalized cost of \$4,000 for each family, the private building program involves investment opportunities of \$30,000,000,000, or about \$3,000,000,000 per year.

Despite the accelerated tone of residential construction, the Federal Government should continue to add pace to a lagging development. One of the barriers to home buying today is that the average prospective owner of a \$4,000 or \$5,000 home cannot afford to make the down payment of about 20 percent that is required before the Government will protect the mortgage loan. The Government might obviate this difficulty by encouraging private mortgage institutions to bear a larger portion of the initial cost of this type of home building. Let me give a concrete example. It is reasonable to believe that the purchaser will be able and willing to make a down payment of approximately 10 percent. Today 80 percent can be supplied by private first-mortgage loans, amortized over a 20-year period, and secured by Government insurance. I think that the wheel of the construction industry would be set in rapid motion if the Government would extend its insurance of mortgages up to 90 percent. Thus, if the Government were willing to increase its protective undertakings by only one-eighth, it would provide the final incentive for private investment of \$3,000,000,000 per year and of \$30,000,000,000 within a decade. This proposal should be coupled with the British practice of requiring the builder to guarantee the payment of the mortgage down to 75 percent. In this way the British have generated a tremendous home-building program that has put decent quarters within the reach of millions.

In conjunction with this action, the Federal Government should assist in other ways. It should continue the work of the Federal Housing Administration in reducing mortgage costs by eliminating multiple-financing and sharp practices. It should lend its influence toward keeping private first-mortgage interest rates at a level that will not prove enormous to borrowers. The Government might also guide improvements in the relevant laws of the States and municipalities.

In addition, the Government should widen the areas of eligibility for Federal protection. Under the present law, while mortgages issued prior to July 1937 are ultimately guaranteed by the Government itself, those issued subsequently are to be protected only to the extent of the insurance fund. While we all have just confidence in the adequacy of this fund, the more complete security should be afforded in both types of cases. Amendment to the existing law should raise from \$1,000,000,000 to two or three times that sum the limitation upon the public protection of mortgages upon new construction.

Another course of action is slightly novel, but eminently desirable. Though there are many institutions eager to make loans upon completed structures, existing conditions make it difficult for a building operator to secure capital for his project. The Government ought therefore to insure small construction loans just as it now protects assistance for modernization and repair.



Yet another change suggests itself. Today, insurance of large-scale mortgages is confined to rental projects. It should be extended to cover the large-scale development of small individual homes.

There is little reason why the powers of the national mortgage associations, which are private institutions, should not be expanded. They ought to be allowed not merely to purchase the insured mortgages of other institutions, as now provided, but also to make mortgage loans on large-scale projects that are insured by the Federal Housing Administration. Their debentures against insured mortgages instead of being limited by law to 12 times the amount of their capital funds should be allowed a margin at least twice as large. With these improvements in law and practice, the full possibilities of the Federal Housing Act will come closer to realization.

In concluding let me stress the central significance that a building revival occupies in our whole economic program. We are now witnessing the most gladdening signs that the depression has been defeated. Industrial output in December stood at 103 percent of normal, reaching the highest level in 5 years. The basic industries, such as steel and automobiles, are marching forward rapidly on a united front. Their production is larger and their employment is greater. Every trade journal is punctuated with increasing reports of higher profits and larger dividends.

Interest must now be focused upon retaining and improving this progress. Everyone is listening intently for any sound of discord in the chorus of improvement. Everyone is fearful of the slightest sign that might indicate a relapse.

It is natural that well-informed persons should regard the construction industry as a weather vane of solid business progress. We may recall that the index of residential activity dropped 33 percent between 1928 and 1929, thus sounding the storm signal of the depression. The complete collapse of building was the vital single factor in prolonging hard times. Taken alone, it accounted for fully one-third of the total unemployment in early 1933.

In days of revival, as in days of recession, we must listen for the ring of the hammer and the buzz of the saw. The first stages of recovery in 1933 and early 1934, caused by increasing the purchasing power of the farmer and factory worker, were abbreviated because the gain was not reflected in the building trades. On the other hand, the surest tokens of permanent improvement today are to be found in the quickening of construction. The whole building industry is now pulsating with life. Residential construction during the second half of 1935 was more than 100 percent greater than during the second half of 1934.

But, while these signs are encouraging, they are not sufficient. Only 70,000 homes were built last year, while the imperative demand was at least 10 times that large. With records being smashed in other fields, the index of construction, as I have indicated, still lallies at 25 percent of normal.

All the materials for consolidating recovery are waiting to be used. Both men and capital are eager. Industry is prepared to assume its responsibilities with the same self-command and intelligence that weathered the storm. The Government is eager to lend a helping hand, proffing by its experience and careful not to encroach upon the field of individual initiative. The vast majority of our people, too long denied the congenial home surroundings that they identify with the American way of life, are pleading for the satisfaction of this basic demand. In this conglomerate of business and social needs are blended everything that in the past has stimulated our Nation to feats unparalleled in history. I am sure that the same response will be forthcoming in the future, and that a well-tempered building drive will preserve the welfare of business along with the health and faith of our people.

#### PHILIPPINE INDEPENDENCE—ADDRESS BY THE SECRETARY OF WAR

Mr. SHEPPARD. Mr. President, I present for incorporation in the CONGRESSIONAL RECORD an address on Philippine Independence delivered by the Honorable George H. Dern, Secretary of War, at the Commonwealth Club, San Francisco, Calif., on December 12, 1935.

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

Philippine independence is a vital subject in the Philippines. Every Filipino is interested in it and knows about it. Every American ought to be interested in it, too, and ought to know about it, for it involves our honor in keeping our promises and our sincerity in professing to believe that governments derive their just powers from the consent of the governed.

Thirty-five years ago every American who could read, and many who could not, had a fair knowledge of the Philippines, because imperialism was the paramount issue in the Presidential campaign of 1900. Today I doubt that one American in a thousand knows or cares anything about our relations with the Filipinos. This lack of interest does us about as much credit as would be due a parent who had neglected his child. The wonder is that our record in the islands has been so good in spite of it. We have much reason to be proud of what we have done over there.

The Philippine Islands are the only Christian country in the Orient, and are about to become the only true republic in the Far East. How does it happen that a Malay people has this unique distinction of belonging to our western civilization? I must cite a little history to show how the stream of Philippine

development has been so profoundly influenced by two contacts with the western world.

In 1521, or more than 4 centuries ago, the first man who ever sailed around the globe—Ferdinand Magellan—by chance brought a Spanish squadron to the Philippines. Sailing across the Atlantic, around South America, which Columbus had discovered only a few years before, through the straits which now bear his name, he struck boldly out across the vast unknown western ocean which he named the Pacific, landed first on Guam, now an American island, and then discovered the Philippine Archipelago. He came to the island of Cebu, with the Bible in one hand and the sword in the other, for he was not only an intrepid explorer but also a fanatical missionary. He claimed the country for Spain, and within a few days he had baptized the King and most of the population of Cebu. A little group of unreasonable men on the small island of Mactan, who had never heard of the great King of Spain, and who objected to having Christianity crammed down their throats, gave battle, and Magellan was killed near the spot where his monument now stands.

Magellan's missionary methods apparently did not have a very deep spiritual effect, for when he was gone all his converts slid back into their old faith, if they had any, and for 40 years more the brown people had to worry along without the white man's guidance. However, Magellan's exploits caused other Spanish expeditions to be sent from Mexico, for the Philippine Islands were colonized and governed through the Viceroy of Mexico until Mexico threw off the Spanish yoke and became an independent nation early in the nineteenth century. Forty-three years before the first permanent English settlement in the United States at Jamestown, Va., Legaspi sailed from Mexico and finally conquered the islands. He named them for the prince who became Spain's great King, Philip II. Gradually Spanish civilization and culture were established among the natives. This was the first contact of the Philippine Islands with western civilization, and it lasted more than 300 years.

Nobody doubts the piety, heroism, and disinterestedness of the early missionary priests who came to the Philippine Islands and won the inhabitants over to the Christian faith, but Spain from the start ruled the colony by brute force. It was the medieval policy of overawing the people and subjugating them with fear. It is true that the Spaniards gave the Filipinos a religious ideal and the beginnings of education and increased knowledge, as well as better buildings and roads, something like uniform laws, and the outline of a coordinated political system. Nevertheless, the Filipinos were never contented under Spanish rule. During the three centuries between 1573 and 1872, it is estimated that there were more than a hundred revolts, large and small, 31 of them being of serious proportions, which in itself is strong evidence of abuses and injustice.

On June 19, 1861, was born the great Filipino patriot, Jose Rizal, whose monument now stands in the plaza of practically every considerable town in the islands. He is revered as the national hero and martyr who brought about the downfall of Spanish misrule. He is an outstanding example of that small, select group of men in human history who have profoundly influenced the destiny of their people, and whose names symbolize their national aims and aspirations.

Rizal exposed the oppressive system that had grown up, and the wrongs that the Filipinos had suffered at the hands of a selfish, greedy ruling class, which had no objective except shamelessly to exploit them. He maintained that the courts were operated for the benefit of the rich, and that there was no justice for the poor man, who could be arrested and imprisoned on the merest suspicion of disloyalty, and perhaps even executed without the semblance of a trial.

Through novels and other writings, Rizal laid bare the whole sorry spectacle, and in so doing he aroused the Filipinos to a keen sense of their wrongs and a passionate longing for relief. He himself never counseled a violent revolution, but hoped to bring about reforms by peaceful means under the Spanish flag. He thought that by holding up Spain to the contempt of the civilized world she could be shamed into giving the people justice and decent government. He felt that the first need was education and enlightenment, and that his people had been kept in a condition of ignorance and inferiority so long that they were not prepared to rule themselves, although he never doubted their natural ability to do so.

The ruling class, instead of granting reforms, became enraged, and began to hunt down this dangerous man, who threatened to take away their special privileges. It was ever thus. Their persecutions only aroused the people to greater resentment and excitement. Since Rizal would not lead them to revolt, other leaders did so, and on August 26, 1896, the Philippine revolution against Spain began. Rizal was arrested and unjustly accused of having incited the revolution. In spite of his denial and his expressed disapproval of the revolution, he was found guilty, and on December 30, 1896, was executed. But his soul goes marching on.

Bear in mind that this was only 39 years ago. Spain had continued her medieval practices right down to our own times.

The revolution gained increasing force, and soon a new leader came to the front. He was a youth of 27 years, only lately out of college, but Emilio Aguinaldo quickly showed great talents of command. Under his direction rapid military progress was made in every Province until he had driven the Spanish troops into Manila and had the city surrounded and besieged, except by way of the sea, the avenue through which the Spanish Army could still get supplies and reinforcements.



Then, on February 15, 1898, the U. S. S. *Maine* was blown up in Habana Harbor, precipitating war between Spain and the United States, which was declared on April 21. On May 1, 1898, occurred the Battle of Manila, in which the Spanish fleet was destroyed by the United States Asiatic Squadron under the command of Commodore Dewey.

Six weeks later the independence of the Philippines was proclaimed by General Aguinaldo's so-called dictatorial government. Aguinaldo and his followers first looked upon the Americans, who had closed the Spanish Army's access to the sea, as friends and deliverers, and he claimed that Dewey had encouraged him to believe that the United States would help them achieve their independence. Dewey denied this, and there is nothing in the records to substantiate Aguinaldo's claim. The interview between Dewey and Aguinaldo was conducted through an interpreter, and perhaps this accounts for the misunderstanding.

At any rate, since a fleet alone cannot take and hold territory, American soldiers were sent to Manila, and on August 13 the Spanish authorities surrendered the city to the United States forces. Aguinaldo was not permitted to enter the city with his troops, and friction between him and the Americans developed. On January 21, 1899, General Aguinaldo promulgated the constitution of the Philippine Republic, and 2 weeks later the Philippine Insurrection against the United States commenced.

And so we found ourselves fighting the Filipinos—a people who were struggling for independence.

Our occupation of the Philippines was not premeditated, but had come about entirely through the fortuitous chance of war. Whatever may be said of us, we certainly did not take the islands with any thought of territorial aggrandizement.

The Liberty Bell in Independence Hall at Philadelphia is one of America's most sacred relics. It bears the inscription, "Proclaim liberty through all the land unto all the inhabitants thereof." That was the spirit of 1776, and that spirit has been bred in the bone of every American since our country was born. That is why Americans instinctively sympathize with all peoples who aspire to freedom and self-government. The Philippine Insurrection against Spain was such a struggle for freedom. What was then to be the attitude of the United States toward a freedom-loving and freedom-seeking colony which it had so accidentally acquired?

There were some imperialists among us who looked toward a policy of colonial expansion and exploitation and who said, "Where the American flag once goes up it never comes down." Such a departure from our national ideals never commended itself to the American people. The permanent government of one people by another without their consent is not the American system.

Wisely or unwisely, we had taken the Philippines. Wisely or unwisely, we had assumed the burden and responsibility of governing them. And yet we said the Philippines belonged to the Filipino people, that we were merely their trustees, and that when they were competent to take care of themselves we would resign our trust and let them govern themselves.

Colonial exploitation was repugnant to our minds. We declared that the good of the colony, not our own good, must be the first consideration, which was perhaps a brand new idea in a world which had always colonized for quite different reasons. We harked back to the spirit of 1776, and we conceded that the Filipinos had the same rights as we claimed when we were colonists of Great Britain. Moreover, we recognized that we had the same duties toward the Philippines that Great Britain should have had toward us at the time of the American Revolution.

Having declared this unheard-of colonial policy, there arose the practical question of how and when it should be carried out; whether the Philippines should be given their independence forthwith, or whether they should first be given a period of education and training to prepare them for independence. Through no fault of their own the people of the Philippines had not been trained in the difficult art of self-government, and had never been given an opportunity to demonstrate whether they could rule themselves or not, nor whether they would respect the rights and property of others.

How could we tell whether they had been disciplined, as Anglo-Saxons had been disciplined for centuries, to submit to the expressed will of the majority, no matter how wrong the individual might deem that decision to be? Where that principle is not accepted democracy must fall.

Moreover, it was difficult for us to comprehend how popular government could be possible without popular education. We Americans think education is essential to democracy. Rizal himself had complained that Spain had kept the Filipinos in ignorance, and that they must be educated before they could be qualified to rule themselves.

And so we set up a military government and proceeded to put down the insurrection. We soon discovered that we had a first-class war on our hands. At first there was heavy fighting between the two armies, in which the Filipino forces were driven back and broken up into small bands. A period of guerrilla warfare ensued, which lasted more than a year and a half. We had more than 70,000 troops scattered all over the Philippines, and we had a garrison in every town of importance and in many places that were mere villages. But the guerrilla warfare continued, under the direction of General Aguinaldo, who was in a remote hiding place. The Filipinos showed that they had courage, fortitude, and tenacity of purposes, and proved a worthy foe. There is no telling how long the insurrection might have lasted if Gen. Frederick Funston had not accidentally learned the whereabouts of General Aguinaldo, and, by bold stratagem, captured him.

The capture of General Aguinaldo soon terminated the insurrection, and the islands were rapidly pacified. The military government, after having established peace and order, and after having made the beginnings of the American type of administration and jurisprudence, of popular education, of building roads, and of modern sanitation, was superseded by a civil government, and step by step self-government was introduced. The second contact of the Philippines with western civilization had begun, this time according to the American style of liberty, enlightenment, and progress. What has been accomplished in the last 37 years is a marvelous story.

Popular election of municipal and provincial officers was instituted 3 years after American occupation, and so the school for democracy was under way. So apt were the native officials that 5 or 6 years later the popular election of the lower house of the Philippine Legislature went into office. The results were entirely satisfactory, and in 1916, with the encouragement of President Wilson, the Jones Act was passed, making the entire Philippine Legislature elective, and giving the Filipinos an enlarged part in administrative affairs. This was a long step toward self-government.

Let me invite your attention to the preamble of the Jones Act, which was passed by almost the unanimous vote of both parties in Congress.

"Whereas it was never the intention of the people of the United States in the incipency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

"Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States in order that by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence."

This preamble can only be construed as a definite promise of eventual independence. The Jones Act gave the Filipinos such a large measure of self-government that one might almost be justified in saying that they remained connected with the United States by but a slender thread, namely, American control of the executive department through the office of Governor General. The Filipinos responded magnificently to their new responsibilities and opportunities, and their record of accomplishment since the Jones Act went into effect reflects the greatest credit on their ability and character.

Meanwhile, that great symbol of democracy, the little red schoolhouse of the United States, was transplanted to the Philippines, and universal popular education became and remains as much a Philippine ideal as it is an American ideal. The hunger of the Filipinos, young and old, for education has been remarkable.

At the beginning of American occupation there were practically no decent roads in the Philippines. Today there is an excellent system of highways, those indispensable requisites to agriculture, commerce, industry, and social intercourse. I wish I had time to tell you how the health and well-being of the people has been improved through modern sanitation since American occupation; how public works of various kinds have added to the security, comfort, and self-respect of the people; how the courts have been made temples of justice for rich and poor alike; and how the economy of the islands has been improved by introducing and fostering new industries which increase the national income, furnish employment, and raise the standard of living.

Perhaps the greatest thing that the United States has done for the Philippines is to give them free access to our markets. Since they have been able to ship their sugar, coconut oil, hemp, tobacco, and other products to the United States without paying duty, they have prospered marvelously, and are now enjoying a higher standard of living than any other country in the Orient.

Notwithstanding the tremendous benefits which the Filipinos had received from their connection with the United States, their longing for independence continued, and finally the Tydings-McDuffie Act, which is entitled, "An act to provide for the complete independence of the Philippine Islands", etc., was passed. I have just returned from the Philippines where, on the 15th of November, I participated in the inauguration of the new government which was thereby authorized.

By virtue of the Independence Act there has been created a government called the "Commonwealth of the Philippines", which gives the islands almost complete autonomy in their local affairs, putting not only the legislative but also the executive and judicial departments into the hands of the Filipinos. The Commonwealth government was organized in accordance with the provisions of their own constitution, formulated and drafted by delegates of their own selection and adopted by their own votes. The people elect their own president and vice president, and also the members of their own legislative department, which consists of one house, known as the National Assembly.

The inauguration of the Commonwealth of the Philippines deserves to be rated as an historic event in the annals of both the United States and the Philippines. The ceremonies were excellently planned and were carried out in an impressive, picturesque manner, in the presence of a throng estimated at 200,000



persons. There was a lot of early rising that beautiful day, for the program began at 8 o'clock in the morning, to avoid the midday heat.

After the invocation, Governor General Murphy introduced me as the personal representative of the President of the United States, and I delivered an address, at the conclusion of which I asked the Governor General to read the proclamation of the President of the United States declaring that the persons therein named had, respectively, been elected members of the national assembly. Thereupon the oath of office was administered to them, after which I formally declared the old government at an end and the new Government in effect. President Quezon then delivered his excellent inaugural address, which ended the ceremonies.

It is not often that a new nation is launched with such cordial friendship and mutual good will. Usually new nations are born in the welter of battles and bloodshed. Because this occasion was so unique in human annals I have said that it was of historic significance.

President Manuel L. Quezon and Vice President Sergio Osmena are the two undisputed leaders of the Filipino people and have been intimately connected with the development of self-government and the movement for independence. Their long experience in governmental affairs affords every reason to expect a successful administration of the Commonwealth.

Under the terms of the Tydings-McDuffie Act independence is not yet complete and the islands will remain under American sovereignty for another 10 years, at the end of which period American sovereignty will be withdrawn and the Philippine Republic will supersede the Commonwealth of the Philippines as a completely independent nation.

The 10-year transition period was deemed wise and prudent, principally to enable the Philippines to make the necessary readjustments in their economic life. If they were given the status of an independent nation immediately and suddenly, and were accordingly required to pay full tariff rates on their exports to the United States, it was feared that it would ruin some of their most important industries, thereby throwing a great many people out of employment and causing much hardship and suffering. In that event the Filipinos would probably conclude that independence had been a delusion and a snare. The transition period is therefore intended to benefit the Filipino people and to give the new nation a better chance for success. Moreover, the transition period will give the Filipinos a period of training in the executive branch of the government, which has heretofore remained in the control of the United States.

Inasmuch as the United States still retains sovereignty over the islands, it has important responsibilities there. We reserve certain powers, namely, direct supervision and control over their foreign affairs and, in general, the right to intervene in case of serious disorders or failure of the Commonwealth Government to meet its obligations. In order that the rights, prerogatives, and interests of the United States may be sustained, we keep a United States High Commissioner in the islands as the representative of the sovereignty of the United States. The first High Commissioner is the last Governor General, the Honorable Frank Murphy, who has made such an outstanding record during the past 2½ years that he deserves to be ranked among the greatest Governors General whom we have sent to the Philippines.

The philosophy of the Independence Act is that we are voluntarily surrendering a valuable dependency to its inhabitants and launching a new democratic nation. Who says there is nothing new under the sun? History is replete with stories of conquest and of struggles for freedom, but examples like this are rare, indeed.

Those who have been in a position to observe closely the part the Filipinos have played in the development of their civil government have nothing but admiration for them and have no misgivings about their fitness for self-government and independence. I see no reason why the Commonwealth should not be a success, and why complete independence should not be achieved on schedule time. Certainly, we ought to do everything we can to help them on their way, for this new venture is ours as well as theirs.

The steps whereby the Filipinos have gradually gained self-government bring out three things:

The first is that the United States is keeping its word to give the Philippines independence. And, as President Roosevelt said a few weeks ago, "It is good for a nation to keep its word."

The second is that the American record in the Philippines, despite its mistakes and vicissitudes, has been creditable. As Mr. Root said when he was Secretary of War, "The country which exercises control over a colony is always itself on trial in the public opinion of mankind." We are human enough to hope that the world will say of us that our work has been well done. But especially we hope that the people of the islands may feel that our sojourn there has been a benediction to them, even though it has deferred their independence. The people of the United States may justly feel proud if they have built such an enduring monument in the hearts of the Filipinos.

The third point that is brought out in the evolution of Philippine self-government is more important than the other two. It is that the main credit is due to the Filipinos themselves. They have been tried and not found wanting. They have had a passion for independence for many, many years, and with each new opportunity they have, in the most convincing manner, demonstrated their capacity to perform the varied and intricate tasks of government. We have had good material with which to carry on our work.

As Americans, therefore, we may be pardoned a natural feeling of gratification over having been true to our national ideals and doing a deed worthy of our ancestry. We rejoice at having had this opportunity to "proclaim liberty through all the land unto all the inhabitants thereof", and to give the world an example of the true meaning of American democracy. May we never falter in putting human rights, human liberties, and human welfare above all selfish ambitions, individually or nationally, at home or abroad, and thereby help to make the world safe through democracy, which may, after all, be more to the point than making the world safe for democracy.

If our own cooperation with the Filipinos in a practical way to establish a new democratic republic, fashioned after the American plan, shall renew our devotion to the high principles which gave birth to our own Nation, then our sojourn in the Philippines will have been a blessing to ourselves no less than to the Filipinos. Men always benefit by obeying their noble impulses, and so do nations. The performance of one righteous, unselfish act by America makes it easier and surer for her to be just and upright in all her international relations. It is a proper ambition for her to deserve the esteem and affection not of the Filipinos alone but of all right-thinking nations. To deserve them she must keep on high ground.

#### TRANS-PACIFIC AIR-MAIL FLIGHT—ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. McADOO. Mr. President, I ask permission to have printed in the RECORD an address by Postmaster General James A. Farley at Alameda Airport, Alameda, Calif., in connection with the ceremonies incident to the inauguration of the first scheduled trans-Pacific air-mail flight Friday afternoon, November 22, 1935.

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

Just before leaving Washington I received a letter from the President of the United States. It read:

"MY DEAR MR. POSTMASTER GENERAL: Please convey to the people of the Pacific coast the deep interest and heartfelt congratulations of an air-minded sailor. Even at this distance I thrill to the wonder of it all.

"They tell me that the inauguration of the trans-Pacific sky mail also celebrates the one hundredth anniversary of the arrival of the first clipper ship in San Francisco. The years between the two events mark a century of progress that is without parallel, and it is our just pride that America and Americans have played no minor part in the blazing of new trails. There can be no higher hope than that this heritage of courage, daring, initiative, and enterprise will be conserved and intensified.

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT."

With the inauguration here today of the first scheduled trans-Pacific air-mail flight a new chapter in aviation history is being written. In fact, it records the beginning of the greatest and most significant achievement in the marvelous and fascinating development of air transportation.

More than 8,000 miles of ocean are to be spanned by this new service, which will bring Asia within 5 days of the United States, thus reducing the period of travel between these two continents to less than one-third of the time now required by the fastest steamships, which is 17 days. There will be a corresponding saving in time between the United States, the Hawaiian Islands, Guam, and the Philippines, and all will benefit by this time saving. The Hawaiian Islands, now 5 days away by the fastest steamships, will be overnight from San Francisco.

Very soon the superplanes flying over this route will be transporting passengers and express. A person or letter will arrive in China within 6 days after leaving New York. This is, indeed, an epoch-marking achievement and one which rivals the vivid imagination of a Jules Verne.

It has been the experience of the United States that when better communications and faster transportation have been established between this and other countries better understandings have resulted and an improvement in trade and commerce has followed. Therefore, I anticipate that our friendly relations and our commerce with the countries of the Orient will be strengthened and stimulated by the trans-Pacific air-mail service.

I wish to offer my congratulations to the officials of the Pan-American Airways, whose vision, enterprise and resources have pioneered this great service and brought new laurels to American aviation; to the American aviation engineers and manufacturers, whose research and skill have made possible the superplanes which will fly this route, and to the Congress of the United States for providing the necessary appropriation. I am proud that this history-making service was inaugurated during my administration of the Post Office Department.

The United States easily leads the world with its air-mail services and these services have by no means reached their peak. In the near future it will be advisable to further improve the services in the United States and Alaska and I am confident that within a year or 18 months we will have a trans-Atlantic service from the United States to Europe.

Each year brings new triumphs in American aviation, but it will be a long time before any of them overshadow the achievement which we acclaim here today.



**PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—ADDRESS BY GENERAL HINES**

Mr. HARRISON. Mr. President, I ask consent to have published in the RECORD a radio address delivered by Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, on January 30, 1936, relative to the payment of the adjusted-service certificates of World War veterans.

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

First of all, I desire to thank the Columbia Broadcasting System for the opportunity presented to me to use their facilities to convey this message to World War veterans and those interested in the payment of the adjusted-service certificate known as the bonus.

I know that many radio listeners would possibly prefer to listen to a program of a more entertaining nature, but I also know that there are three and one-half million veterans who are vitally interested in knowing all about the additional bonus benefits which have just been granted to them and that one of the thoughts uppermost in their minds is, "What will I get?"

The bill which has just become a law provides for veterans who have been issued adjusted-service certificates to receive in exchange for such certificates bonds of the United States in \$50 denominations, with a value up to the face amount of their adjusted-service certificate less any loans which have been made thereon; interest on such loans to be charged only up to October 1, 1931, and that which has accrued thereafter is forgiven or canceled. No provision is made, however, for refunding any interest which has been paid. Odd amounts over and above the highest multiple of \$50 in the amount due will be paid by check.

As an example: Sergeant Hill had a \$1,000 certificate upon which he borrowed \$500 on March 30, 1931. There will be deductible from his certificate the \$500 which he borrowed, together with interest of \$11.25, which is the amount accrued from the date of his loan up to October 1, 1931. All interest charged thereafter is canceled. Sergeant Hill, if he makes application for payment, will receive nine \$50 bonds and a check for \$38.75.

Now, let me tell you something about the character of the bonds which are to be issued. These bonds are not of the ordinary type but have several unusual features which make them extremely valuable. They may be redeemed at any time during the first year at their face value, and if held 1 year from the date of issue they may be redeemed at any time thereafter not only for the face value but, in addition, 3-percent interest. Thus, holders of these bonds are fully protected against any fluctuation in value. They are nontransferable, nonassignable, not subject to attachment by any legal proceedings, so that the veteran is assured of getting the money himself. No one can take these bonds from him.

All bonds will be dated June 15, 1936, and will run to June 15, 1945. Bonds will be redeemable by the United States Treasury at such places as the Secretary of the Treasury may designate, and it is quite certain that the necessary arrangements will be made so that redemption of the bonds will be a simple procedure insofar as the veteran is concerned.

My urgent advice to veterans is to hold these bonds so that they may serve as a nest egg, because they represent the safest possible investment and an attractive one. To those veterans whose need is so pressing as to require immediate funds I would strongly advise them to cash only so many of the bonds that may be necessary to meet the actual need.

These bonds have been variously referred to as baby bonds, bonus bonds, and thrift bonds, and the veterans should, by holding them, prove that the latter name is the most suitable. Whether they are thrift bonds or spendthrift bonds will be dependent very much upon what the veteran does with them after they are received.

Application forms for the payment of the bonds are now available throughout the country at regional offices of the Veterans' Administration and at posts or comparable units of the various service organizations so that every veteran may secure one. The final date for applying for benefits under the World War Adjusted Compensation Act has not been changed and remains as January 2, 1940. Application for exchanging the adjusted-service certificate for bonds may be filed at any time prior to the date of the maturity of the certificate. Regardless of the date the veteran applies for conversion of the certificate into bonds the bonds issued will be dated June 15, 1936, and will draw interest from that date. Those veterans who have loans outstanding against their certificates should send their applications only to the office from which the outstanding loan was made. I want to repeat and particularly stress this caution, because it is highly important. Those veterans who have loans outstanding against their certificates must send their applications only to the office from which the outstanding loan was made. Veterans who have no outstanding loans upon their certificates should send their applications, together with the certificates, to the Veterans' Administration regional office activity nearest the place of their residence. Veterans who have loans outstanding with banks should send their applications to the central office of the Veterans' Administration at Washington, D. C. As to veterans who are mentally incompetent, application should be made in their behalf by a legally authorized representative.

After filing your application, do not write to the Veterans' Administration, as to do so will only cause delay in handling your case, except where you desire to change the address to which the

bonds are to be sent which appeared on your application form. Veterans must expect that a very considerable time will elapse between the filing of the application and the receipt by them of the settlement. This is because of the tremendous amount of administrative work involved and because of its technical nature it is not possible to expand the working operations beyond a certain degree, as only trained personnel acquainted with procedure and the governing law will be valuable in discharging the duties devolving upon the governmental departments.

Comparisons have been cited so often—they sometimes become tiresome—but in this matter I know of no better way of impressing you with the gigantic task confronting us. For instance, if the issuance of bonds had been started at the time of the beginning of the present calendar and 50 a day had been issued thereafter, and the work had been continuous, including holidays and Sundays, we would still have about 2,000,000 more bonds to issue. I know that the next illustration has in its general sense been overworked, but I cannot refrain from asking what your reaction would be if I told you that the bonds to be issued, if laid end to end in the usual manner, would reach from Washington to New York. I am quite certain you would be greatly amazed. Well, I have only told you a small part of the story. Actually, if the bonds to be issued were laid end to end, they would reach from New York to London and then still go on almost to Moscow. The amount of money which will be represented in the settlements would approximate the pay of 500 men receiving \$40 a week continuously for the last 1,935 years.

May I again urge that veterans consider these bonds thrift bonds or savings bonds. They are valuable to you and should be retained or at least as many of them as possible for future protection of yourself or yourself and family. These thrift bonds which you will receive in exchange for your adjusted-service certificate are better than cash for this reason: You can always obtain cash for them, and after the first year you receive the cash plus additional cash from interest. You have an attractive investment, and it is to your advantage to hold your bonds. The bonds which will be sent to you in exchange for your adjusted-service certificate will always be worth the face value, and if you hold them they will be worth more than their face value after the first year because they bear interest at the rate of 3 percent per annum, and the value increases each year to June 15, 1945.

In conclusion let me give three admonitions—first, after filing your application do not write to the Veterans' Administration unless you wish the settlement of your case delayed. Second, be patient and don't expect to receive your bonds for a reasonable time after June 15, 1936. Remember, if you hold your bonds they will draw interest from June 15, 1936, without regard to the date they are delivered to you. Third, after you get your bonds hold on to them. If you think you need the money now—just think a bit harder and realize how much more badly you may need it in the future. Be thrifty—hold your thrift bonds.

Thank you and good night.

**THE BRYAN PEACE TREATIES—ARTICLE BY HERBERT WRIGHT**

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Prof. Herbert Wright, professor of international law, Catholic University of America, dealing with international matters.

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

[From the Washington Star of Feb. 2, 1936]

**BRYAN PACT WITH ITALY MAY FOIL EMBARGO PLAN—SUCH PROPOSALS AS OIL SHIPMENT BAN HELD STYMIED BY TREATY THAT CALLS FOR ARBITRATION**

(By Herbert Wright, professor of international law, Catholic University of America.)

It would be a strange quirk of fate if the hand of Democratic Secretary of State William Jennings Bryan should reach from the grave to prevent Democratic Secretary of State Cordell Hull and Democratic Secretary of the Interior and Petroleum Administrator Harold L. Ickes from applying a virtual embargo upon shipments of oil and other key products to Italy and thus supporting the supplementary sanctions program of the League of Nations. And yet that such may be the case is not beyond the realm of possibilities. And thereby hangs a tale.

It seems that President Wilson, in the months intervening between the presidential election of 1912 and his inauguration in 1913, was considering the formation of his Cabinet. He requested an interview with Mr. Bryan, the upshot of which was the offer to and the acceptance by Mr. Bryan of the Secretaryship of State. However, Mr. Bryan laid down as a condition of his acceptance that the President should allow him to negotiate a series of treaties in accordance with a draft which he produced. This was a type-written draft of the so-called treaties for the advancement of peace. Mr. Wilson read the draft and stated that he would have no objection to Mr. Bryan's proposal. But Mr. Bryan was not satisfied with a mere nihil obstat. He desired to make these treaties an integral part of his foreign policy. It was only upon Mr. Wilson's assurance on this point that Mr. Bryan consented to accept the portfolio.

What were these treaties which were destined to have such far-reaching effects then as now? For a long time Mr. Bryan had been interested in labor troubles, and in the course of his experience he had found that the greatest difficulty in the solution of



labor controversies was the ascertainment of the facts at the basis of the controversy. He had observed that, once the facts had been ascertained, very frequently the question would decide itself, or at least the way would be paved for an easy solution. From this he argued, quite reasonably, that if the nations would agree to a procedure by which some impartial body would ascertain the facts at the basis of a controversy, nations might be expected, like labor groups, to reach a satisfactory solution and thus avoid possible bloodshed.

#### COMPULSION IDEA INCLUDED

It is no discredit to Mr. Bryan, a man of practical affairs and admittedly not an expert in international law and relations, that he was not aware that such a procedure was made available to the nations by convention I on the Pacific Settlement of International Disputes of The Hague Conferences of 1899 and 1907.

But under the procedure established at these conferences there was no compulsion for the nations to follow this course of action; they were merely recommended to follow it. Mr. Bryan's idea was that the United States should take the lead in making such a procedure compulsory in any international dispute in which the United States was an interested party. And he set about effecting this in a most realistic manner.

He knew that treaties of this nature must receive the advice and consent of the United States Senate. He accordingly waited upon the Committee on Foreign Relations of the Senate and laid before its members his projects, asking them if they would accept treaties of this nature if he were able to negotiate them. Upon assurance of their acceptance he negotiated some 30 treaties, every one of which was advised to in advance and some of which were immediately consented to when they were submitted to the Senate in their negotiated form.

By many people Mr. Bryan has been looked upon as a visionary and it is natural for such people to brush aside Mr. Bryan's treaties for the advancement of peace as the emanations of a pious but misguided mind, or at least as the innocuous efforts of a dreamer. Many, even experts in the field, have cavalierly consigned them long since to the limbo of forgotten things, for certain it is that there is no known instance of any of these treaties coming into active operation. It might be asked, of what use is such an institution as a commission of inquiry to ascertain facts if the nations have not seen fit to make use of the institution. This, on its face, would seem to be a valid argument. And yet it is a strange phenomenon in human affairs that frequently the mere existence of political machinery for a given objective obviates the necessity for its use. Thus, for example, in the entire 146 years of the existence of the United States there have been only an even dozen cases in which the impeachment process has been invoked.

#### HAD WORLD-WAR BEARING

So it is with the commissions of inquiry provided for by the Bryan treaties for the advancement of peace. The mere availability of them with the attendant compulsion to submit controversies to them obviates the necessity for their use, because the nations, with that possibility in mind, have settled their controversies by direct diplomatic negotiation or in some other peaceful fashion. It would surprise and even startle many individuals to learn that the existence of one of Mr. Bryan's treaties possibly prevented the United States from entering the World War against Great Britain over a year before she actually entered it against Germany and on the side of Great Britain. Yet such is the fact.

In the latter part of 1915, when President Wilson was much disturbed over the fact that Great Britain, through orders in council and other governmental measures, was interfering disastrously with the neutral trade of the United States, he directed Mr. Lansing, then Secretary of State, to lay a request before the Neutrality Board of the United States, of which Dr. James Brown Scott was chairman, for recommendations of forceful measures short of war which the United States might employ to compel Great Britain to perform its international duties toward the United States as a neutral. An individual opinion was requested of each of the members, but the naval members were able to agree upon the reply which they were willing to make as a joint recommendation to the President.

The chairman was temporarily absent from Washington at the time of the request, but upon his return found the request and the proposed joint recommendations of the naval members. Asked if he would join in their report, he felt bound to reply that he was unable to do so because of the fact that the Government of the United States was a party to one of Mr. Bryan's treaties, signed with Great Britain on September 15, 1914, and proclaimed 2 months later, requiring, upon the failure to obtain a settlement of an outstanding dispute by direct negotiation, its submission to a commission of inquiry for investigation and report.

Therefore, he maintained, the United States, by the terms of the treaty, could not resort to any act of force, much less war, to compel Great Britain to recognize the neutral rights of the United States until the commission had made its report. Since the treaty allowed a year for the Commission of Inquiry to make its investigation and formulate its report, that was the last heard of the President's request as to what means should be taken to compel Great Britain to comply with its duties toward neutrals, for within a year the very subject of the controversy might have become purely academic.

#### NO TREATY WITH GERMANY

As a matter of fact, within a year and a half the ruthless submarine campaign of Germany caused a similar controversy between the United States and Germany. At that time there was no

Bryan treaty for the advancement of peace between the United States and Germany, and so it happened that on April 2, 1917, President Wilson, in an address before a joint session of the two Houses of Congress, recommended a declaration of war against Germany, and the Congress formally declared the existence of a state of war on April 6.

Happily the United States now has a conciliation treaty with Germany, signed May 5, 1928, and proclaimed February 25, 1929, which is modeled on the Bryan treaties, so that the situation of 1917 is not apt to be repeated. But suppose no such treaty had existed with Great Britain in 1915, and in a moment of irritation some act of force should have been committed against Great Britain in retaliation for her interference with the neutral rights of the United States, it would have been possible, as indeed it seemed probable to those ignorant of the Bryan treaty, that the very great moral and physical power of the United States would have been aligned against the Allied Powers and virtually on the side of Germany. And what a different picture the world would now present!

The above instance was recounted by Dr. Scott to the members of the American Society of International Law, of which he is president, at their annual meeting in Washington in 1929 and was repeated, at the instance of the present writer, to the same group in April 1935. It is a story which bears constant repetition, because its significance is incalculable. It is no wonder, then, that Dr. Scott says of Mr. Bryan, "that he of all the peacemakers is the one who has contributed most to the peaceful settlement of international disputes by holding the hands of war, by staying the sword until such time as nations can resort to the forum of reason in which there is neither great nor small, powerful nor weak, but nations composed of human beings who merit a better fate than that of food for powder and shell to satisfy the ambitions of the wordly great."

But what has all this to do with Italy? Among the first of the Bryan treaties for the advancement of peace was one with Italy, signed at Washington, May 5, 1914, and proclaimed March 24, 1915. Under this treaty (art. 1) the two nations engage to submit for investigation and report to a commission to be constituted as described below "all differences of whatever nature they may be which may occur between them which cannot be composed by diplomatic methods or are not submitted to a tribunal of arbitration." Moreover, "they bind themselves not to declare war nor to open hostilities during the examination of the Commission and before the Commission has presented its report."

Under a supplemental treaty, signed at Washington, September 23, 1931, the members of this Commission of five are appointed in the following manner: One member is appointed from each country by the government of that country, and the remaining three members, who shall not be nationals of or domiciled in either country, are designated by the two governments in common agreement. The members serve indefinitely, but the appointment of any member may be revoked at any time when no case is pending before the Commission. Replacements are made in the same manner as original appointments.

Under the provision of these treaties, the Commission was set up with Mr. Henry P. Fletcher, former Under Secretary of State of the United States, and Prof. Vittorio Scialoja, Senator of the Kingdom of Italy, as the national members, and Dr. Jose Pedro Varela, professor private international law, of Uruguay; M. Paul van Iseghem, honorary president of the Court of Cassation of Belgium, and Mr. Helge Klaestad, of Norway, president of the Anglo-German Mixed Arbitration Tribunal, as joint commissioners. At the present time there are two vacancies on the Commission, due to the death of Prof. Scialoja on November 19, 1933, and the resignation of Mr. Fletcher on September 19, 1935.

#### ONE PARTY CAN APPEAL

In case the two countries "shall have failed to adjust a dispute by diplomatic methods or by means of a tribunal of arbitration, it shall at once be referred, either by common agreement or by one or the other party, to the International Commission for investigation and report" (art. 3). It will be seen that all that is necessary for the Commission to take jurisdiction of a dispute is that one of the parties shall make a claim that the activities of the other are against international law or against its treaty obligations, and that the other shall deny the alleged claim. Then the injured party appeals to the Commission and the latter is bound to inform the two governments of the date on which it will begin its labors. The two governments by the treaty "engage to furnish all the documents, and to afford all facilities", provided this is not incompatible "with the laws and with the supreme interests of the State" or prejudices "the interests and rights of third States." This does not constitute a limitation on the jurisdiction of the Commission, which, as pointed out above, extends to "all differences of whatever nature", but refers simply to the furnishing of documents and the affording of facilities.

The report of the Commission must be presented within a period of 1 year after the beginning of its labors, unless the term is modified by mutual agreement. The Commission controls its own procedure, and, of course, may use only a small portion of this time, but, on the other hand, it may exhaust the full year, if it deems it necessary. Meanwhile, the two parties are estopped from opening "hostilities." The two governments reserve "the right to act independently on the subject matter of the dispute after the Commission shall have presented its report." But this is only after the report is rendered, and it goes almost without the saying that no self-respecting nation will act counter to the findings of the Commission then.



But how could this treaty and its International Commission be invoked in the present situation? Suppose the United States exerts pressure upon American shipping companies indebted to the Federal Government, as it was reported in the press on November 23, 1935, impliedly threatening that ocean carriers engaged in carrying certain raw materials to Italy (and Ethiopia) might have difficulties in future financial arrangements with the Government, and that Italy objects to this as an unneutral act directed primarily at her, since Ethiopia can secure these materials from other sources closed to Italy by the sanctionist actions of the League of Nations. Suppose Italy claims that the action just mentioned or the action proposed by Secretary Hull a week earlier, when he declared that trade with Italy (or Ethiopia) in such commodities as oil, copper, trucks, tractors, scrap iron, and scrap steel "is directly contrary to the policy of this Government" \* \* \* as it is also contrary to the general spirit of the recent neutrality act"—suppose Italy should claim that such trade prohibitions contravened the Treaty of Commerce and Navigation between Italy and the United States, signed at Florence September 26, 1871, and still in force. Either of these questions might result in controversies which could properly be submitted to the International Commission created by the treaty of 1914. And, what is more to the point, while the Commission would be considering the validity of Italy's claim, the United States would be obliged by treaty to refrain from hostile acts.

#### LEGAL GROUNDS NUMEROUS

Upon what legal grounds could Italy base such a claim in the cases just mentioned? The treaty of 1871 provides (art. 1) that "there shall be between the territories of the high contracting parties a reciprocal liberty of commerce and navigation" and that "Italian citizens in the United States and citizens of the United States in Italy, shall mutually have liberty to enter with their ships and cargoes all the ports of the United States and of Italy, respectively, which may be open to foreign commerce."

It provides, moreover (art. 4), that the citizens of neither country shall be liable in the territory of the other "to any embargo, nor shall they be detained with their vessels, cargoes, merchandise, or effects" for any "public or private purpose whatsoever" without indemnification, previously agreed upon when possible. Not only this, but the two nations agree (art. 5) "that whatsoever kind of produce, manufactures or merchandise of any foreign country can be from time to time lawfully imported into Italy in its own vessels, may be also imported in vessels of the United States \* \* \* and they further agree that whatever may be lawfully exported and reexported from one country, in its own vessels, to any foreign country, may in the same manner be exported and reexported in the vessels of the other country \* \* \*."

This is strong language, indeed, and quite comprehensive, but the parties also agree (art. 13) that in case a state of war exists between one of them (read "Italy") and a third power (read "Ethiopia") this "shall not, except in the cases of blockade and contraband of war, affect the neutral commerce of the other" (read "the United States"). Moreover (art. 15), "the liberty of navigation and commerce secured to neutrals by the stipulations of this treaty shall extend to all kinds of merchandise, excepting those only which are distinguished by the name of contraband of war." And what was included under the term "contraband of war"? The treaty makes this quite clear. "And in order to remove all causes of doubt and misunderstanding upon this subject, the contracting parties expressly agree and declare that the following articles, and no others, shall be considered under this denomination." Then follow four categories: (1) Cannon and other arms and their ammunition and all other things "expressly manufactured for the use of these arms"; (2) infantry belts, implements of war, defensive weapons, and clothes for military use; (3) cavalry belts, war saddles, and holsters; (4) "And generally all kinds of arms and instruments of iron, steel, brass, and copper, or of any other materials manufactured, prepared, and formed expressly to make war by sea or land."

#### CONSULTED UNITED STATES IN 1915

Of course, there has been much advancement in the manufacture of arms and ammunition for war purposes since 1871. The World War showed that there is probably no section of the international law of war in such an unsatisfactory state as that of "contraband of war." And yet, when the Italian Government was preparing its list of contraband during the World War it remembered this treaty of 1871 and its obligations thereunder and refrained from adding to this list mentioned above without consulting the United States. On May 24, 1915, the Italian Embassy in Washington notified the Department of State of the United States that the list which it was preparing would "include goods not enumerated in the list of contraband of war contained in article 15" of the treaty of 1871 because of the "exigencies of modern warfare." While pointing out that the United States had "implicitly admitted the list of 1871 to be obsolete", still, "desiring to follow a scrupulously correct course, the Royal Italian Government have instructed this Embassy to submit the above considerations to the United States Government in order to obtain their previous consent to the issuing of a list more extensive than the one contained in the aforesaid treaty of 1871."

The Department of State, on the following day, replied that, in view of the considerations presented by the Italian Government, "the Government of the United States is inclined to raise no question as to the list of contraband proposed to be issued by the Italian Government on the ground that it does not conform to the list in article 15 of the treaty of 1871 above mentioned."

In view of the "scrupulously correct" treatment of the United States by Italy in the instance mentioned, would not the Italian Government come into court with clean hands, if it should suggest

to the International Commission that without Italy's consent oil and other key products could not be added, either by direct or indirect action, to the virtual list of contraband of war contained in the proclamation of the President issued on September 25, 1935, and applied to Italy (and Ethiopia) by the proclamation of October 5, which declares that "a state of war unhappily exists between Ethiopia and the Kingdom of Italy."

Italy's position would be strengthened by the fact that Public Resolution No. 67, Seventy-fourth Congress, approved August 31, 1935, under the authority of which the President issued these two proclamations, authorized the President to "enumerate the arms, ammunition, or implements of war" prohibited by the act, and oil and the other key products are not ipso facto in that category, certainly not "manufactured, prepared, and formed expressly to make war" in the sense of the treaty of 1871.

It might be alleged that the provisions of the treaty of 1871 refer primarily to the illegality of discriminatory tariffs on the one hand and in the present situation to the neutral rights of the United States against Italy rather than the rights of Italy against the neutral United States. This appears to be without serious merit for the purpose of the present argument, because the fact remains that the treaty of 1871 contains a comprehensive "most-favored-nation" clause (art. 24), and Italy could allege that an embargo on oil and other key products would constitute an act of hostility and a violation of the treaty, unless it were made applicable to all other nations, including the sanctionist members of the League of Nations.

The suggestion has also been made in some quarters that the virtual effect of an embargo on these key products to Italy might be obtained by new legislation applying a quota restriction on the export of these products to all nations, say, an average of the 5-year normal quantity exported to the respective nation. However, if such proposed legislation were not dictated by the domestic needs of the United States, as seems clearly not to be the case, and were obviously intended to support the sanctions policy of the League of Nations against Italy, it would seem that Italy would still have a grievance for controversy with the United States.

At any rate, enough has been adduced above to show that Italy would have a sufficient basis to refer a question of such a character to the International Commission created by Bryan's Treaty of 1914. And this brings us back to the suggestion made in the beginning of this article, namely, that it would be a strange quirk of fate, if the hand of Mr. Bryan would be the one to prevent the United States from becoming embroiled in what the late Frank H. Simonds, in a brilliant article in the Saturday Evening Post, recently referred to with biting sarcasm as "another war to end war", or as Dr. Charles Pergler characterizes it, the system of "collective insecurity."

#### SUPREME COURT DECISION IN A. A. A. CASE

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the St. Louis Star-Times of January 7, 1936, relative to the decision of the Supreme Court of the United States in the A. A. A. case.

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

[From the St. Louis Star-Times of Jan. 7, 1936]

#### A NEW DRED SCOTT DECISION

The opinion of Justice Roberts in the A. A. A. case goes far beyond the destruction of the A. A. A. In its reasoning it closes the door to practically every present or future attempt to attack new national problems through existing national power. It makes the authority of Congress narrower in theory than it has been since the Articles of Confederation.

The fact that three justices dissented from the opinion of Justice Roberts is enough to prove that the A. A. A. is unconstitutional only because there are six conservatives and three liberals on the Supreme Court. If there were five liberals and four conservatives, the A. A. A. would be constitutional. This shows that there is nothing sacred, nothing unchangeable, about the principles relied on to knock out the law. The Constitution means what the Court majority says it means.

This was undoubtedly the narrowest and most restrictive interpretation of the Constitution since the Dred Scott decision of 1857 and remarkably like it in logic. Starting with the premise that in a government of delegated powers all powers not delegated are prohibited, Justice Roberts said:

"None (no power) to regulate agricultural production is given, and therefore legislation for that purpose is forbidden."

In 1857 the Supreme Court used exactly the same reasoning to deny the power of Congress to regulate slavery in the Territories. No power to regulate slavery in the Territories was given in the Constitution, therefore legislation for that purpose was forbidden. Every student of American history agrees today that the Constitution granted implied power to regulate slavery, and that the judicial denial of it was the most calamitous act of the Supreme Court in American history, helping to bring on the Civil War.

Holding that a tax "signifies an exaction for the support of the Government" and "has never been thought to connote the expropriation of money from one group for the benefit of another", Justice Roberts strikes down the processing taxes but cleverly prevents the use of this argument against the protective tariff. The protective tariff is not a tax for the support of the Government, and it takes money from one group for the benefit of another.



This is permissible, says the Justice, when both groups affected by the tax are interested in the matter it is sought to regulate, and when the matter regulated is otherwise within the power of Congress. That means that the protective tariff is constitutional, because everybody affected by it is concerned in the prosperity of industry, and the tariff falls within the power to regulate foreign commerce. Thus, while knocking out the use of taxation to regulate agricultural production, Justice Roberts by inference upholds the use of taxation for the regulation of manufacturing—along lines desired by manufacturers—but holds that farm prosperity benefits nobody but farmers.

The actual test of constitutionality, under this point, is whether the collapse of American agriculture due to overproduction and disordered marketing sufficiently affects interstate commerce to make it subject to regulation under the commerce clause. If it does, there is just as much constitutional warrant for the use of the taxing power to aid agriculture as there is to use the taxing power to aid manufacturing, since in both cases legality is determined by the relationship between taxation and the power to regulate commerce. Six Justices say they can see no connection between agricultural prostration and the flow of interstate commerce.

Besides adopting a dangerously narrow view of what affects interstate commerce, the Supreme Court has narrowed the taxing power to a degree inconceivable in the light of history. And finally, it has suggested a clear intention of wrecking the historic interpretation of the general welfare clause.

True, Justice Roberts subscribes in theory to the broad view of that clause stated by Justice Story and Alexander Hamilton, but at the same time he denounces the processing-tax payments to farmers as money used "for purchasing with Federal funds submission to Federal regulation of a subject reserved to the States." That reasoning would knock out a good share of the Federal-aid appropriations made under the general welfare clause, despite the fact that the justice tries to draw a distinction between mere conditions for the use of Federal funds, and coercive provisions. Every State-aid appropriation is coercive, for it penalizes the States that do not take their share.

Justice Roberts asserted a principle which the Supreme Court has rejected every time it has come up since the Nation was founded—the right of the Supreme Court to judge whether an appropriation is for the general welfare, or whether it may be declared unconstitutional on the ground that it is for local benefit. Always before, the Supreme Court has stated that it rests with Congress alone to decide what use of money is for the general welfare. Reversing that historic policy, Justice Roberts steps boldly ahead and declares that the farmers' problems are unrelated to the general welfare.

"It does not help," he says, "to declare that local conditions throughout the Nation have created a situation of national concern; for this is but to say that whenever there is a widespread similarity of local conditions, Congress may ignore constitutional limitations upon its own powers and usurp those reserved to the States."

Under that reasoning, Noah's flood was of local concern, since at each spot on earth only one spot was under water. The future possibilities of such an argument are unlimited. To deny the right to appropriate money for old-age pensions, it is only necessary to hold that the plight of each victim of insecurity is a local matter, not affecting the general welfare.

What will immediately result from this decision it is impossible to say. Luckily it comes after the A. A. A. has succeeded in building up farm income and has reduced most agricultural surpluses. The cotton problem is most serious, with a year's supply stored up, but a collapse in most farm prices should logically await the building up of new surpluses.

More ominous is the general paralysis of Federal power in dealing with future emergencies, and the suggestion of other nullifications yet to come. Cotton- and tobacco-control acts are sure to be voided, which would be of no concern if the way were left open to more moderate legislation. The Guffey Coal Act seems doomed, with chaos lying ahead. The narrowing of the general welfare clause suggests that the Wagner Social Security Act will be destroyed.

Politically, the most explosive sort of a situation is created. The state of mind of the farmers, as they discover that Government exists for the benefit of the manufacturer but not for them, will vary according to the effect of this decision upon their pocketbooks. The Federal Budget is knocked into a cocked hat—a billion dollars taken away at one clip. If the contracts with farmers are upheld, Congress will have to raise something over \$600,000,000 in new taxes, or add that to the deficit.

No doubt the Supreme Court majority feels that it has saved the country from an unwise pampering of the farmers, but, as Justice Stone said in his dissenting opinion, it is part of the function of Congress to correct its own errors. The Federal Government is now in a straitjacket from which it will not escape until two more men like Justice Stone go onto the Supreme bench. There will be renewed agitation for constitutional amendments, which are almost impossible to enact because any 13 States can block them. The real need is what it was when a similar situation existed in the days of Abraham Lincoln—new blood in the Supreme Court.

#### BENEFICIARIES AS OPPONENTS OF THE NEW DEAL

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by J. F. Beaman pub-

lished in the Pittsburgh Press on January 31, 1936, relating to attacks on the New Deal by those who have benefited from it.

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

[From the Pittsburgh Press of Jan. 31, 1936]

TODAY'S BUSINESS—THOSE WHO CRY LOUDEST AGAINST NEW DEAL ARE ONES WHO REAP BIGGEST PROFITS

By J. Frank Beaman, Press Financial Editor

Ironically, it seems those who have been in the vanguard against the New Deal, legally and oratorically, are among those who have profited most from the Rooseveltian policies.

Whether the answer is that these big corporation heads are unappreciative of recovery efforts at Washington through which they have benefited, that opposition has become profitable or that they have been ingenious enough to succeed in spite of change, depends upon your individual viewpoint.

But there is no latitude for disagreement with the facts presented in the annual reports of some of these antiadministration corporation executives just being made public.

The increases in earnings in 1935 over the previous year run as high as 679 percent in the instance of the Bethlehem Steel Corporation, of which Eugene Grace is president. In others they run up to more than 100-percent increase, while in some cases the best showing since the depression were made by these corporations in 1935.

#### 1935 EARNINGS SET RECORD

The organization headed by Ernest T. Weir, of Pittsburgh, the National Steel Corporation, yesterday reported a net profit nearly twice that of 1934, when he became really energetic against the new order.

For the year 1935 the National Steel Corporation showed a record net profit of \$11,136,451, which is equivalent to \$5.16 a share, and compares with a net profit of \$6,050,721 in 1934, or the equivalent of \$2.80 a share. Thus Mr. Weir, while vigorous for the opposition to President Roosevelt, was practically doubling his company's earnings in 1935.

These earnings of \$11,136,451 might be compared with a profit of \$1,662,919 in 1932, at the depths of the depression, or with \$2,812,406 the following year, the first of the Roosevelt administration.

Again, the earnings might be compared with the previous best showing of the corporation, made in its initial full year of operations, in 1930, when earnings totaled \$8,415,822.

#### BETHLEHEM PROFITS SOAR

Such is the improvement in National Steel's earnings during the period when Mr. Weir fought his famous fight on section 7 (a) of the N. R. A., helping to crumble that ambitious structure.

And so it is with Mr. Grace and his Bethlehem Steel Corporation. During the time of his opposition to this and that of the New Deal his corporation's earnings record has progressed and for the year 1935 shows a net profit of \$4,291,253, the best since 1930, against a mere \$550,571 for the year 1934.

The fourth quarter, being practically a present-day performance, is the more surprising. During the last 3 months of 1935 Bethlehem showed net earnings of \$2,396,026, compared with only \$411,099 for the same period in 1934. Thus the fourth quarter of 1935 made up more than half of the year's record of profits.

Over in the motor field the records are pretty much the same. Alfred Sloan, head of General Motors Corporation, has been as frank as almost anyone in his criticisms. Recently he capped them all with a demand that the whole New Deal be junked.

While he was preaching against regulation of business and regimentation, his own corporation's earnings in 1935 were doubling those of 1933. The preliminary statement just issued showed profits of this organization totaling \$167,226,000. Yet in the first year of the New Deal they were but \$83,423,726, and last year they amounted to \$94,940,771. That is an increase of \$72,286,000 in the past year of the Roosevelt administration.

#### STOCKHOLDERS BENEFIT

From the standpoint of stockholders, who in many corporations have been whipped into a frenzy of opposition over possibilities of loss of income, the General Motors business means an increase in dividends from \$1.73 in 1933 to \$2 in 1934 and an estimated \$3.40 for the year just closed.

Even the Du Ponts, the founders of the Liberty League, can point to an improved picture in the last 3 years.

The earnings in 1933 were \$38,895,330, and then they stepped up to \$41,701,465 in 1934; and while the 1935 report is not yet available, the figures for the first 9 months leave no doubt of the situation. For 9 months in 1935 this company's earnings were \$40,154,667. And these were 9 months in which the Liberty League was most aggressive.

Another corporation head who has plainly stamped himself as an anti-New Dealer is Sewell Avery, president of U. S. Gypsum as well as Montgomery Ward. The performance of Montgomery Ward is well enough known to everyone. U. S. Gypsum, the firm with which Mr. Avery prefers to be identified, has shown a profit of \$2,888,935 for only 9 months of 1935, as against \$2,155,369 for all of 1934 and \$1,738,927 for the year 1933. The earnings for 1935 are estimated at \$2.50 a share, compared with a payment of \$1.10 in 1933 and \$1.43 in 1934.



On this basis the annual report of General Foods, which until a few months ago was headed by "Gang-up" Hutton and some other big businesses, will be of special interest when published in the near future.

OPEN LETTER TO HON. ALFRED E. SMITH AND OTHERS

Mr. GUFFEY. Mr. President, I ask consent to have printed in the RECORD an open letter, addressed to Hon. Alfred E. Smith and certain directors of the Empire State Building, signed by James J. Bambrick, president of the Greater New York Council Building Service Employees, International Union, A. F. of L., appearing in the New York Post of Thursday, January 30, 1936.

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

[From the New York Post of Jan. 30, 1936]

(Advertisement)

AN OPEN LETTER TO THE HONORABLE ALFRED E. SMITH AND THE FOLLOWING DIRECTORS: ROBERT C. BROWN, VICE PRESIDENT; JOHN J. RASKOB, VICE PRESIDENT; PIERRE S. DU PONT, VICE PRESIDENT; AUGUST HECKSCHER, DIRECTOR, AND HAROLD G. SEARS, DIRECTOR, OF THE EMPIRE STATE BUILDING

I listened very attentively to every word of your broadcast on Saturday night, realizing very well that I would learn something of value. I was not disappointed. As the president of the Greater New York Council of the Building Service Employees International Union, affiliated with the American Federation of Labor, representing many thousands of workers who service New York's buildings, I was looking for a ray of hope from your radio speech—one that would help these workers in their desire to attain better conditions. The following points, I believe, can be listed as the high lights of your speech:

1. You demanded that the "gate" be left open to all.
2. You see "danger" in class being pitted against class.
3. You are against autocracy in any form.
4. You are helping the "great middle class."
5. You admit that the poor cannot pay anything.
6. You say that you favor old-age and unemployment insurance.
7. You stress the advisability of sticking to State laws against Federal statutes.
8. You say that "some brilliant individual has conceived the idea of getting up 48 A. A.'s, or what have you, 1 for each State."
9. You mention that your taxi driver asked: "Governor, ain't there any lawyers in Congress any more?"
10. You said: "N. R. A.! A vast octopus set up by Government that wound its arms around all the business of the country, paralyzed big business, and choked little business to death."
11. You spoke of Government subsidies on a large scale.
12. You mentioned that the Democratic platform looked like the Socialist platform.
13. You said: "Speaking for the rank and file of the American people \* \* \*"
14. You seem to be worried about "shots in the dark" at the Constitution.
15. You end by inquiring: "Shall it be Washington or Moscow?"

The above is a summary of what I heard over the radio. In the name of the thousands of building service workers of this city whom I represent, I should like to reply.

1. Having been selected by the building service employees in the Empire State Building as their representative, I wrote you a communication on December 31, 1935, and met you personally on January 3, 1936, presenting for the employees of the building a program which, in effect, would restore the 25-percent wage cut that had been imposed upon them and thereby open the "gate" to better living conditions for them. I was requested by you at that time to see a Mr. Chapin Brown, and did so immediately. Again I repeated the requests of the men for better wages and conditions, and was informed by him that the matter would be presented to the board of directors on the following Tuesday, January 7, and a decision would be forthcoming at that time. Upon telephoning Mr. Brown on January 8, I was informed by him that the board of directors had unanimously turned down the requests of the men and refused to deal with their selected representatives. We did not jump at conclusions, but after much deliberation wrote you the following letter on January 22:

JANUARY 22, 1936.

HON. ALFRED E. SMITH,

Empire State Building, New York City, N. Y.

HONORABLE DEAR SIR: In our conference of January 3, acting for the building service workers in the Empire State Building, I presented for your consideration the following:

1. A union agreement.
2. Restoration of the 25-percent wage cut that had been applied to all employees who have been receiving over \$25 per week.
3. Twenty-five percent increase on all employees receiving less than \$25 per week.
4. Forty-hour week.

At your request, I presented the foregoing program to Mr. Chapin Brown with the understanding that it be presented to the board of directors on the following Tuesday, after which time I was to receive a reply. I called Mr. Brown on January 8 and was informed that the Empire State flatly rejected the proposals and would not negotiate with the men under any circumstances. I

asked for formal verification of Mr. Brown's statement. However, it has not been forthcoming up to this date.

Would you please advise me as to what action was taken, so that I may inform our members in the Empire State Building.

Very truly yours,

JAMES J. BAMBRICK,

President, Greater New York Council,

Building Service Employees International Union, A. F. of L.

Up to this moment the Union and the men have been ignored. Why shut the gate in the face of your own men in your own building?

2. Speaking about pitting class against class. With 11,000,000 unemployed Americans at the present time and the apparent indifference of the bankers and leading industrialists toward their plight, your fear of danger is justified. Their utter contempt for these 11,000,000 people is bringing on class warfare. You are right about that.

3. On the question of autocracy. Your contempt, and the attitude of the board of directors toward your own men in the Empire State Building appears rather ironical in view of your radio speech.

4. "The great middle class!" For the first time in my life I have been told that a person getting \$100 a month and supporting a family is part of the "great middle class." That's one on me. I have before me figures from the Brookings Institute in Washington, D. C., showing that a total of 18,558,000 families are getting less than \$2,500 a year—71.2 percent of the total number of families in the country. The next group is that of 5,666,000 families, or 20.6 percent, who get from \$2,500 to \$5,000 a year. That group, conservatively speaking, has always been considered the lower fringe of the middle class. The next group of 2,256,000 families, constituting 8.2 percent of the population, have an income of \$5,000 a year and over. How you arrived at your "middle class" is rather mysterious.

5. You speak of the "poor." Our records show that quite a few men in the Empire State Building, with large families, are getting wages that barely keep body and soul together—\$23 a week for a man with a family is hardly a "middle-class" salary—and these people work in the Empire State Building, not in Oshkosh.

6. On the question of old-age and unemployment insurance you say you are in favor of it, but only under State supervision. You know, and everybody does, that there's about as much chance of the 48 States, one by one, putting those laws into effect as there is of the man in the moon dropping down here for a visit. Through one blanket Federal law, the entire country would be on a fair competitive basis instead of each State cutting the heart out of one another.

7. On the matter of State laws against Federal statutes, the greatest evil New York City is facing at the present time is the unfair competition of low-wage centers throughout the country, who are taking work and business away from this city. Only through Federal legislation can fair competition be established.

8. You ridicule the idea of creating 48 A. A.'s, and yet that's what a blanket Federal law intended to eliminate. Your own bitter satire on this point conclusively proves the necessity of a Federal statute instead of leaving it up to the individual State.

9. On the question of lawyers in Congress, Governor, the answer is that there are entirely too many of them there now. The American Yearbook of the New York Times for 1933 shows that out of a total of 528 Members in both upper and lower Houses, that there are 244 lawyers in the lower House and 63 in the upper House, making a grand total of 307 lawyers. Entirely too many.

10. N. R. A.! You forgot to mention when you sarcastically disposed of the N. R. A. that it also called for the elimination of child labor, limitation of hours of work, and at least endeavored to establish minimum wages. Even the most cynical have admitted that it eliminated at least some evils, and since its death all the good old "rugged individualist chiselers" are back skyrocketing hours and pushing children into industry.

11. Government subsidies. If ever there was a Government subsidy it was that of the Gunpowder Trust during the late and unlamented World War. The distinguished Du Pont family, I understand, made quite a penny out of that war. If that isn't a Government subsidy, I don't know what is.

12. You are worried about the Democratic platform looking like the Socialist program. That's a new fear for you, because I distinctly recall voting for you when the reactionaries of New York were leveling that accusation against you—and you were proud of it. What brought this change of heart?

13. The great "rank and file of the American people \* \* \*". When I saw the roster of the "rank and file" who attended the American Liberty League dinner it gave me a great laugh. Rank and file. Be yourself!

14. "Shots in the dark at the Constitution." What a joke! Elimination of child labor, the right of workers to bargain collectively, and many other inalienable rights due every one of us by the law of decency and common sense nullified and thrown aside. If you study the record, you will find that the constitutional rights of the poor man and woman of whom you spoke have been kicked all over the lot, and it is time for them to raise a rumpus. The Constitution was designed to serve the people—not to crush them.

15. Then, my dear Governor, you reach a climax by fretting about "Washington or Moscow." Our old red-baiter friends, William Randolph Hearst and J. HAM. FISH, must have been green with envy on Saturday night when you reached such heights. Don't worry about Moscow. The real danger to America is much



closer to home. In fact, it was sitting in the Mayflower Hotel listening to you that night.

You may well wonder, my dear Governor, why the president of a labor union comes out flat-footed in the public press and challenges you on your whole statement of last Saturday. Frankly I have viewed with a certain amount of disgust the propaganda under the guise of "protecting the Constitution" and calling everyone a "red" who speaks of a more equitable distribution of wealth. That feeling prompted me to write this open letter. Again I was motivated by your inconsistency in your public utterances and private actions.

As the President of the Greater New York Council of the Building Service Employees International Union of the American Federation of Labor, I am definitely interested in improving the living conditions of all our members, and very much to my regret I find that your attitude of complete indifference toward the workers in the Empire State Building is at variance with many other realty owners of much smaller buildings who are willing to sit down and work out a fair wage scale for their employees. "Rugged individualism" would seem to be the dominant note in your radio address, and I wish to say that each and every one of the men and women working in the Empire State Building have a full right to express their desires through their chosen representative—a "constitutional" right, by the way. You invoked a 25-percent wage slash without consulting your employees, and you absolutely refuse to consider the restoration of even a part of that 25-percent wage slash.

I was also authorized by the workers in your building not only as members of the union but by a petition which I have in my office to request that a collective bargaining union agreement be negotiated. I was notified that the management absolutely refused to consider this proposal. What about autocracy there?

As part of the demands of your workers, they asked for the 40-hour week and, judging by your flat refusal, you must have thought our demands were "unconstitutional." The head of the Kellogg Co., according to a report over the radio a short time ago, stated that the 30-hour 5-day week which has been in effect in his plants for some years has proven extremely profitable both to himself as well as to his workers. I would respectfully suggest that you find out how he does it instead of turning the men down flat on what is a reasonable request.

Every one of your workers has urged me repeatedly, as their representative, to present their honest and reasonable demands, and you have seen fit to ignore their every request. You surely cannot accuse them or me of being "reds." They ask at least a living wage, which, according to the most conservative authorities in this country, is \$1,530 a year for a family of five.

As Governor you championed the cause of the workingman. You were elected time and time again by their votes, including that of the undersigned. Therefore, your attitude at this time is incomprehensible.

The average workingman doesn't ask for much. He is very reasonable. He only asks that he receive at least a living wage. He is patient. He expects to be treated with courtesy by his employer. However, when he is completely ignored, and that goes for the Empire State Building as well as any place else, he resolves to fight for what he considers his rights.

Very truly yours,

JAMES J. BAMBRICK,  
President, Greater New York Council of the  
Building Service Employees International Union,  
Affiliated with the American Federation of Labor.  
570 SEVENTH AVENUE, New York.  
PENNSYLVANIA 6-6511.

#### LEST WE FORGET—EDITORIAL FROM ATLANTA CONSTITUTION

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Atlanta Constitution of January 29, 1936.

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

[From the Atlanta Constitution of Jan. 29, 1936]

#### LEST WE FORGET!

In his recent address in denunciation of the Roosevelt administration and in criticism of the methods adopted to bring about a return to national prosperity former Gov. Al Smith asked the public to make comparison of conditions now with those existing 3 years ago, saying, "We are no better off now than we were then."

In his powerful and convincing answer of last night Senator JOE ROBINSON said: "Governor Smith boldly asserts that our great offensive to overcome the depression and adjust the Nation's economic life had accomplished nothing and brought us nowhere—I challenge the accuracy of that assertion."

Well might he challenge it, since the charge of Governor Smith brings to the front the real issue—whether or not the country has been benefited by the Roosevelt policies.

If what Smith said is true, then the country might well give serious consideration to his criticism. As to the accuracy of his attack on the Democratic administration, it is well enough, lest we forget, that the country take stock of conditions now and, as suggested by Smith, compare them with those existing 3 years ago, when a progressive and virile Democratic administration took over the Government after 12 years of reactionary Republican control.

In February 1933 cotton was selling for 5.95 cents per pound, as

against the 11.95 cents it is bringing today; the increase in the price of wheat has been from 47 cents a bushel to \$1.02; of corn, from 24 cents to 56 cents; of oats, from 16 cents to 31 cents; of hogs, from \$3.25 per hundred to \$10.25; of beef, from \$5.75 to \$11.75.

Three years ago southern farmers were receiving only \$2.72 for their cottonseed oil, now they receive \$9.48, while the 12 cents a dozen for eggs has increased to 27 cents on the Atlanta market, with hens increasing from 10 cents a pound to 16 cents.

The total income of the farmers of Georgia in 1932 from their products of all kinds was \$67,000,000. In 1935 these same products sold for more than \$200,000,000, the total being but little less than the largest amount received in any year for the agricultural products of the State.

So it has been with the farmers of all the agricultural States of the Union. Where 3 years ago their homes were being foreclosed and they were in debt to bankers, grocers, and supply men, they now are largely free of debt, have money in the bank, are riding in new automobiles, and have replenished their farm stock and machinery.

Three years ago there were 8,000 closed banks in the country, and the financial outlook was the darkest in the history of the country. Today the banks of Georgia and of practically every other State have more money on deposit than ever in their history and are in sound and prosperous condition.

In other phases of the Nation's economic life equally revolutionary changes have taken place. Unemployment has declined 30 percent, industrial production has gone up 51 percent, stocks have increased 134 percent in value, and bonds 22 percent. There has been a sound and material increase in the value of business and residential real estate and credit has been created where 3 years ago there was practically no credit.

An entire economic structure that had been flattened out by the effect of 3 years of depression has been rebuilt and again stands on a solid foundation.

No wonder Senator ROBINSON reminds the country that "when the Roosevelt administration came into power hungry and abandoned men in the cities were searching the garbage pails for waste scraps and the American farms were halting court foreclosures by physical force, which borders little short of revolution, and Governor Smith says there has been no progress."

The best answer to Governor Smith's unfortunate speech is to be found in the speeches he delivered in 1928, when he was himself a candidate for the Presidency and while he was still in intimate touch with the masses of the people.

But it will at least serve a good purpose in enforcing upon the minds of the American people the strides forward from the depths of devastating depression that have been made under the inspired leadership of President Roosevelt—steps designed for the dual purpose of rescuing the country from its plight and erecting safeguards against a recurrence of such an economic catastrophe in future.

Look at the figures—lest we forget!

#### THE HORSE AND THE BLUEGRASS—EDITORIAL FROM THE LEXINGTON HERALD

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Lexington Herald of January 30, 1936, the title of which is "The Horse and the Bluegrass."

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

[From the Lexington (Ky.) Herald of Jan. 30, 1936]

#### THE HORSE AND THE BLUEGRASS

The Herald presents today its twelfth annual horse edition. Every year since 1925 it has been the custom of the Herald to devote an edition at some time during the year chiefly to the horse, the idea being originated by Desha Breckinridge. A review of these editions would give a complete account of the development, not only of thoroughbred racing in America but of the revival of the saddle horse and of harness racing.

Today's edition features, from a local viewpoint, the formation of the Keeneland Association which in the future will carry forward racing in Lexington, with the intention of providing, in the home of the thoroughbred, racing such as Americans naturally expect in such a setting. Before the Keeneland Association was formed there had been continuous racing for 108 years at the old Kentucky Association track, recently sold to the Federal Government for a housing project.

As a horse center, Lexington grows and develops steadily. Its trotting track, with a reorganized Kentucky Trotting Horse Breeders' Association and a new grandstand, and with the active assistance of the Gentlemen's Driving Club, again is a bright spot on the grand circuit; and keeping pace with the expansion of the running-horse sport in 1935 was the enlargement of the circuit to include several tracks in the Far West.

In the show-horse field Kentucky horses in 1935 again dominated the expositions. Further accentuating the superiority of the bluegrass as a breeding center was the purchase of a large estate here by Mrs. M. F. Yount, of Beaumont, Tex., and its remodeling into an up-to-date saddle-horse nursery.

With resumption of thoroughbred racing at Keeneland, Lexington again should become one of the world's leading training spots for thoroughbreds—"the Ascot of America", to use the name suggested in a previous horse edition of the Herald.



Meanwhile the great thoroughbred breeding industry of the State continues to grow, and the figures compiled by Thomas B. Cromwell for the Daily Racing Form and published by permission in this edition will give a good indication of the importance of this industry. And Man o' War continues to be the principal tourist attraction of the bluegrass. About 30,000 persons signed the guest book in a single year, indicating the widespread interest in famous stars of the turf that now are retired on bluegrass farms.

Thoroughbred racing has expanded until it is now being conducted in nearly half of the American States. There are 22 State racing commissions at the present time in contrast to the situation a few years ago, when only Kentucky and Maryland had legalized racing under control of an official board.

Inasmuch as Kentucky furnishes a larger number of horses for this racing than any other State, it has a keener interest in the manner in which racing is conducted than any other. It has always been made clear, however, that Kentucky horsemen have looked toward the perpetuation rather than the expansion of racing. Toward that end such organizations as the Thoroughbred Club of America and the American Thoroughbred Breeders' Association are working.

International racing, as proposed by Herbert Bayard Swope, chairman of the New York State Racing Commission, at the recent meeting of the National Association of State Racing Commissioners in Miami, may be one of the innovations needed to place the emphasis in racing where it ought to be—upon the thrill of the contest and the glamour of the sport.

In recent years the races of Papyrus and Epinard have attracted widespread interest, and the death of Phar Lap, the Australian horse, was a severe blow to racing. Americans are keenly interested in the invasion of England by Omaha, which will carry the silks of William Woodward, American sportsman, in the hope of winning the Ascot Cup. Mr. Woodward, honored by the Thoroughbred Club of America for his outstanding contributions to the turf during the year, on that occasion emphasized the unfairness of the refusal to permit the entry of names of American horses in the English Stud Book.

Despite the virtual elimination of doping, the claiming racket, and other disagreeable features, many turf writers still are not emphasizing the phase of racing that makes it worthy of popular support and lasting public favor. Today's horse edition of the Herald, like its predecessors, shows why the citizens of the bluegrass have been clinging to their racing traditions and "watching them run" for these hundred years and more.

Kentuckians always look forward, as do all who love the horse, to the Kentucky Derby as the big event of the year. An annual feature in the horse edition of the Herald has been the Derby page, outlining the records of the contestants and forecasting the result. This year Neville Dunn, with the amazing and abundant optimism that ever stamps the handicapper, undertakes not only to detail how each horse will finish but by how many lengths.

Others will disagree—which, after all, is what makes horse racing such an interesting sport. But the Kentucky Derby will remain the great show window of the breeding industry and Kentucky's idea of what a race should be.

In this connection attention should be paid to the warning of Joseph E. Widener in Miami this month that the name "Derby" would be cheapened by scheduling too many of them. Very wisely he asked why Americans should borrow English names that mean nothing to them when they have names of their own that are fitting indeed. With that in mind, he intends to change the name of the Hialeah Derby to the Flamingo next year.

The Kentucky Derby also is becoming more than just a glamorous race lasting slightly more than 2 minutes. The Kentucky Derby festival committee, of which Mayor Neville Miller, of Louisville, is the head, and Arnold Storde-Jackson the director, has done excellent work in providing for a Kentucky Derby festival week and for inviting all Kentucky to the derby celebration.

Also featured in today's edition is the race course now being built at Keeneland. This track, located on one of the most picturesque estates in the bluegrass, will be conducted on a non-profit basis, and the conviction that racing is a sport and a privilege will ever be uppermost in the minds of those whose duty it is to guide its policies.

From the standpoint of physical attractiveness, Keeneland, when completed, will be second to no other racing establishment in the United States. Just as its programs will exemplify the inherited regard and respect of Kentuckians for the horse, so will its architecture and its landscaping be a mirror that will reflect the beauty of the bluegrass section, horse capital of North America.

In addition to the wealth of information on the horse industry, today's edition of the Herald contains a section devoted chiefly to farming in the bluegrass, with particular emphasis on central Kentucky's leading cash crop—tobacco. Certainly too much emphasis cannot be given to this crop, as the sales to date on the Lexington market alone, totaling approximately \$10,000,000, will testify. Facts concerning the value of the livestock industry also are contained in an article citing the importance of the livestock auction markets which play so vital a part in central Kentucky agriculture.

Another section is devoted to Lexington itself—the capital of this interesting horse and tobacco country—and the articles and pictures published in this section reveal vividly the contrast between the Lexington of the "gay nineties" and the Lexington of today. The information contained in this section was obtained from the files of the Herald of 1898, that particular year being selected not only because it was a good example of a very interesting period in the progress of Lexington and the United States

as a whole, but because it was what newspapermen call "a good news year." The section will bring back to the older readers memories long forgotten, of the Spanish-American War days and the part Lexington played in that war; of the toll-gates, the first street cars, the modest business houses that long since have been replaced by modern buildings.

The horse, the farm, and the city of Lexington—all are linked inseparably, in fact as well as in the columns of today's Herald. The future progress of Lexington depends chiefly on the well-being of the horse industry and agriculture; and the Herald, in presenting to its readers a record of the facts concerning horse and farm, expresses Lexington's sincere hope that during the years to come, they will reap the reward of prosperity they so richly deserve.

#### GAULEY BRIDGE TUNNEL DISCLOSURES

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Tacoma (Wash.) Times of January 24, 1936, relating to the deaths in connection with the construction of the tunnel at Gauley Bridge, W. Va.

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

[From the Tacoma (Wash.) Times of Jan. 24, 1936]

#### "WALKING DEAD MEN"

When fear rides his shoulders, no man wastes much time picking the road down which he will run.

That explains why the hard-rock men of Gauley Bridge, W. Va., took the jobs in that mountain tunnel in spite of the fact that they knew a painful, long-drawn-out death was waiting for them in its remote corridors.

Fear? The commonest fear in the world these days—fear of unemployment, of hunger, of family suffering. That fear is merciless and inexorable; when it gets astride of a man and digs in with its spurs, its victim has to ignore all other fears and take the first road that opens.

So the hard-rock men went into that tunnel, by the scores and the hundreds; and it is hard to think of them without thinking of a military parallel—a silent, white-lipped infantry company, slipping up a communication trench to take its collective chance on a death which it knows will strike down at least half of its number.

This Gauley Bridge story is a ghastly thing, any way you look at it. Its first effect must be to light in the breasts of its hearers a quick flame of indignation against any industrial system which can use men as the system under which that tunnel was driven used them.

But beyond that there is this other consideration—this illustration of the terrible force which fear of unemployment can be in the lives of working men.

It can be argued, of course, that these West Virginia workers were not compelled to take jobs in that tunnel. This is a free country; they enjoyed the constitutional freedom of contract; if they were afraid of silicosis, why didn't they stay away from that dust-filled hole in the mountain?

And it is that argument which shows how terrible the worker's fear can be.

For the man who is looking for a job in time of economic depression is not a free agent. As far as he is concerned, his country is not a free country.

The force which drives him compels him to take the first job he sees—any job at all, no matter how poorly paid or onerous or downright dangerous it may be, so long as it has a pay check attached to it.

That is why a contractor can ignore safety precautions. That is why greed can inflict lingering death on a community of workers. That is why some authority, be it State or Federal, must step in at times to see that men are protected against the risk of certain types of employment.

This Gauley Bridge affair is unspeakably shocking. But its victims will not have died altogether in vain if their tragedy makes us understand what a merciless and compelling thing the worker's fear of unemployment can be.

#### UNTOUCHABLE—POEM BY MARLEN FEW

Mr. WHEELER. Mr. President, I send to the desk and ask to have printed in the RECORD a poem by Marlen Few entitled "Untouchable."

Mr. FEW is the publisher of Editor and Publisher. He is one of the brilliant journalists of the country. This poem was written by him immediately after leaving Bombay in December. It is a pen picture of conditions in that city.

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

#### UNTOUCHABLE

Tonight a sight has seared my eyes,  
A sight that all God's love denies:  
On Bombay's reeking pavement stones,  
Sheeted bundles of skin and bones,  
Ten thousand homeless wretches lie—  
Ten thousand such as you and I.



Born of woman, with soul and heart,  
Sent by Heaven to play a part  
In the great game of life on earth,  
To suffer pain, to yield to mirth,  
To feast and fast, to multiply,  
To laugh and weep and then to die.

But these outcasts on stony bed  
At infancy were of the dead;  
A ghastly fate declared their doom,  
Marked each unclean in mother's womb—  
In serried ranks on every street  
These living lie in winding sheet.

Denied to them man's right meed  
By all just laws of life decreed:  
Some place apart, a modest plot  
On which to rear one's castle oot,  
Shut out the world. The ecstasy  
Of family life in privacy.

The right to dream, the right to play  
Shuttered against the shameful day;  
The soft embrace of maid and man,  
The miracle of love's brave plan  
To have and hold, to procreate,  
And thus the gods propitiate.

But how can the dead uphold its head,  
Ten thousand dead on the Bombay bed?  
How can the blind the pale moon see  
Or sense the vile atrocity  
Worked on them by the white vulture  
In the name of his thrift culture?

Pinioned by caste, no jungle cat  
More fiercely hates the nether rat;  
Insensate worm, he dare not feel  
The crushing weight of the iron heel;  
Godless are they, no jeweled shrine  
Offers to them a faith divine.

Crusted over by customs stale,  
Ten thousand creep beyond the pale;  
Dragging their rags, staring in fright,  
Showing their wounds, wailing their plight,  
Scratching their sores, skeleton palms  
Wildly outstretched imploring alms.

India's vast wealth, siphoned o'er seas,  
Naught but the crumbs are left for these—  
These helpless waifs, motherless sons—  
Cowed in the dust by guns,  
Unasked, they rule! For right is might,  
And India's streets are dark by night.

On Bombay's reeking pavement stones,  
Sheeted bundles of skin and bones,  
Ten thousand ghostly humans lie,  
The foulest blot beneath the sky;  
A timeless crime, an endless shame,  
All Nature's proudest boasts defame.

—Marlen Pew.

BOMBAY, December 16, 1935.

#### LOANS FOR CROP PRODUCTION

The Senate resumed consideration of the bill (S. 3612) to provide loans for farmers for crop production and harvesting during the year 1936, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee, which will be stated.

The amendment reported by the Senate Committee on Agriculture and Forestry was, in section 2, paragraph (b), page 2, line 24, after the word "exceed", to insert "\$1,000", so as to make the section read:

SEC. 2. (a) There shall be required as security for any such loan a first lien, or an agreement to give a first lien, upon all crops of which the production or harvesting, or both, is to be financed, in whole or in part, with the proceeds of such loan; or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Fees for recording, filing, and registering shall not exceed 75 cents per loan and may be deducted from the proceeds of the loan. Each loan shall bear interest at the rate of 5½ percent per annum. For the purpose of carrying out the provisions of this act and collecting loans made under other acts of the same general character, including loans made by the Governor with funds appropriated by the Emergency Appropriation Act, fiscal year 1935, the Governor may use the facilities and services of the Farm Credit Administration and any institution operating under its supervision, or of any officer or officers thereof, and may pay for such services and the use of such facilities from the funds made available for the payment of necessary administrative expenses; and such institutions are hereby expressly empowered to enter into agreements with the Governor for the accomplishment of such purposes.

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(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed \$1,000: *Provided, however*, That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations as to amount, under such regulations and with such maturities as he may prescribe therefor.

(c) No loans shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act.

Mr. McNARY. Mr. President, this bill represents the annual appropriations asked of the Congress on behalf of farmers for seed loans and feed loans and fertilizer. I am not very familiar with the bill, as I am sure other Senators are not, and I think the chairman of the committee should make an explanation concerning this bill, its purposes, and the plan that usually has been followed heretofore in bills of this kind.

Mr. SMITH. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. McNARY. I merely offer the suggestion. Certainly I yield to the Senator.

Mr. SMITH. Mr. President, I wish to state that this bill is of the same nature as those that have been passed by this body for now this is the eighth year. It differs from any other effort to aid agriculture in that it is designed to benefit those who cannot get credit otherwise. The policy of those who administer the law is to require those who apply for seed loans to make an affidavit that they cannot obtain credit otherwise. In other words, as farmers are considered as being bad risks anyway, these are the worst and lowest of the bad risks, and yet they have, wherever there have been no drought and no seasonal disaster, paid back as great a percentage or a greater percentage than have those who have put up collateral.

I want to state that this, in the opinion of the majority of the committee, and I am sure of the Senate, is the most practical and helpful procedure in which the Government has engaged in aid of tenant and other farmers, for the reason that if they cannot get this credit they will be in the relief line.

Mr. President, there is published, and it is available, the percentage of these loans that has been returned to the Government. In the year 1935 there were collected some loans that were not repaid in 1931. The Government is still collecting as the farmers make crops. The subsequent crop not only pays the immediate loan of the year in which the crop was made, but the Government has collected the delinquent indebtedness that has been incurred in previous years.

In this day of handing out relief to the unemployed I think no one should object to the bill because it would give employment and the Government would get back its money. The plan would help the farmers to maintain their self-respect because no dole would be handed out. The farmers give a lien on their crops and pay back the loan.

We found that the amount any one farmer could get under the previous measures was so small and limited that it really did not adequately meet the purpose for which the legislation was intended. Therefore the committee thought the maximum amount that anyone could borrow should be \$1,000 rather than \$500 as provided in preceding measures.

I think it is unnecessary for me to explain to this body any further than I have the necessity for this kind of legislation.

Mr. COUZENS. Mr. President—

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

Mr. SMITH. I yield.

Mr. COUZENS. Will the Senator state the outstanding delinquent amount for the past several years?

Mr. SMITH. I think there are outstanding several million dollars, but the amount is being cut down every year. The Senator must understand that in some of the western



States no crops at all were raised for several years and therefore practically nothing could be paid on account of the loans. I am sorry I do not have the total outstanding amounts. I shall get the figures and have them incorporated in the Record.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. Certainly.

Mr. McNARY. I think I can answer the inquiry, although I state the figures from memory. Last year about 63 percent or 63 cents of every dollar loaned was repaid.

Mr. SMITH. I think the Senator is approximately correct.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. SMITH. Certainly.

Mr. KING. In view of the policy inaugurated by the Secretary of Agriculture, Mr. Mordecai Ezekiel, and the other able and practical farmers in the Department of Agriculture, which has resulted in a large decrease in production during the past few years, I am wondering what is the necessity for the measure now before us. The claim is made by the defenders of A. A. A. and other measures formulated by the so-called experts in the Department of Agriculture that great prosperity came to the farmers; that the destruction of livestock and pigs and the limitation placed on crop production greatly increased the profits of all agriculturists. If these claims are valid, it would seem that additional loans are not now needed.

Mr. SMITH. The necessity for the measure is to keep the small, helpless farmer at home, to enable him to make a living for himself and at the same time to pay back to the Government what he has borrowed, and to prevent his being placed on the dole. That is the object.

Mr. KING. May I ask the Senator whether the farmers who fall within the category which he has mentioned have not been beneficiaries of the policies of the administration to which I have just referred?

Mr. SMITH. I think not. These are farmers who make an affidavit with respect to their condition, and all of us know it is true that they cannot get the wherewith to carry on their farming operations. The Government extends a loan, takes a lien on their crops, and, be it said to the credit of the honesty of these men, they have repaid a larger proportion than have some in the higher brackets of risk.

Mr. KING. Is it the opinion of the Senator that all the crop reduction and other so-called farm measures which have been been so aggressively urged by Mr. Wallace and those associated with him, have not been effective in lessening the difficulties of the agriculturists who are covered by the terms of the bill?

Mr. SMITH. Many of those measures do not even touch the proposed beneficiaries of the pending bill.

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

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Arkansas?

Mr. SMITH. Certainly.

Mr. ROBINSON. We have provided in other laws for production credit corporations and other agencies through which loans are made to farmers to assist them in the making of their crops, the loans being made on reasonably good security. The class of farmers provided for in the bill now before the Senate, as stated by the Senator from South Carolina, are unable to supply the collateral or to furnish security other than liens on their crops, which have not as yet been planted. If the arrangement for this class of loans should be discontinued now and no provision made for that class of farmers, the result would be that large numbers would be unable to go ahead with their production and would be thrown entirely out of employment, and some other provision would have to be made for taking care of many of them.

As stated by the Senator from South Carolina, it is my information that, except in those areas where some such catastrophe as a drought or flood has occurred to prevent the growing of crops, the borrowers have met their obliga-

tions with gratifying and astonishing rapidity. In some States they have paid practically the entire amount borrowed for given years, and, as stated by the Senator from South Carolina, they are still paying on the maturities of other years which could not be met by reason of drought or flood or some other condition which prevented the maturing of their crops.

Mr. SMITH. The amount of loans repaid by the borrowers and collected by the Government where there was no security except a lien on the crops compares very favorably with loans repaid by those who borrowed and put up collateral and took 5 percent of the proposed loans in stock, had their notes discounted at 6 percent, which made 11 percent to start with, and then paid 2 percent for investigating the case and recording the papers. In spite of the fact that the Government required, under loans of that character, ample collateral and took a mortgage on all the farmer had, the percentage repaid by those who had nothing but their growing crop is as great as or even greater than the amount repaid by the first class to which I have referred.

Mr. KING. Mr. President, will the Senator yield for another question?

Mr. SMITH. Certainly.

Mr. KING. May I say to the Senator that I believe this measure has greater merit than many of the measures which come from the officials of the Department of Agriculture. I wish to ask the Senator whether the committee reporting the bill took into consideration the condition of the Treasury, the measures to be adopted to meet the enormous appropriations authorized by Congress. Did the committee favor paper inflation or an increase in the burdens of taxation resting upon the people?

May I say to the Senator that if I shall vote for the bill I shall do so with the understanding that there shall be no inflation, but that the Congress of the United States before it adjourns will materially increase taxes in order that the deficit which is daily mounting may be reduced with the objective of balancing the Budget in the near future. There must be increased revenues if the spending policy of the Government is to be continued. The Committee on Finance of the Senate and the Committee on Ways and Means of the House, in my opinion, should be giving attention to this important question.

Mr. McKELLAR. Mr. President, I merely wish to say that in my judgment no recent activity of the Government has done more good to a needy class of people than this seed-loan proposal has done to those who obtain money from it for making crops. They are a class of persons who cannot make crops in any other way.

Hundreds of thousands of persons in my section of the country, both white and colored, obtain these loans, and they could not make a crop otherwise. When they obtain the loans they go to work and make their own way. They are not on charity. They pay their debts. In my part of the country they pay them up with remarkable promptness. My recollection is that in the district in which I live more than 90 percent of the loans are uniformly paid back.

Wonderful good has been done by previous measures of this kind, and I hope the Senate will unanimously pass this bill.

Mr. GEORGE. Mr. President, I wish to ask the Senator from South Carolina if this proposed loan is in line with seed loans made during prior years.

Mr. SMITH. It is exactly in line with them.

Mr. GEORGE. And the interest rate is still 5½ percent per annum?

Mr. SMITH. It is.

Mr. GEORGE. Do I understand also that the amount which may be advanced to any one farmer is now increased from \$500 to \$1,000?

Mr. SMITH. Yes.

Mr. GEORGE. May I also ask if the bill carries a provision that in areas peculiarly affected by drought or otherwise, even that limitation may be raised?

Mr. SMITH. Yes, sir; exactly the same as previous bills



Mr. GEORGE. Mr. President, while I am on the floor I wish merely to add to what has been said by the Senator from South Carolina, the Senator from Tennessee, and others, that this form of loan has been of more benefit to a class of farmers who otherwise do not receive any great direct benefit from other activities of the Government than any other class of loans or efforts made by the Government. It has reached and relieved in very great measure a distressing situation among tenant farmers and farm laborers.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee on page 2, line 24.

The amendment was agreed to.

Mr. NORBECK. Mr. President, I should like the attention of the Senator from South Carolina [Mr. SMITH]. I desire to offer what I think may be called a clarifying amendment, simply permitting the cost of crop insurance to be included in the provisions of the bill. The Senator will recall that we took up that matter in the Agricultural Committee, and the committee took a favorable attitude toward it.

After the word "crops" in line 8, page 1, I move to insert "including the cost of crop insurance within the discretion of the Secretary of Agriculture."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Dakota.

The amendment was agreed to.

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

#### REFUND OF PROCESSING TAXES

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from G. M. Moffett, president of the Corn Industries Research Foundation, relating to the refund of processing taxes.

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

CORN INDUSTRIES RESEARCH FOUNDATION,  
New York, N. Y., February 1, 1936.

HON. MARVEL M. LOGAN,  
Senate Office Building, Washington, D. C.

DEAR SENATOR LOGAN: I am glad to be able to advise you that the corn refining industry has taken a position of flat refusal to profit by the return of any processing taxes refunded through the action of the Supreme Court in its recent decisions on the Agricultural Adjustment Act.

Ten companies which have refunds coming to them will pass these refunds along just as soon as the way is legally clear and the necessary computations and adjustments can be made. These 10 companies feel that the burden of the processing taxes in general was borne by the ultimate consumer and that the industry would consider itself unjustly enriched unless it attempted to the best of its ability to restore the refunded taxes to the people who actually paid them.

We are addressing you directly on this matter in order to put the facts clearly before you so far as this industry is concerned.

Very truly yours,

G. M. MOFFETT, President.

#### CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

Mr. JOHNSON. Mr. President, I ask unanimous consent for the present consideration of a bill which has passed the House, and which is emergent in character, concerning the San Diego Exposition.

The bill, as I say, has passed the House. It is favorably reported by the Foreign Relations Committee; and I ask unanimous consent that it may be taken up at this time.

Mr. ROBINSON. What is the calendar number of the bill?

Mr. JOHNSON. It is Calendar No. 1538.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider 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, which was ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the United States continue its participation in the California-Pacific International Exposition at San Diego, Calif., in 1936.

Sec. 2. For this purpose the 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, as hereby amended, is extended and made applicable to the continuance of the participation of the United States in the said exposition in 1936 in the same manner and to the same extent and for the same purposes as originally provided in said act, except insofar as the provisions of that act specify the erection of a building or group of buildings.

Sec. 3. In addition to the sum of \$350,000 authorized by the aforesaid act to be appropriated for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936, and appropriated under the section entitled "California-Pacific International Exposition" of the act entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes", otherwise known as Public Law No. 21, Seventy-fourth Congress, and approved March 21, 1935, there is hereby authorized to be appropriated the sum of \$75,000.

#### REGULATION OF SMALL LOANS IN THE DISTRICT

Mr. McNARY. Mr. President, I ask the attention of the Senator from Utah [Mr. KING].

During the lifetime of the late Senator Schall, of Minnesota, he objected to the consideration of Senate bill 1162, regulating the rate of interest in the District of Columbia. Since his demise the bill passed, about a week ago, under the rule whereby bills were passed which were not objected to. At that time I was not advised of the objection. Subsequently, the late Senator's secretary requested that I ask unanimous consent that the vote by which the bill was passed might be reconsidered and it might be returned to the Senate.

At the time the bill came up I made no objection, because I had no knowledge of the opposition of the late Senator from Minnesota to the bill. I recognize that the rules do not permit a motion to be made, because the time for making a motion to reconsider has elapsed. Therefore, in order to complete the record, I ask unanimous consent that the votes whereby Senate bill 1162 was ordered to be engrossed for a third reading and passed be reconsidered, and that the House be requested to return the bill to the Senate.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon?

Mr. KING. Mr. President, any request of my friend from Oregon is almost equivalent to a command, and it is with the utmost regret that I feel constrained to deny the request.

In explanation of my position I submit a few words. The measure in question is one in connection with which there were hearings conducted, and it received serious consideration, not only by the District Committee of the Senate but by citizens' organizations within the District of Columbia. Representatives of various organizations came before the committee and urged its passage. Full opportunity was afforded to all persons to present their views, either for or against the bill. After full consideration the bill was unanimously reported by the committee.

When the bill was reached on the Unanimous Consent Calendar the late Senator from Minnesota, whose death we regret, objected, and later stated to me—I hope I shall be pardoned for mentioning a conversation where there is no other person who might throw light upon it—that he should not object to the consideration of the bill if he could have opportunity to insert in the RECORD a letter which he had received, and to make such observations as he desired. I stated that of course I should gladly accede to his request. Later the letter was inserted in the RECORD, and my recollection is that the Senator had read from the desk some observations which he desired to make in respect to the bill. I think it would have passed the Senate at that time except for the fact that the able senior Senator from Nebraska [Mr. NORRIS] felt constrained to object until he had further



considered the bill. Thereupon it went over, and was not brought up again until the 16th of last month.

Upon the call of the calendar at that time the bill was reached and was passed by the Senate. It has gone to the House and is now being considered by the House Committee on the District of Columbia. I am not advised as to how far the committee has gone in its deliberations, but I assumed that bill will receive the approval of the House committee.

The measure is a meritorious one. As stated, it received the full support of the District Commissioners, and the corporation counsel urged its passage.

I object to the recall of the bill.

The PRESIDENT pro tempore. Objection is made.

#### SUPPLEMENTAL DEFICIENCY APPROPRIATIONS

Mr. ADAMS. Mr. President, I move that the Senate proceed to the consideration of House bill 10464, being the supplemental deficiency bill.

The motion was agreed to; and the Senate proceeded to consider 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, which had been reported from the Committee on Appropriations with amendments.

Mr. ADAMS. I ask unanimous consent that the formal reading of the bill may be dispensed with and that the bill may be read for amendment, the amendments of the committee to be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading, "Title I—General appropriations—Legislative—Senate", on page 2, after line 3, to insert:

To pay to Rose M. Long, widow of Hon. Huey P. Long, late a Senator from the State of Louisiana, \$10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 5, to insert:

To pay to Margaret Huntley Schall, widow of Hon. Thomas D. Schall, late a Senator from the State of Minnesota, \$10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 8, to insert:

Office of Sergeant at Arms and Doorkeeper: For clerk to the secretary of the minority, at the rate of \$1,800 per annum from February 1, to June 30, 1936, both dates inclusive, \$750.

The amendment was agreed to.

The next amendment was, on page 2, after line 12, to insert:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1936, \$75,000: *Provided*, That no part of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of \$3,600 per annum: *Provided further*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, at the top of page 3, to insert:

For miscellaneous items, exclusive of labor, fiscal year 1936, \$100,000.

The amendment was agreed to.

The next amendment was, on page 4, after line 7, to insert:

#### LIBRARY OF CONGRESS

Legislative reference: For printing the Index and Digests, prepared in the Legislative Reference Service, of bills pending in the second session of the Seventy-fourth Congress, fiscal year 1936, \$3,800.

Care and maintenance, salaries: For an additional sum required for personal services for the fiscal year 1936, \$443.55.

The amendment was agreed to.

The next amendment was, under the heading "Independent offices—Central Statistical Board", on page 5, line 17, after the name "District of Columbia", to insert a colon and the following proviso:

*Provided*, That of the funds hereby appropriated there shall be available from and including January 16, 1936, such sums as may be necessary for the payment of obligations incurred by the Central Statistical Board created by Executive Order No. 6225, dated July 27, 1933.

The next amendment was, under the subhead "George Rogers Clark Sesquicentennial Commission", on page 8, line 1, after the figures "1937", to strike out "\$40,000" and insert "\$50,000", so as to read:

For carrying out the provisions of the act approved August 15, 1935, entitled "An act to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928", fiscal years 1936 and 1937, \$50,000.

The amendment was agreed to.

The next amendment was, on page 13, after line 21, to insert:

#### VETERANS' ADMINISTRATION

The Administrator of Veterans' Affairs is hereby authorized and directed to transfer \$30,000 of the funds of the Veterans' Administration for the fiscal year 1936 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.

The amendment was agreed to.

The next amendment was, on page 14, after line 7, to insert:

The Administrator of Veterans' Affairs is hereby authorized and directed to transfer \$140,000 of the funds of the Veterans' Administration for the fiscal year 1936 to the Treasury Department, for disbursement by it under the various headings of its applicable appropriations, for 90 beds at the United States Marine Hospital at New Orleans, La., 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.

The amendment was agreed to.

The next amendment was, on page 14, after line 17, to insert:

Administrative expenses, Adjusted Compensation Payment Act, 1936, Veterans' Administration, 1936 and 1937: For administrative expenses in carrying out the provisions of the Adjusted Compensation Payment Act, 1936, including personal services in the District of Columbia and elsewhere; supplies; equipment; traveling expenses; rentals in the District of Columbia and elsewhere; communication services; purchase, maintenance, and operation of passenger-carrying motor vehicles; and for other necessary expenses to enable the Administrator of Veterans' Affairs to perform such duties as are required by said act, fiscal years 1936 and 1937, \$5,500,000.

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia", at the top of page 16, to insert:

Filtration system, workhouse and reformatory, District of Columbia: For an additional amount for construction of a sand filter for the permanent water supply system, fiscal year 1936, \$5,250.

The amendment was agreed to.

The next amendment was, on page 16, after line 4, to insert:

Filtration system, workhouse and reformatory, District of Columbia: For an additional amount for construction of a permanent water supply filtration system (no year), \$2,250.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture", on page 17, after line 10, to insert:

#### FOREST SERVICE

Fighting forest fires: For an additional amount for fighting and preventing forest fires, including the same objects specified under this head in the Agricultural Appropriation Act for the fiscal year 1936, \$1,276,709.

The amendment was agreed to.

The next amendment was, on page 17, after line 15, to insert:



## FOOD AND DRUG ADMINISTRATION

Sea-food inspectors: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packing, and labeling thereof upon the application of any packer of any sea food for shipment or sale with the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled "An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended", approved August 27, 1935 (49 Stat. 871), fiscal year 1936, \$33,000.

The amendment was agreed to.

The next amendment was, on page 19, after line 3, to insert:

## BUREAU OF BIOLOGICAL SURVEY

The sum of \$12,500 of the unexpended balance of the appropriation of \$6,000,000 provided by title VII of the act entitled "An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes", approved June 15, 1935 (49 Stat., pp. 378-384), is hereby made available for the payment, by the Secretary of Agriculture, of expenses in connection with the North American Wildlife Conference called by the President of the United States, to be held in Washington, D. C., February 3-7, 1936, including the employment of persons and means in the District of Columbia and elsewhere by contract or otherwise, printing, binding, and other miscellaneous expenses: *Provided*, That no part thereof shall be available for travel or subsistence expenses.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous", on page 20, line 10, after the name "Secretary of Agriculture", to strike out "to carry out all the purposes of and"; in line 12, after the word "heretofore", to strike out "or hereafter"; in line 17, after the word "sum", to insert "not exceeding \$700,000"; in line 25, after the word "include", to strike out the comma and "but shall not be limited to"; on page 21, line 3, before the word "purchases", to strike out "past"; in line 20, after the word "otherwise", to insert "substantially"; and in line 21, before the words "of the", to strike out "regulations" and insert "requirements", so as to read:

Payments for agricultural adjustment: To enable the Secretary of Agriculture to meet all obligations and commitments (including salaries and administrative expenses) heretofore incurred under the provisions of the Agricultural Adjustment Act, as amended, or regulations heretofore issued thereunder, except refunds pursuant to section 21 (d) of that act, an additional amount of \$296,185,000, together with a sum not exceeding \$700,000, equal in amount to the unexpended balances of the funds heretofore established by the President under authority of section 15 (f) of the Agricultural Adjustment Act, as amended, and directed by the Secretary of Agriculture, with the approval of the President, to be spent for the benefit of agriculture in Puerto Rico and Hawaii; said sums to remain available until expended. The expenditures authorized under this appropriation shall include rental and benefit payments, expenditures for rent and personal services in the District of Columbia and elsewhere, stenographic reporting services, supplies and equipment, purchases and exchange of law books, books of reference, directories, periodicals, newspapers, traveling expenses, printing and binding in addition to allotments under existing law, and such other expenses as may be necessary for the accomplishment of the purposes of this appropriation. No part of the sums appropriated herein shall be used for rental or benefit payments in connection with adjustment contracts entered into on or after January 6, 1936, and as to those contracts entered into prior to January 6, 1936, no part of the sums appropriated herein shall be used for rental or benefit payments in connection with adjustment contracts unless there has been partial performance by the farmer: *Provided*, That such funds shall be available for rental and benefit payments in an amount that the Secretary determines to be fair and equitable to farmers who have applied for contracts, and who prior to January 6, 1936, have in good faith made adjustments in acreage and otherwise substantially complied with the requirements of the Secretary of Agriculture in connection with a crop program, regardless of whether contracts have been signed. Funds herein made available for administrative expenses shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary of Agriculture may request to cooperate with or assist in the administration of the work under this appropriation or of the Agricultural Adjustment Act, as amended, including necessary investigative work.

The amendment was agreed to.

The next amendment was, on page 23, line 18, after the figures "1935", in the text pertaining to the 1935 cotton price adjustment payment plan, to insert a colon and the following additional proviso:

*Provided further*, That in carrying out clause 2 of said section 32, the Secretary of Agriculture may, if he finds that the purposes of said section will be accomplished thereby, purchase without regard to section 3709, Revised Statutes, agricultural commodities and products thereof, including purchases for donation to the Federal Surplus Commodities Corporation.

The amendment was agreed to.

The next amendment was, under the heading "Department on Commerce", on page 25, after line 19, to insert:

## BUREAU OF FISHERIES

Fish cultural station in the State of Nevada: For the establishment of a fish cultural station in the State of Nevada, in accordance with the provisions of an act entitled "An act to provide for a 5-year construction and maintenance program for the United States Bureau of Fisheries", approved May 21, 1930, fiscal year 1936, \$60,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior", at the top of page 27, to insert:

## NATIONAL PARK SERVICE

Ackia National Memorial Commission and Battleground National Monument: To carry out the provisions of the act entitled "An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes", approved August 27, 1935, fiscal year 1936, \$15,000.

The amendment was agreed to.

The next amendment was, under the subhead "National Bituminous Coal Commission", on page 28, line 10, after the name "Commission", to strike out the colon and the following proviso:

*Provided*, That if the Bituminous Coal Conservation Act of 1935 is declared to be unconstitutional by the Supreme Court of the United States, no money herein provided shall thereafter be spent and all money herein appropriated and unexpended shall be immediately covered back into the Treasury.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department", on page 35, line 12, after the figures "297", to insert "and Senate Documents Nos. 150 and 151", and in line 14, to strike out "\$120.29" and insert "\$2,291.87", so as to read:

Claims for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the act entitled "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collision with naval vessels", approved December 28, 1922 (U. S. C., title 34, sec. 599), as fully set forth in House Document No. 297, and Senate Documents Nos. 150 and 151, Seventy-fourth Congress, \$2,291.87.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department—Office of the Secretary", on page 42, line 12, after the figures "1936", to strike out "\$750,000" and insert "\$851,000", so as to read:

Expenses, Emergency Banking, Gold Reserve, and Silver Purchase Acts: For expenditure under the direction of the Secretary of the Treasury for any purpose in connection with the carrying out of the provisions of the Emergency Banking Act, approved March 9, 1933 (48 Stat. 1), the Gold Reserve Act of 1934, approved January 30, 1934 (48 Stat. 337), the Silver Purchase Act of 1934, approved June 19, 1934 (48 Stat. 1178), any Executive orders, proclamations, and regulations issued under the foregoing acts, and section 3653 of the Revised Statutes, including rental at the seat of Government and elsewhere, costs of transportation, insurance, and protection of gold coin, gold bullion, and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury, after March 9, 1933, losses sustained by Federal Reserve banks due to abrasion of gold coin, and reimbursement to Federal Reserve banks and branches for expenses incurred by them in carrying out instructions issued by the Secretary of the Treasury after March 4, 1933, fiscal year 1936, \$851,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 12, to insert:

Administrative expenses, Adjusted Compensation Payment Act, 1936, Treasury Department, 1936 and 1937: For expenditure under the direction of the Secretary of the Treasury for any purpose in connection with the carrying out of the provisions of the Adjusted Compensation Payment Act, 1936, in the District of Columbia and



elsewhere, including the employment of necessary personnel, rental of quarters, supplies and materials, equipment, furniture, communication service, stationery, printing and engraving, postage, insurance, travel, and subsistence expenses, and such other services as may be necessary, fiscal years 1936 and 1937, \$6,678,375.

The amendment was agreed to.

The next amendment was, on page 43, line 25, after the figures "1936", to increase the appropriation for salaries and expenses of the Federal Alcohol Administration from \$180,000 to \$225,000.

Mr. KING. Mr. President, I should like to ask the Senator having charge of the bill the reason for this increase in the item for the Federal Alcohol Bureau.

Mr. ADAMS. Mr. President, I take pleasure in giving the reason to the Senator from Utah.

The administrative officers of the Bureau came before our committee and said that, by reason of the previous reduction, they had had to lay off their field force, and that this appropriation was essential in order to put men back to work in the field force, so that they could secure efficient administration of the law. They said that without the appropriation they could not do the field work which they were required to do in order both to protect the tax phases and to protect the label phase. It seems that under the law label registration is required, and this enables them to check as to the label phase. Part of the appropriation will run out after the labels have gone through the registration process. They said it was absolutely essential for successful administration that this appropriation should be made.

Mr. KING. I may say to the Senator that there is too much overlapping and duplication in the operations of the executive agencies of the Federal Government. Departments and bureaus and other Federal organizations overlap each other to a degree which may not be defended and which result in large expenditures. Many persons hoped that the President would exercise the authority conferred upon him under the economy law, and that he would merge or consolidate many of the Federal agencies, thus relieving the American people of a part of the enormous burden of taxation which rests upon them.

I regret to say that instead of there having been consolidations and a reduction in the number of Federal agencies, there have been increases, so that expenditures of the Federal Government for the salaries of employees of the Government are several hundred million dollars more, perhaps four or five hundred million dollars more than they were before the war.

I appreciate, of course, that during this so-called emergency additional Federal organizations were required, but it seems to me that the time has come to abolish some of these agencies, and to reduce the personnel in others. I am advised that there are considerably more than 1,000,000 persons on the Government pay rolls. I repeat, it is time for consolidation of agencies, and for drastic cuts in Federal expenses.

The Federal control of liquor should be under one organization instead of two. There is now before the Committee on Finance, and before a subcommittee of that committee, of which I am chairman, a bill of 50 or more pages dealing with the control of the liquor question, but it does not touch the Federal Alcohol Bureau. It is believed by some that there ought to be a consolidation of the activities of the Treasury Department in dealing with the collection of taxes on various kinds of liquor, wines, and so forth, with the organization for which an increase in the compensation is sought by this amendment.

I shall not object to the consideration of this amendment. Perhaps under the circumstances, and until the consolidation is effected, we must submit to these constant increases in compensation. I do desire to call attention to the fact, however, that with the mounting expenses of the Government reaching more than 20 percent of the entire earnings of all the people of the United States, there must be a halt called sometime and somewhere. The American people cannot indefinitely meet the enormous expenditures of the Federal Government, together with the very large expendi-

tures of the State governments and various municipalities and local subdivisions.

In the United States News of the 3d instant appears a graph showing the national income for a number of years. In 1929 it was nearly \$79,000,000,000; in 1932 it was only forty-five billion eight hundred million; in 1933 it was forty-three billion six hundred million; in 1934 it was forty-nine billion nine hundred million; in 1935 it was fifty-three billion seven hundred million. Notwithstanding the increase for the year 1935, the total income is less by more than \$24,000,000,000 than it was in 1929. Yet the expenditures of the Government are billions of dollars greater.

I asked the Senator from South Carolina [Mr. SMITH] a few moments ago, during the consideration of a bill calling for an appropriation of \$60,000,000, whether the committee had considered the question as to where the money was to come from. I voiced my opposition to any policy which called for inflation, as that term is employed, and insisted that, with these enormous expenditures which create stupendous deficits, it is imperative that the revenues of the Government be increased. I again emphasize that view and urge that the two committees of the House and Senate which have to do with revenue legislation meet at an early date for the purpose of devising ways and means of increasing the revenues of the Government.

I sincerely hope that the inflationary spirit which seems to be pervading some parts of the United States will find no support in the Congress of the United States, and that Congress will resolutely set its face in favor of legislation that will provide for a balanced Budget within the next year or two. Certainly, the spending mania must end, and a return to realities be achieved.

The PRESIDENT pro tempore. The question is on the amendment of the Committee on Appropriations.

The amendment was agreed to.

The next amendment was, on page 44, after line 4, to strike out:

#### PROCUREMENT DIVISION, PUBLIC WORKS BRANCH

Acquisition of premises designated as 1724 F Street NW., Washington, D. C.: For purchase of premises designated as 1724 F Street NW., Washington, D. C., and described as lot 28 in square 170 on the records of the surveyor of the District of Columbia, comprising a six-story and basement brick office building and approximately 13,200 square feet of land, to provide necessary office space for permanent Government organizations, \$200,000.

The amendment was agreed to.

The next amendment was, under the heading "Title II, Judgments and authorized damage claims", on page 47, after line 3, to insert:

(b) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case", approved December 28, 1922 (U. S. C., title 31, secs. 215-217), as fully set forth in Senate Document No. 152, Seventy-fourth Congress, as follows:

Federal Civil Works Administration, \$661.05;  
Federal Emergency Relief Administration, \$488.96;  
Works Progress Administration, \$334.33;  
Veterans' Administration, \$21;  
Department of Agriculture, \$4,735.41;  
Department of Commerce, \$1,323.59;  
Department of Interior, \$567.26;  
Department of Justice, \$240.91;  
Department of Labor, \$83.66;  
Navy Department, \$1,073.03;  
Post Office Department (out of postal revenues), \$380.55;  
Treasury Department, \$1,494.92;  
War Department, \$11,676.01;  
In all, \$23,080.68.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States courts", on page 49, line 3, before the word "under", to insert "and Senate Document No. 153": in line 5, after the name "War Department", to strike out "\$335.62" and insert "\$905.48"; and in line 7, after the words "In all", to strike out "\$835.62" and insert "\$1,405.48", so as to read:



(b) For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States district courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes", approved March 3, 1925 (U. S. C., title 46, secs. 781-789), certified to the Seventy-fourth Congress in House Document No. 298 and Senate Document No. 153 under the following departments, namely:

Navy Department, \$500;  
War Department, \$905.48;

In all, \$1,405.48, together with such additional sum as may be necessary to pay interests, where specified in such judgments, at the rate provided by law.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, Court of Claims", on page 49, line 21, after the figures "296", to insert "and Senate Documents Nos. 154 and 155"; after line 23, to insert "Federal Trade Commission, \$3,043.06"; after line 24, to insert "Veterans' Administration, \$5,900"; on page 50, line 1, after the name "Navy Department", to strike out "\$34,156.77" and insert "\$35,339.64"; in line 3, to insert "War Department" and strike out "\$93,439.34" and insert "\$696,279.87"; and in line 4, after the words "In all", to strike out "\$128,659.40" and insert "\$741,625.86", so as to read:

SEC. 3. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-fourth Congress in House Document No. 296 and Senate Documents Nos. 154 and 155, under the following departments and establishments, namely:

Federal Trade Commission, \$3,043.06;  
Veterans' Administration, \$5,900;  
Navy Department, \$35,339.64;  
Treasury Department, \$1,063.29;  
War Department, \$696,279.87;

In all, \$741,625.86, together with such additional sum as may be necessary to pay interest on certain judgments as and when specified therein.

The amendment was agreed to.

The next amendment was, under the subhead "Audited claims", on page 57, after line 18, to insert:

(c) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1933 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 157, Seventy-fourth Congress, there is appropriated as follows:

Independent offices: For traveling expenses, Civil Service Commission, \$3.60.  
For Interstate Commerce Commission, \$1.50.  
For operations under Mineral Act of October 5, 1918, \$40,875.20.  
For Army pensions, \$47.17.  
For investigation of pension cases, Pension Office, \$1.25.  
For Navy pensions, \$10.  
For medical and hospital services, Veterans' Bureau, \$46.57.  
For salaries and expenses, Veterans' Bureau, \$40.  
For salaries and expenses, Veterans' Administration, \$4,387.71.  
Department of Agriculture: For salaries and expenses, Bureau of Dairy Industry, \$7.25.  
For salaries and expenses, Bureau of Plant Industry, \$19.51.  
For salaries and expenses, Forest Service, \$1.50.  
For salaries and expenses, Bureau of Animal Industry, \$536.88.  
For salaries and expenses, Bureau of Entomology, \$1.50.  
For salaries and expenses, Bureau of Agricultural Economics, \$15.  
Department of Commerce: For mineral mining investigations, Bureau of Mines, \$1.30.  
For air navigation facilities, \$1,851.18.  
For expenses of the fifteenth census, 1932-December 31, 1932, 29 cents.  
For salaries and expenses, Bureau of the Census, 42 cents.  
For salaries and expenses, Patent Office, \$9.90.  
For testing railroad and mine scales, etc., Bureau of Standards, \$12.50.  
For general expenses, Lighthouse Service, \$36.  
Department of the Interior: For Geological Survey, \$1.06.  
For National Park Service, \$88.80.  
For roads and trails, Office of National Parks, building, and reservations, emergency construction, \$2,954.34.  
For purchase and transportation of Indian supplies, \$20.24.  
For education, Sioux Nation, \$44.20.  
For Indian school support, \$157.78.  
For conservation of health among Indians, \$11.68.  
For agriculture and stock raising among Indians, \$1.86.  
For support of Indians and administration of Indian property, \$33.15.  
For Indian boarding schools, \$80.10.

Department of Justice: For fees of commissioners, United States courts, \$118.80.

For fees of jurors, United States courts, \$21.50.  
For fees of witnesses, United States courts, \$6.  
For detection and prosecution of crimes, \$17.85.  
For miscellaneous expenses, United States courts, \$1,319.29.  
For salaries and expenses, Bureau of Prohibition, \$416.51.  
For salaries, fees, and expenses of marshals, United States courts, \$653.31.

For fees of jurors and witnesses, United States courts, \$93.  
For prison camps, \$43.  
For salaries and expenses, Bureau of Prisons, \$1.  
For support of United States prisoners, \$173.81.  
For United States Industrial Reformatory, Chillicothe, Ohio, maintenance, \$14.09.

Department of Labor: For employment service, Department of Labor, \$5.43.

For salaries and expenses, Bureau of Immigration, \$1.65.  
Navy Department: For pay, subsistence, and transportation, Navy, \$17,210.58.

For gunnery and engineering exercises, Bureau of Navigation, \$5.  
For transportation, Bureau of Navigation, \$185.60.  
For maintenance, Bureau of Supplies and Accounts, \$101.30.  
For engineering, Bureau of Engineering, \$1.92.  
For medical department, Bureau of Medicine and Surgery, \$137.  
For pay of the Navy, \$2,595.10.  
For pay, Marine Corps, \$782.66.  
For maintenance, Bureau of Yards and Docks, \$243.08.

Department of State: For contingent expenses, foreign missions, \$3.67.

For transportation of Foreign Service officers, \$10.33.  
For contingent expenses, United States consulates, \$49.70.  
Treasury Department: For collecting the revenue from customs, \$2.80.

For collecting the internal revenue, \$41.95.  
For enforcement of Narcotic and National Prohibition Acts, internal revenue, \$2.50.

For salaries and expenses, Bureau of Industrial Alcohol, \$2.50.  
For stationery, Treasury Department, \$7.48.  
For pay and allowances, Coast Guard, \$9,609.29.  
For contingent expenses, Coast Guard, \$348.38.  
For fuel and water, Coast Guard, \$190.79.  
For outfits, Coast Guard, \$155.49.  
For pay of personnel and maintenance of hospitals, Public Health Service, \$47.89.

For collecting the war revenue, \$115.56.  
For increase of compensation, Treasury Department, \$17.33.  
For furniture and repairs of same for public buildings, \$103.83.  
For operating supplies for public buildings, 36 cents.  
For repairs and preservation of public buildings, \$11.17.  
War Department: For pay, etc., of the Army, \$12,792.81.

For pay of the Army, \$5,296.  
For general appropriations, Quartermaster Corps, \$2,708.91.  
For Army transportation, \$854.98.  
For barracks and quarters, \$296.51.  
For National Guard, \$722.88.  
For subsistence of the Army, \$1.50.  
For extra-duty pay to enlisted men as clerks, etc., at Army division and department headquarters, \$21.50.

District of Columbia: For general expenses, public parks, District of Columbia, \$152.50.

Post Office Department—Postal Service (out of the postal revenues): For city-delivery carriers, \$5,307.36.  
For clerks, first- and second-class post offices, \$2,642.90.  
For clerks, third-class post offices, \$257.09.  
For compensation to postmasters, \$6,287.28.  
For freight, express, or mail transportation of equipment, 60 cents.

For foreign mail transportation, \$10.

(Sea post service)

For indemnities, domestic mail, \$333.47.  
For indemnities, international mail, \$215.03.  
For miscellaneous items, first- and second-class post offices, \$30.72.

For post-office equipment and supplies, \$7.25.  
For Railway Mail Service, miscellaneous expenses, \$629.40.  
For railroad transportation and mail messenger service, \$230.66.  
For rent, light, and fuel, \$4,082.01.  
For Rural Delivery Service, \$141.90.  
For separating mail, \$36.  
For special delivery fees, \$110.95.  
For temporary clerks, \$91.93.  
For unusual conditions at post offices, \$13.91.  
For vehicle service, \$2,616.16.  
For village delivery service, \$123.44.

Total, audited claims, section 4 (c), \$132,183.52, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

(d) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1933 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title



5, sec. 266), as fully set forth in Senate Document No. 156, Seventy-fourth Congress, there is appropriated as follows:

Independent offices: For Interstate Commerce Commission, \$4.35.  
 For operations under Mineral Act of October 5, 1918, \$5,748.87.  
 For Army pensions, \$155.  
 For investigation of pension cases, Bureau of Pensions, \$2.25.  
 For medical and hospital services, Veterans' Bureau, \$3.25.  
 For salaries and expenses, Veterans' Bureau, \$8.25.  
 For salaries and expenses, Veterans' Administration, \$1,075.61.  
 Department of Agriculture: For salaries and expenses, Extension Service, \$4.  
 For salaries and expenses, Bureau of Animal Industry, \$2.  
 Department of Commerce: For air-navigation facilities, \$43.70.  
 For domestic commerce, Department of Commerce, \$1.50.  
 For general expenses, Lighthouse Service, \$5.70.  
 Department of the Interior: For industrial work and care of timber, \$19.  
 For purchase and transportation of Indian supplies, \$30.94.  
 Department of Justice: For salaries and expenses, Bureau of Prohibition, \$41.  
 For miscellaneous expenses, United States courts, \$25.  
 For fees of jurors and witnesses, United States courts, \$52.50.  
 For salaries, fees, and expenses of marshals, United States courts, \$465.33.  
 Navy Department: For pay, subsistence, and transportation, Navy, \$1,348.82.  
 For organizing the Naval Reserve, \$34.30.  
 For pay, Marine Corps, \$22.86.  
 Department of State: For bringing home criminals, \$14.87.  
 Treasury Department: For collecting the revenue from customs, \$70.61.  
 For collecting the internal revenue, \$12.31.  
 For pay and allowances, Coast Guard, \$12.75.  
 For fuel and water, Coast Guard, \$10.50.  
 For suppressing counterfeiting and other crimes, \$1.25.  
 For furniture and repairs of same for public buildings, \$5.05.  
 War Department: For general appropriations, Quartermaster Corps, \$357.61.  
 For arrears of pay, bounty, etc., \$9.62.  
 For increase of compensation, Military Establishment, \$660.02.  
 For National Guard, \$1,099.15.  
 For pay of National Guard for armory drills, \$133.96.  
 For Reserve Officers' Training Corps, \$113.19.  
 For clothing and equipage, \$155.92.  
 For Army transportation, \$172.37.  
 For pay, etc., of the Army, \$4,539.46.  
 For pay of the Army, \$1,907.64.  
 For ordnance service and supplies, Army, \$345.62.  
 For Air Corps, Army, \$12.43.  
 For Air Service, Army, \$33.  
 For mileage of the Army, \$11.20.  
 For Organized Reserves, \$18.05.  
 For arming, equipping, and training the National Guard, \$101.26.  
 For subsistence of the Army, \$99.65.  
 For supplies, services, and transportation, Quartermaster Corps, \$7.11.  
 For power plant, Fort Mills, Corregidor, P. I., \$3,002.  
 For pay of Military Academy, \$182.  
 For clothing, camp, and garrison equipment, \$12.12.  
 For pay, etc., of the Army, War with Spain, \$10.  
 Post Office Department—Postal Service (out of the postal revenues): For indemnities, domestic mail, \$60.75.  
 Total, audited claims, section 4 (d), \$22,265.70, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

Mr. ADAMS. Mr. President, I ask unanimous consent that the amendments involving claims be agreed to en bloc.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendments are agreed to en bloc.

The next amendment of the Committee on Appropriations was, on page 68, line 14, after the figures "285", to insert "and Senate Document No. 158"; in line 18, after the figures "1935", to strike out "\$2,862.20" and insert "\$17,505.46"; and in line 22, after the words "In all", to strike out "\$3,959.20" and insert "\$18,602.46", so as to read:

Sec. 5. (a) For payment of claims allowed by the General Accounting Office pursuant to private acts of the Seventy-fourth Congress and certified to such Congress in House Document No. 285 and Senate Document No. 158, as follows:

Under the War Department: For payment to claimants under the provisions of Private Act No. 38, approved May 15, 1935, \$17,505.46;

For payment to the Jay Street Terminal, New York, under the provisions of Private Act No. 39, approved May 15, 1935, \$1,097;  
 In all, \$18,602.46.

The amendment was agreed to.

The next amendment was, on page 69, line 11, after the name "Senate", to strike out "Document No. 129" and insert "Documents No. 129, 159, and 160", and in line 13, after the

name "Department of Labor", to strike out "\$12,598.60" and insert "\$30,353.65"; so as to read:

Sec. 6. Judgments against collectors of customs: For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States District Courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-fourth Congress in House Document No. 295 and Senate Documents Nos. 129, 159, and 160, under the Department of Labor, \$30,353.65.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments. The bill is before the Senate and open to further amendment.

Mr. WAGNER. Mr. President, I should like to ask the Senator from Colorado, in charge of the pending bill, whether or not at the invitation of the subcommittee, members of the National Labor Relations Board appeared before that committee on the question whether the \$275,000 provided for in this deficiency bill was sufficient for their operation for the rest of the fiscal year, and whether or not the committee came to any conclusions on that subject matter.

Mr. ADAMS. Mr. President, the members of the board appeared before the committee. There was some uncertainty as to whether the item would carry them through; and it seemed wiser to allow them to go ahead with the money available, and look to a deficiency bill hereafter if the amount should prove insufficient. In other words, we thought they should proceed with the funds available for expenditure, in view of the uncertainty as to the actual amount needed, with the idea that if additional amounts should be needed the appropriation of such amounts would be recommended by the Committee on Appropriations.

Mr. WAGNER. What I wanted to ask the Senator particularly, if he is willing to give his views upon that subject, was whether the Board members persuaded the committee that \$275,000 probably would not be sufficient to prosecute their work efficiently between now and the end of the fiscal year.

Mr. ADAMS. I will say to the Senator from New York that there was an element of doubt because the estimated expenditures were based upon court proceedings. If the Supreme Court of the United States should render a decision at a relatively early date deciding the debatable questions, it might eliminate some of the proceedings in the district courts and circuit courts of appeals, and thereby avoid the expenditures which are now apprehended.

Mr. WAGNER. Exactly. I thank the Senator very much. May I ask the Senator a further question, he being an expert and I not an expert?

In view of the legal questions arising all over the country, if those questions shall multiply, as some apprehend, before the United States Supreme Court shall finally pass upon the question, and the sum provided shall prove insufficient properly to enforce the law or to enable the Board to be represented before the different courts in the prosecution of the law will the Board be absolutely helpless to continue? Will the Board then be paralyzed and unable further to function, or are there some other sources from which it may secure sufficient funds properly to protect those who are entitled to protection from the Government?

Mr. ADAMS. Mr. President, the idea of the committee was that Congress will be in session for some months, and that other appropriation bills, both regular and deficiency, will be under way, and the developments can then be met as they may arise. However, I will say for the members of the Appropriations Committee, and not going beyond its membership, that they were desirous of seeing that adequate funds were available for this board.

Mr. WAGNER. That was my understanding, and I wished to have that fact very clearly set forth. I thank the Senator from Colorado very much.

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

Mr. ADAMS. I yield.

Mr. BYRNES. One of the difficulties confronting the subcommittee with reference to this particular matter was that there was no estimate from the Budget Bureau for the addi-



tional amount, and, as the Senator from New York knows, we are precluded from going into matters when there is no estimate. The committee was greatly impressed by the showing made by the members of the Board, and it was suggested that they endeavor to have an estimate submitted by the Budget. Certainly my thought is—I am not speaking for the other members of the committee—that if the amount available shall prove insufficient to carry on the work of the Board, it will have an opportunity before there is another deficiency bill to present its cause to the Budget Bureau. I am satisfied the Budget Bureau must be impressed as we were impressed with the reasonableness of the request.

Mr. ADAMS. I may add that the members of the Board decided they would not make an appeal to the Budget Bureau at this time.

Mr. BYRNES. I think they went before the Budget Bureau, but the question was whether or not they would insist upon the matter going to the President with a request for another estimate.

Mr. GLASS. Mr. President, as a matter of fact, the committee authorized the chairman of the committee to communicate with the Budget Bureau and to ask them to hear the board members. They had stated to the committee that the Budget Bureau would not hear them, and the chairman of the committee communicated with the Budget Bureau, and the Budget Bureau agreed to hear them; but they did not reappear before the committee.

Mr. BYRNES. Mr. President, I must say that one member of the Board did communicate with me about the matter simply to state what I have now stated to the Senator—that they recognized that to have an estimate submitted the matter would have to be resubmitted to the President, and they thought it wiser to go ahead without an estimate being made at this time; that there is to be another deficiency bill, and if additional funds shall be necessary in order to maintain their organization they will then present their case to the Budget Bureau in the regular form.

Mr. WAGNER. I think it should be clearly stated also that it was not of its own initiative that the Board appeared before the subcommittee of the Committee on Appropriations seeking this additional appropriation. I requested that an invitation be extended to the Board to appear, which, of course, was readily assented to by the subcommittee, the members of which were extremely courteous in the matter, and I wish to express my appreciation of that courtesy.

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

Mr. GEORGE. Mr. President, I should like to ask the chairman of the committee or the Senator in charge of the bill if an item or a sum is included in the bill to compensate the ginners for extraordinary services rendered by them under the Cotton Control Act, the so-called Bankhead Act. If the Senator himself is not very familiar with the subject, I am sure some other Senator who is can furnish the information.

Mr. ADAMS. Mr. President, I think the junior Senator from Georgia [Mr. RUSSELL] had the matter of the ginners' appropriation up before the committee.

Mr. GEORGE. Was it included in the bill?

Mr. ADAMS. No. The junior Senator from Georgia, I understand, will offer an amendment.

Mr. RUSSELL. Mr. President, I send to the desk and ask to have stated the amendment which I offer.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 20, line 8, after the figures "1935" and before the period, it is proposed to add the following:

And shall remain available until expended, whether or not said act of April 21, 1934, as amended, continues in force and effect.

Mr. RUSSELL. Mr. President, there is some question as to whether the Comptroller would approve the expenditures incurred under the compulsory Cotton Control Act, commonly known as the Bankhead Act, if it should be declared uncon-

stitutional by the Supreme Court or repealed by the Congress. I am advised by the Department of Agriculture that if my amendment is adopted, it will obviate that difficulty and will assure the payment of this just claim against the Government.

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

Mr. RUSSELL. I yield.

Mr. BYRNES. May I ask the Senator from Georgia whether he has received the information which was communicated to the committee with reference to the amendment?

Mr. RUSSELL. I received a copy of a letter written to the committee, and I received a subsequent letter in which it was stated that there was some question whether the Comptroller would approve the expenditures if this legislation should be declared unconstitutional by the Supreme Court or repealed by the Congress, unless an amendment substantially in the form of the one I have offered should be adopted.

Mr. BYRNES. Mr. President, in a letter dated February 1, 1936, to Mr. Rea, the clerk of the Appropriations Committee, signed by Paul A. Porter, executive assistant to the Administrator, it is stated—

That out of the \$100,000,000 appropriated by section 12 (a) of that act there remains a sum clearly sufficient to carry out present commitments and obligations and to make the payment to ginners contemplated by the bill. The expenses of administering the Bankhead Act have amounted to more than the taxes collected.

If the Senator has any subsequent information, it is information of which I am not aware; but in this letter the committee was advised that the sum was sufficient to pay the ginners. I know the Senator is as interested as I am in knowing that the necessary amount is available.

Mr. RUSSELL. I have the letter referred to by the Senator from South Carolina; and I received a subsequent letter under date of February 1, which reads in part as follows:

While it may be urged that the provision in the bill constitutes a specific appropriation of a sufficient amount out of the funds available for administering the Bankhead Act to make the payments to the ginners and that this provision accordingly is an appropriation for a special purpose and therefore would not be affected in the event of the Bankhead Act being repealed or being declared invalid by the Supreme Court, it is by no means certain that the Comptroller General would not hold that the appropriation for the ginners lapses in such an event because it merely makes funds set aside for the expenses of administering the Bankhead Act available for this purpose and the entire appropriation would lapse and because section 17 (b) of the Bankhead Act makes it clear that the expenses of ginners which would be reimbursed under the provision in the bill are expenses incurred in connection with the administration of the Bankhead Act, as indicated by the language of section 17 (b).

There is no question that the language contained in the bill is sufficient, if the Bankhead Act is upheld by the Supreme Court or is not repealed by the Congress; but we have run into the difficulty of a possible adverse decision from the Comptroller General in the event the Bankhead Act is declared unconstitutional. The effect of the language of the amendment is clearly to make the appropriation available in the event the Bankhead Act is declared unconstitutional by the Supreme Court or repealed by Congress.

Mr. BYRNES. May I ask the Senator from Georgia who wrote the letter he has just read?

Mr. RUSSELL. Mr. Paul A. Porter, executive assistant to the Administrator. I think he signed the other letter to which the Senator from South Carolina referred.

Mr. BYRNES. That is true.

I wish to make a suggestion to the chairman of the subcommittee. I have not seen the letter from which the Senator from Georgia has read, and I do not know whether the Senator from Colorado has seen it; but, in view of the language read, I ask the Senator from Colorado if it might not be wise to accept the amendment of the Senator from Georgia. The House language, in the opinion of the House, was sufficient to authorize the payment of this money; but, if there is any doubt about it, certainly that doubt can be dispelled by ascertaining definitely from the Comptroller at once whether or not the amount is sufficient. If the amendment of the Senator from Georgia is adopted, the differences can be straightened out in conference with the conferees on the part of the House.



Mr. RUSSELL. If the amendment I have offered should be adopted, then there would be no question on earth that this fund would be available, without regard to the ultimate fate of the Bankhead Act.

Mr. ADAMS. With the understanding that the matter shall be gone over in order to reconcile the situation, I have no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I am authorized by the committee to offer the amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 69, after line 13, it is proposed to insert a new section, as follows:

SEC. 7. That section 1 of the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, be, and the same is hereby, amended by inserting at the end of the first proviso of the second paragraph thereof, a new proviso as follows: "Provided further, That the apportionment requirements of this paragraph shall not apply to loans or grants, or both, to States under limitation (g) of the first paragraph of this section, for public highways and related projects, including grade crossings."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

Mr. HAYDEN. Mr. President, the object of the amendment is to make clear the intent of Congress in the enactment of the legislation which it seeks to amend. The Senate will remember that in the original appropriation of \$3,300,000,000, \$400,000,000 was definitely earmarked for highways in a subsection of the National Industrial Recovery Act of 1933. It was specified in that act that the money appropriated by that subsection should be apportioned among the States according to their area, their population, and their mileage of post roads. When Congress subsequently made the appropriation of \$4,000,000,000 in the Emergency Relief Act of 1935, we, in a measure, earmarked \$800,000,000 for Federal-aid highways, placing a limitation of not more than that sum for public roads and related projects, but the act did not refer directly to the subsection that specified the \$800,000,000. Therefore, the Comptroller General took the position that the only money which could be expended upon the Federal-aid system was money apportioned among the States. It is to correct that situation that I offer this amendment. A complete justification for it will be found in the hearings before the Senate Committee on Appropriations on this deficiency bill.

Mr. McNARY. Mr. President, I join with the Senator in the effort to have the amendment adopted in order to remedy the situation brought about by the rulings of the Comptroller General, a situation not contemplated by Congress when the bill was passed. I hope the amendment may be attached to the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. NORRIS. Mr. President, I am going to offer an amendment to the bill. A provision similar to the amendment I offer was included in the bill at the last session, and I do not know that there is any objection to it. For some reason the provision is not now in the bill, but it was in the bill which was defeated as the result of a filibuster. I send the amendment to the desk and ask for its adoption.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, after line 20, it is proposed to insert the following:

#### PRINTING AND BINDING

For the printing of 1,000 additional copies of each of those numbers of Senate Document 92, Seventieth Congress, first session, which are out of print or the supply of which is about to be exhausted, \$50,000; and for the purpose of printing 10,000 additional copies of No. 71-A of Senate Document 92, Seventieth Congress, first session, \$2,800.

Mr. NORRIS. The documents referred to are reports made to the Congress by the Federal Trade Commission in connection with its investigation of the water-power question. They have been exhausted, and there is a great demand for them still coming in.

Mr. ADAMS. Mr. President, that item was included in the deficiency bill at the last session?

Mr. NORRIS. It was in that bill, in the identical language, I think, in which I have now offered it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska. The amendment was agreed to.

Mr. McNARY. Mr. President, I should like the attention for a moment of the Senator from Colorado. Early in the present session I introduced a bill to provide for certain benefit payments to farmers who conformed to the A. A. A. Act which was held unconstitutional in the case of the United States against William M. Butler et al. The committee reported the bill favorably, and it is now on the calendar. A similar bill passed the House carrying a different sum than the one contained in the bill which I offered. I observe on page 20 of the pending bill a sum is appropriated which is probably sufficient to meet the situation; but is the language complete in itself without providing for an authorization bill, legislative in character? I ask that question of the Senator who is in charge of the bill.

Mr. ADAMS. All I can say is that was the understanding of the committee in including the item in the bill. It came from the House and was intended to cover that purpose.

Mr. McNARY. The bill that I proposed was general in character. But in line with a letter from Mr. Chester Davis, Agricultural Adjustment Administrator, I was going to propose an amendment as a substitute, but I understand the committee language will take care of certain unexpended balances, and the transfer of certain records. I do not care to pursue that course if the language is sufficiently general and specific in the appropriation bill. That is the reason I have propounded the question to the Senator in charge of the bill.

Mr. ADAMS. I will state to the Senator that I have stated my judgment about it; but I do not presume to have accurate knowledge concerning it, and I should not like to have the Senator rely on what is an understanding rather than the result of careful study.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question on that point?

Mr. ADAMS. Certainly.

Mr. VANDENBERG. Would the Senator say that obligations incurred under the Jones-Costigan Sugar Control Act would be included within the language on page 20, to which he has just been referring?

Mr. ADAMS. Does the Senator see any ground of distinction between those payments and the others?

Mr. VANDENBERG. No; not in principle, but in definitions there might be. I find that this refers to obligations incurred under the provisions of the Agricultural Adjustment Act.

Mr. ADAMS. The Jones-Costigan Act was an amendment to the Agricultural Adjustment Act.

Mr. VANDENBERG. So that the Senator's opinion is that obligations under the Jones-Costigan Act would be included in the general terms?

Mr. ADAMS. Yes.

Mr. HAYDEN. By direction of the committee, I offer a further amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 27, line 15, after the figures "\$350,000", it is proposed to insert a colon and the following proviso:

Provided, That this appropriation may be expended without the matching requirement by the States cooperating under the existing appropriations of Congress for vocational rehabilitation.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.



Mr. BONE. Mr. President, I should like to ask the Senator from Colorado about an item appearing on page 11, dealing with grants to the States for old-age assistance. Our fiscal year begins July 1, and this language is unchanged from that which appeared in the bill that was under debate here when the last session closed. I wish to ask the Senator whether he thinks the money made available by the Congress to States for old-age assistance would be available to those States as of date of July 1, because many States which have State old-age-pension systems, such as my own State of Washington, are desirous of securing this Federal contribution. Both Senators from Washington, at any rate, are very much interested in ascertaining whether or not this money would be made available in a retroactive way to the States, including my own State, that have provided money to make old-age payments.

Mr. ADAMS. I think the answer is rather completely contained in the paragraph. We are dealing with the deficiency bill for the fiscal year which began July 1, 1935, and will end on July 1, 1936. This provision makes the appropriation for that fiscal year to be expended as authorized by the Social Security Act. So that whatever was authorized by the Social Security Act would be included within this appropriation, and, therefore, the only limitation would be the limitation in the Social Security Act.

Mr. BONE. Then, I take it, the Senator's view is that the States such as the State of Washington would have this money made available to them to take up, if possible, some of these back payments?

Mr. ADAMS. I think so, unless the Social Security Act in itself provides a limitation.

Mr. HAYDEN. On page 27, line 19, I move to strike out "\$4,500" and insert "\$9,000", which is the Budget estimate. I do not know why the House cut that item in half. I should like to have the amendment taken to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona. The amendment was agreed to.

Mr. McADOO. I offer an amendment to the pending bill and ask that it be read.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 5, after line 4, it is proposed to insert the following:

#### CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

For the purpose of carrying into effect the provisions of the act entitled "An act 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", approved —, and for each and every object authorized by said act, \$75,000, together with the unexpended balance of the appropriation for the California-Pacific International Exposition held in 1935 as contained in the act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, to remain available until June 30, 1936.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California [Mr. McADOO].

Mr. McNARY. Mr. President, earlier in the day the senior Senator from California [Mr. JOHNSON] had passed a bill relating to this matter. Whether the bill provides authorization for an appropriation I am not advised. Is the Senator familiar with the measure his colleague had passed this morning?

Mr. McADOO. I did not catch the Senator's question.

Mr. McNARY. Is the amendment now offered by the Senator the same as the bill passed earlier in the day on motion of the senior Senator from California?

Mr. McADOO. The senior Senator from California offered a bill, which was unanimously passed by the Senate, authorizing the appropriation that now I am trying to have included in the deficiency bill. A bill authorizing this appropriation

has passed the House and has also passed the Senate. I merely want to add to the pending bill a \$75,000 item.

Mr. McNARY. Then the bill passed on motion of the senior Senator from California [Mr. JOHNSON] earlier in the day was an authorization of the amount now proposed to be appropriated by the junior Senator from California?

Mr. McADOO. Yes. This is merely effectuating the appropriation authorized by the bill to which the Senator refers, and which has passed the House previously and passed the Senate today.

Mr. McNARY. What is the amount involved?

Mr. McADOO. Seventy-five thousand dollars.

Mr. KING. Mr. President, will the Senator yield for an inquiry?

Mr. McADOO. Certainly.

Mr. KING. My recollection is we made a very liberal appropriation sometime ago for the San Diego Exposition. Why is the Senator asking for additional appropriations?

Mr. McADOO. The original appropriation was to carry the exposition through to the closing date last year, but there has been an insistent demand that the exposition be carried on for another 6 months. The Government's exhibits and the necessary attendance and attention required for them constitute the reason why this additional appropriation is asked. It is all for educational purposes.

Mr. KING. Was not the enterprise self-supporting? Were not the receipts sufficient, as they were at Chicago, to pay all expenses?

Mr. McADOO. I cannot answer the Senator specifically on that point. The purpose is to assist in carrying forward the exposition for another 6 months. The Government has erected a very fine building there out of the \$350,000 heretofore appropriated. This was done in accordance with the act of Congress. The amount which has been approved by both Houses is a very modest sum to enable us to continue the Government exhibits to the conclusion of the exposition.

Mr. ADAMS. Mr. President, will the Senator from California yield?

Mr. McADOO. Certainly.

Mr. ADAMS. Earlier in the day the Senate unanimously passed a measure authorizing the appropriation. I understand this item is fully in accord with that bill.

Mr. McADOO. It is intended to be, and I believe it is.

Mr. ADAMS. If it is in accord with that bill, it would, of course, meet the approval of the Appropriations Committee.

Mr. McADOO. The amendment has that distinct object in view.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

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

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 3, lines 7, 8, and 9, to strike out the words, "attorneys of record for the contestant and the memorialists, to wit: Grant T. Hall, George H. Williams, and Thomas H. Barnett" and to insert in lieu thereof the words "attorney of record for the contestant, to wit: Grant T. Hall"; and in lines 12 and 13, to strike out "each; in all, \$1,800", so as to make the paragraph read:

For payment to attorney of record for the contestant, to wit: Grant T. Hall, for services rendered and expenses incurred in the contested-election case resulting from the election of a United States Senator from West Virginia on November 6, 1934, fiscal year 1936, \$600.

Mr. HOLT. Mr. President, Williams and Barnett came before the Senate committee representing neither Mr. Hatfield nor myself. They came claiming to be so-called friends of the court. Mr. Barnett presented a petition signed by 97 men whom he and Mr. Williams were supposed to represent. Seven of the men claim their names were forged on the petition, 2 of them are dead, and we could not find out about the other 88.



I am perfectly willing for Mr. Hall to be paid, because he did present Mr. Hatfield's petition legally and rightfully, but the other two men should not be paid because such a payment would create a precedent allowing any lawyer to come before the Senate committee and claim to represent a group of citizens or themselves, and ask to be paid by the Senate for their services. For that reason I am asking that the two names be stricken from the item.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from West Virginia.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I ask unanimous consent that the clerks be authorized to correct the totals and renumber the sections where necessary.

The PRESIDENT pro tempore. Without objection, it is so ordered. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### 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.

#### AGRICULTURAL RELIEF

Mr. ROBINSON. I move that the Senate proceed to the consideration of the bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation, being the bill introduced by the Senator from Alabama [Mr. BANKHEAD] for the purposes indicated by its title.

I may state that the author of the bill is ill today and not able to be present. It is my thought that the bill may be made the unfinished business and that after an executive session a recess may then be taken until tomorrow when the bill may be proceeded with if the Senator from Alabama is able to be present. It may be desirable to lay aside the unfinished business and take up another appropriation bill in the meantime.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. RUSSELL. Mr. President, I desire to offer an amendment to the pending bill and ask that it be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

#### LIMITATION OF POWER OF SUPREME COURT TO DECLARE LAWS UNCONSTITUTIONAL

Mr. POPE. Mr. President, I desire to speak briefly in behalf of a bill which I am about to introduce.

Mr. President, May 29, 1787, Edmund Randolph laid before the Constitutional Convention a resolution giving the Supreme Court power to pass upon acts of Congress. The power proposed to be granted was the exercise of a suspensive veto by a committee of the Court, and Congress could override the veto by a vote to be determined by the Convention. The Convention rejected the proposal by a vote of 8 to 3 after full debate, believing it "quite foreign from the nature of offices of judges to make them judges of the policy of public measures." I suspect that the Constitutional Convention prophetically anticipated that an inordinately powerful judiciary would some day make the general welfare of the Union subservient to the palsied hand of out-worn tradition and to the letter which killeth.

In the case of the United States of America against Hoosac Mills Corporation, the Supreme Court interpreted the letter of the Constitution as an unyielding bar to any control of agricultural production by the Government of the United States. The majority said:

From the accepted doctrine that the United States is a Government of delegated powers, it follows that those not expressly granted, or reasonably to be implied from such as are conferred, are reserved to the States or to the people. \* \* \* The same proposition, otherwise stated, is that powers not granted are prohibited. None to regulate agricultural production is given, and therefore legislation by Congress for that purpose is forbidden.

Mr. President, since the United States ceased to have frontiers, since the phrase "Westward Ho" was dropped from our vocabulary, the agricultural industry, representing some 31,000,000 people, has pleaded for legislation which would give to those who produce our food and raiment the same advantages in production and marketing as are enjoyed by their industrial brethren. The Agricultural Adjustment Act gave them those privileges, and they have now been taken away.

The basic truth of Adam Smith's theories of supply and demand has in no wise been weakened; and it is inconceivable to me that agricultural prices can be improved unless through the coordination of tangible supply with effective demand.

In his eighth annual message to Congress, President George Washington had this to say of agriculture:

It will not be doubted, that, with reference either to individual or national welfare, agriculture is of primary importance. In proportion as nations advance in population and other circumstances of maturity, this truth becomes more apparent, and renders the cultivation of the soil more and more an object of public patronage. Institutions for promoting it grow up, supported by the public purse; and to what object can it be dedicated with greater propriety? Among the means, which have been employed to this end, none have been attended with greater success than the establishment of boards, composed of proper characters, charged with collecting and diffusing information, and enabled by premiums, and small pecuniary aids, to encourage and assist a spirit of discovery and improvement. This species of establishment contributes doubly to the increase of improvement, by stimulating to enterprise and experiment, and by drawing to a common center the results everywhere of individual skill and observation, and spreading them thence over the whole Nation. Experience accordingly has shown, that they are very cheap instruments of immense national benefits.

Nevertheless, the Supreme Court has placed agricultural production beyond the will of Congress. Nature has placed it beyond the power of States. It seems, therefore, appropriate to go to the root of the problem, the judiciary, for a solution.

There are those who would place the halo of sanctity on the pronouncements of the Supreme Court as expositions of basic, fundamental, and eternal truths. If there existed a metaphysical body of eternal law from which decisions could be drawn, I should not for a moment question the decision. The dissent of three able jurists, however, indicates either that no such body of law exists or that our judiciary is not uniformly endowed with psychic power.

I do not for a moment lack in respect for judicial authority, and my knowledge would suffer in comparison with that of the Justices. I am impelled to speak, however, by a statement by Thomas Jefferson in 1820:

You seem—

Jefferson said—

to consider the Judges as the ultimate arbiters of all constitutional questions—a very dangerous doctrine, indeed, and one which would place us under the despotism of an oligarchy. Our Judges are as honest as other men, and not more so. They have, with others, the same passions for party, for power, and the privilege of their corps. Their maxim is, "Boni judicis est ampliare jurisdictionem"; and their power is the more dangerous as they are in office for life, and not responsible, as the other functionaries are, to the elective control. The Constitution has erected no such single tribunal, knowing that, to whatever hands confided, with the corruption of time and party, its members would become despots. It has more wisely made all the departments coequal and co-sovereign within themselves.

Lest my motives be questioned on the ground of party passion, permit me to recall Abraham Lincoln's comment on another famous case, the Dred Scott decision:

Judicial decisions are of greater or less authority as precedents according to circumstances. That this should be so accords both with common sense and the customary understanding of the legal profession.

If this important decision had been made by the unanimous concurrence of the Judges, and without any apparent partisan bias,



and in accordance with legal public expectation, and with the steady practice of the departments throughout our history, and had been in no part based on assumed historical facts which are not really true; or, if wanting in some of these, it had been before the Court more than once, and had there been affirmed and reaffirmed through a course of years, it then might be, perhaps, would be, factious, nay even revolutionary, not to acquiesce in it as a precedent.

But when, as is true, we find it wanting in all these claims to the public confidence, it is not resistance, it is not factious, it is not even disrespectful, to treat it as not having yet quite established a settled doctrine for the country.

I do not regard a decision apparently barring all governmental assistance to agriculture as the settled doctrine of the country. Neither do I desire to place this Nation under the absolute rule of nine men, however wise, where rules are grounded in nothing more firm than majority opinion. The people of the United States demanded in overwhelming majority just such an agricultural program as was given them. Two years later they approved it, in my opinion, by an even greater majority.

Mr. HATCH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from New Mexico?

Mr. POPE. I do.

Mr. HATCH. Not having had the benefit of the Senator's entire remarks, I desire to ask him a question. He has just stated that he did not regard as sound the decision which barred all aid and assistance to agriculture, or words to that effect. Does the Senator from Idaho regard the recent decision as barring all aid and assistance to agriculture by Congress?

Mr. POPE. If one follows the strict language of the Supreme Court which I have already quoted, I think he must come to that conclusion. I will say, however, that certain other language was used by the Court indicating that perhaps a distinction would be made in case of grants upon conditions.

Mr. HATCH. It is not the Senator's opinion, then, that all avenues of aid to agriculture are closed by the decision?

Mr. POPE. I expect later to say something with reference to the bill which is now the unfinished business of the Senate. I shall then point out that I believe there is good reason to think the Supreme Court would not follow the strict language which I think is the heart of its decision, and which I have already quoted, but might make a distinction which would permit the pending bill to be held constitutional.

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

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Utah?

Mr. POPE. I do.

Mr. KING. I regret to interrupt the Senator, and would not do so had not my friend from New Mexico set the example.

Mr. HATCH. Mr. President, if the Senator will yield just a moment, the Senator from New Mexico does not wish to be charged with setting the example of interrupting Senators.

Mr. KING. It was a good example in this instance.

The Senator from Idaho referred to Abraham Lincoln's condemnation of the Dred Scott decision.

Mr. POPE. Yes.

Mr. KING. I think the Senator must confess that even Presidents may sometimes permit their views, partisan or nonpartisan, to lead them into criticisms that may not be vindicated. I think time has vindicated the decision of Chief Justice Taney. Everybody, I think, who is familiar with constitutional law, concedes that Chief Justice Taney gave a proper interpretation of the Constitution of the United States in that case.

The Senator also referred to the statement by Thomas Jefferson. I do not know anyone who more greatly reveres Thomas Jefferson than myself; and yet Thomas Jefferson upon occasions made statements quite at variance with the one to which the Senator has referred. The Senator will recall that for many years Mr. Jefferson violently criticized Chief Justice Marshall, and we all know that between those

two great men there was a very bitter feeling. Mr. Jefferson, with all his statesmanship, his love of liberty, and his announcement of the principles which find expression in the Declaration of Independence, was not always right in his appraisal of judicial questions; and, as stated, upon occasions he made statements at variance with the one to which the Senator referred.

Mr. POPE. I will say to the Senator I have no doubt that Presidents are human, as Justices of the Supreme Court are human; but I submit this language of these two eminent statesmen as being very well reasoned and applicable to the present situation.

Fundamentally, sovereignty is vested in the people of a democracy. I hope such an investiture shall be made a living force in our national affairs rather than a tradition to which lip service occasionally is paid. The House of Representatives, the Senate, and the President are authorized representatives of the American people, and are held responsible to them. It is incongruous, inappropriate, and out of accord with the spirit of our Constitution that their enactments shall be swept aside on the basis of a majority judicial opinion.

The Constitution itself has given Congress power to deal with this situation, and the Supreme Court recognized the congressional prerogative. In the case of *Ex Parte McCordle* (74 U. S. 513), Chief Justice Chase said:

It is quite true \* \* \* that the appellate jurisdiction of this Court is not derived from acts of Congress. It is, strictly speaking, conferred by the Constitution. But it is conferred "with such exceptions and under such regulations as Congress shall make."

The advances of time and the battles of party have gradually undermined procedural democracy. The people of my State, in my opinion, demand a change, and I endeavor to voice their wishes.

I send to the desk a bill which I introduce, and ask unanimous consent to have it printed in the Record following my remarks.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Idaho?

There being no objection, the bill (S. 3912) to amend the Judicial Code was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That section 215 of the Judicial Code (sec. 321, title 28, U. S. C., 1934 ed.) is hereby amended by adding the following:

"In cases arising under the Constitution or involving the constitutionality of an act of Congress, the concurrence of more than two-thirds of the Justices present shall be required to hold unconstitutional any law enacted by Congress."

#### PROPOSED REPEAL OF CERTAIN ACTS OF CONGRESS

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Agriculture and Forestry, as follows:

*To the Congress:*

I recommend to the Congress the prompt repeal of the act of April 21, 1934, as amended, known as the "Bankhead Cotton Act"; of the act of June 28, 1934, as amended, known as the "Kerr-Smith Tobacco Act"; and of title II of the act of August 24, 1935, known as the "Potato Act of 1935." This recommendation is made because of the termination of the programs of agricultural production adjustment under the act of May 12, 1933, as amended, known as the "Agricultural Adjustment Act", to which the three acts mentioned were auxiliary.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 3, 1936.

#### REPORT OF ASSISTANT DIRECTOR GENERAL OF RAILROADS

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Interstate Commerce, as follows:



*To the Congress of the United States:*

I transmit herewith for the information of the Congress the annual report of the Assistant Director General of Railroads for the calendar year 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 3, 1936.

(NOTE.—Report accompanied similar message to the House of Representatives.)

CLAIM OF HOMER BRETT, ESQ.

The PRESIDENT pro tempore 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 enclose herewith a report which the Secretary of State has addressed to me in regard to a claim of Homer Brett, Esq., American consul at Rotterdam, Netherlands, for the sum of \$116.58, such sum representing the unrecovered amount stolen when, on the night of September 27, 1935, burglars entered the consulate with a false key to the front door and with a powerful tool cut open the back of the safe and abstracted therefrom the iron cash box containing such money.

In view of the fact that the funds were in a locked iron cash box enclosed in a safe provided by the Government, it is apparent that no negligence can properly be imputed to Consul Brett, and, since he made good the loss so occasioned, I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to relieve this officer of the Government of the burden such loss has occasioned.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 3, 1936.

(Enclosures: Report of Secretary of State, with enclosures.)

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. ASHURST (for Mr. DIETERICH), from the Committee on the Judiciary, reported favorably the following nominations:

Robert P. Butler, of Connecticut, to be United States attorney, district of Connecticut; and

Mell G. Underwood, of Ohio, to be United States district judge, southern district of Ohio, vice Benson W. Hough, deceased.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Bernard Fitch, of Connecticut, to be United States marshal for the district of Connecticut.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment in the Regular Army.

He also, from the same committee, reported favorably the nomination of Maj. Gen. Dudley Jackson Hard, Ohio National Guard, to be major general, National Guard of the United States.

He also, from the same committee, reported favorably the following nominations:

Brig. Gen. Henry Gibbins, assistant to the Quartermaster General, to be Quartermaster General, with the rank of major general, for a period of 4 years from date of acceptance, with rank from April 1, 1936, vice Maj. Gen. Louis H.

Bash, Quartermaster General, to be retired March 31, 1936;

Col. Frederick Wegener Boschen, Finance Department, to be Chief of Finance, with the rank of major general, for a period of 4 years from date of acceptance, with rank from April 23, 1936, vice Maj. Gen. Frederick W. Coleman, Chief of Finance, whose term of office expires April 22, 1936; and

Col. Augustus Bennett Warfield, Quartermaster Corps, to be assistant to the Quartermaster General, with the rank of brigadier general, for a period of 4 years from date of acceptance, vice Brig. Gen. Henry Gibbins, assistant to the Quartermaster General, nominated for appointment as Quartermaster General.

The PRESIDENT pro tempore. The reports will be placed on the calendar.

If there are no further reports of committees, the calendar is in order.

THE JUDICIARY

The legislative clerk read the name of Gustav Peck, of New York, to be a member of the Prisons Industries Reorganization Board.

Mr. COPELAND. Mr. President, on Friday I asked that this nomination and the next one go over. I am very happy to recommend now that the nominations be confirmed. These appointees are splendid men, and I think their nominations should be confirmed.

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

The legislative clerk read the nomination of James P. Davis, of New York, to be a member of the Prisons' Industries Reorganization Board.

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

EUGENE C. JONES

The legislative clerk read the nomination of Eugene C. Jones to be postmaster at North, S. C.

Mr. McKELLAR. Mr. President, at the request of one of the Senators from South Carolina I ask that this nomination go over.

The PRESIDENT pro tempore. Without objection, the nomination will be passed over.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Cornelius Van H. Engert, of California, to act as Minister Resident and consul general of the United States of America to Ethiopia.

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

The legislative clerk read the nomination of H. Earle Russell, of Michigan, to be secretary in the Diplomatic Service of the United States of America.

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

The legislative clerk read the nomination of Henry S. Villard, of New York, to be secretary in the Diplomatic Service of the United States of America.

Mr. COPELAND. Mr. President, I understand that Mr. Villard, who is accredited to New York, is a career man, and therefore I shall not interpose objection. I say this because whenever an appointment of a man from New York comes before us I take rather seriously my constitutional obligation that the appointment must be in line with the advice of the Senate, and I take it that as to the appointment of men who come from the State of New York my colleague and I must in some way convey to the Senate our wishes and desires regarding the appointment, because we are theoretically better informed to pass upon them than are other Senators. Having made that statement, I wish to say that, Mr. Villard being a career man, I have no objection to the confirmation of his nomination.

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

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.



Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

Mr. NORRIS. Mr. President, before that request is granted, I should like to see a list of the nominees.

Mr. McKELLAR. There are three from Nebraska.

Mr. NORRIS. I ask that the nomination of the postmaster at Cody, Nebr., be not included in the request for unanimous consent.

Mr. McKELLAR. I omit that nomination and ask that the others be confirmed en bloc.

Mr. NORRIS. I ask that the appointment of the postmaster at Cody, Nebr., go over.

The PRESIDENT pro tempore. Without objection, the nomination for postmaster at Cody, Nebr., will be passed over, and, without objection, all the other nominations of postmasters are confirmed en bloc.

#### RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 1 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 4, 1936, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate February 3 (legislative day of Jan. 16), 1936*

##### RESETTLEMENT ADMINISTRATION

The following-named persons to be regional directors of the Resettlement Administration:

Robert W. Hudgens, of South Carolina, vice Philip Weltner.

Lillo H. Hauter, of New Mexico.

Jonathan Garst, of California.

##### CENTRAL STATISTICAL BOARD

Stuart A. Rice, of Pennsylvania, to be Chairman of the Central Statistical Board.

##### UNITED STATES DISTRICT JUDGE

Matthew T. Abruzzo, of New York, to be United States district judge for the eastern district of New York, under authority granted by Public, No. 385, an act to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York, approved August 28, 1935.

##### ATTORNEY GENERAL OF PUERTO RICO

Benigno Fernandez Garcia, of Puerto Rico, to be attorney general of Puerto Rico. (Mr. Garcia is now serving under a recess appointment.)

##### APPOINTMENT IN THE REGULAR ARMY

###### MEDICAL CORPS

*To be first lieutenant with rank from date of appointment*

First Lt. Oscar Samuel Reeder, Medical Corps Reserve.

##### APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

###### TO QUARTERMASTER CORPS

Maj. Joseph William George Stephens, Infantry, with rank from March 22, 1928.

Capt. John Orn Roady, Infantry, with rank from January 22, 1929.

Capt. William Edward Smith, Infantry, with rank from January 11, 1933.

###### TO CORPS OF ENGINEERS

First Lt. Cyrus Lawrence Peterson, Coast Artillery Corps, with rank from August 1, 1935.

Second Lt. Charles Warren Schnabel, Cavalry, with rank from June 12, 1934.

###### TO CAVALRY

Maj. Edwin Eugene Schwien, Infantry, with rank from March 9, 1929.

###### TO COAST ARTILLERY CORPS

Second Lt. Charles John Bondley, Jr., Infantry, with rank from June 12, 1934, effective June 12, 1936.

#### TO INFANTRY

First Lt. Andrew Mark Wright, Jr., Signal Corps, with rank from August 1, 1935.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate February 3 (legislative day of Jan. 16), 1936*

##### PRISONS INDUSTRIES REORGANIZATION BOARD

Gustav Peck to be a member of the Prisons Industries Reorganization Board.

James P. Davis to be a member of the Prisons Industries Reorganization Board.

##### DIPLOMATIC AND FOREIGN SERVICE

Cornelius Van H. Engert to act as minister resident and consul general of the United States of America to Ethiopia.

E. Earle Russell to be a secretary in the Diplomatic Service of the United States of America.

Henry S. Villard to be a secretary in the Diplomatic Service of the United States of America.

##### POSTMASTERS

###### COLORADO

Lloyd W. Failing, Craig.

Mae L. Sharpe, Gilman.

Ira O. Martin, Keenesburg.

###### MISSOURI

William H. Kendrick, La Belle.

###### MONTANA

Stephen Nuereberg, Missoula.

###### NEBRASKA

Henry C. Paquin, Dakota City.

Edna M. Miner, Ericson.

###### NEW YORK

Francis D. Lynch, Stony Point.

###### NORTH DAKOTA

Mary M. Held, Beulah.

Janette O. Gray, Wilton.

###### RHODE ISLAND

Edgar J. Peloquin, Manville.

###### UTAH

William L. Sargent, Coalville.

###### VERMONT

James J. Ransehausen, Bridgewater.

#### WITHDRAWAL

*Executive nomination withdrawn from the Senate February 3 (legislative day of Jan. 16), 1936*

##### POSTMASTER

###### NORTH DAKOTA

Florence M. Law to be postmaster at Halliday, in the State of North Dakota.

## HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 3, 1936

The House met at 12 o'clock noon.

Rabbi Edward Sandrow, of the Ahavai Sholom Congregation, Portland, Oreg., offered the following prayer:

Almighty God, Father of all men regardless of race, color, or creed, we invoke Thy blessing upon this assemblage of American leaders, the Representatives of the masses of people of our beloved country. Inspire, we pray Thee, these men and women to the realization that in spite of economic turbulence, in spite of national and international uncertainty, America, if it has faith in its past, if it clings to those lofty principles of liberty, tolerance, and democracy upon which this Nation was founded; if it stands united, wholeheartedly firm and cooperative, as did the fathers of this Nation when they laid down their lives for political liberty and freedom of conscience; if it has hope, if it has